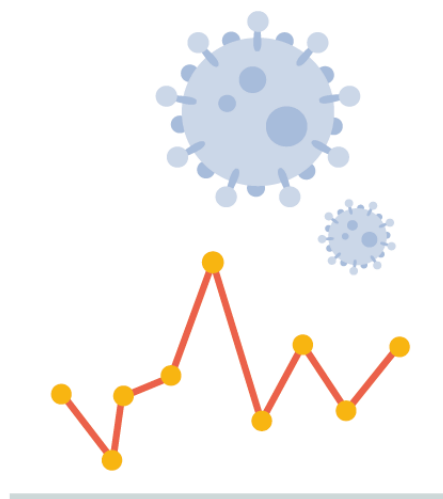


## Provident Fund Scheme for Workers in the Public Services

**To proceed well with risk management,  
long-term retirement investment  
should be considered**

The global investment market substantially fluctuates due to factors such as the recent Novel coronavirus pneumonia pandemic.



Members should manage risks through the following strategies.

# 1

## To take a long-term view on retirement investment

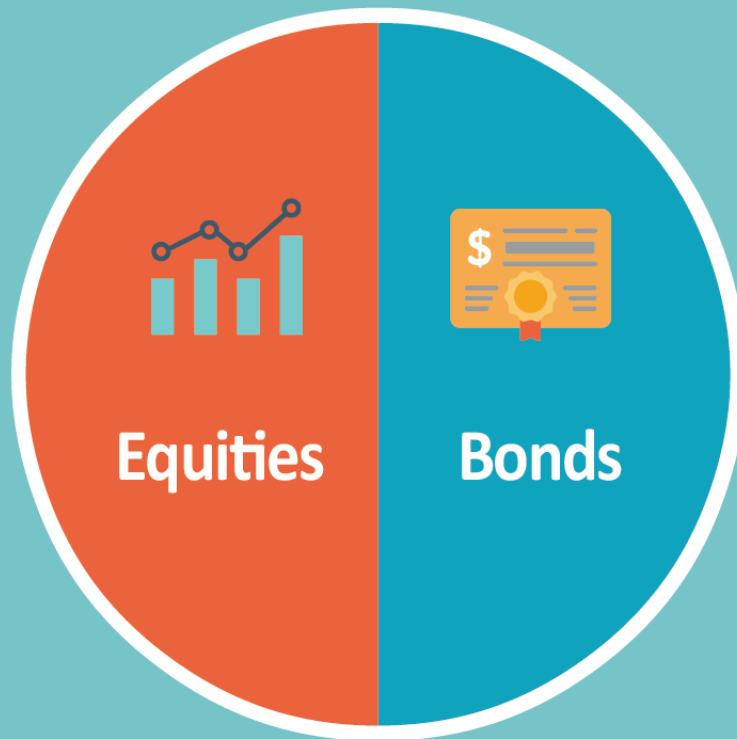
Generally speaking, investors are unable to accurately predict the best timing for buying and selling assets.



Lets look back at the history. Although the global equity market may severely fluctuate in the short term , the trend will still be upward in the long run .



When facing volatile market conditions, members should keep calm and their plans of retirement investment should not be affected. In addition, when the market is comparatively volatile, members should not make switching decisions by trying to time short-term market trends .

# Combination of equities and bonds can help diversify risks



The correlation between **equities**  and **bonds**  is relatively low. Combining equities and bonds in a portfolio for retirement investment can help **lower volatility**, effectively **reducing the risks of the overall portfolio**.

# 3

## To invest continuously by using “Dollar cost averaging” method

“Dollar cost averaging” is a long-term investment strategy by investing a fixed amount of money on a regular schedule .

