

Important Notes

- You should consider your own risk tolerance level and financial circumstances before making any investment choices or investing according to the Default Investment Strategy. When, in your selection of funds or the Default Investment Strategy, you are in doubt as to whether a certain fund or the Default Investment Strategy is suitable for you (including whether it is consistent with your investment objective), you should seek financial and / or professional advice and choose the investment choice(s) most suitable for you taking into account your circumstances.
- In the event that you do not make any investment choices, please be reminded that your contributions made and / or accrued benefits transferred into the Plan will be invested in accordance with the Default Investment Strategy, which may not necessarily be suitable for you. Please refer to the section headed "Default Investment Strategy" in the principal brochure of BCT (MPF) Pro Choice and BCT (MPF) Industry Choice for further information.
- Investment involves risks. Past performance is not indicative of future performance.

BCT Tax Deductible Voluntary Contribution



Full version of TV commercial



Click here

What is TVC



Click here

Louis Cheung Shows You How to "Do it right, save more"

MPF Tax Deductible Voluntary Contributions ("TVC") was launched on 1 