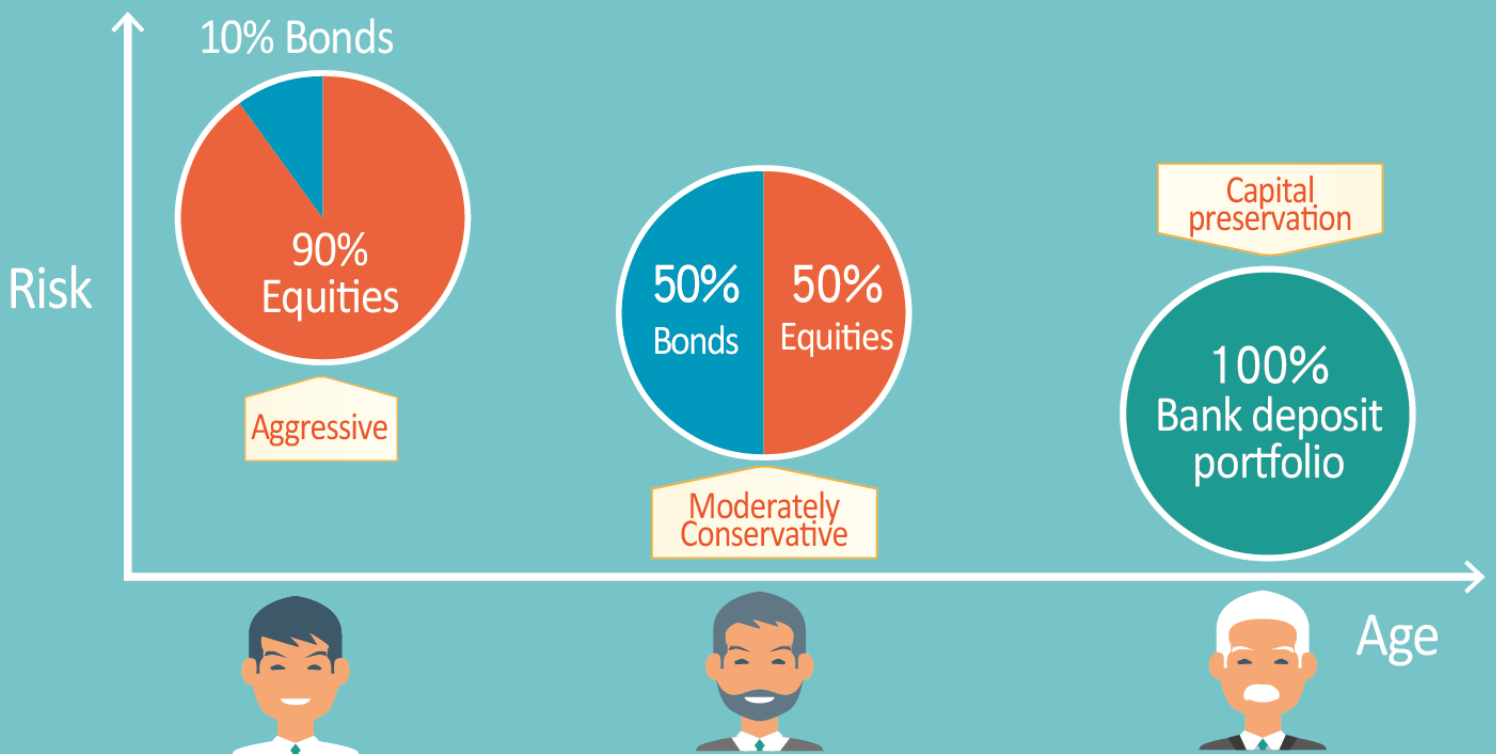


The cost of fund unit prices subscribed will be averaged out in the long run. The impact of short-term market fluctuations on an investment portfolio can be mitigated then.

# 4

## To allocate assets according to different life stages

Members should regularly review their investments of the Provident Fund according to personal situations and risk tolerance levels, so as to have asset allocation that suits their own needs.



As the years to retirement get closer, members should increase the holding of income assets in their portfolios.



Understand your own risk tolerance level



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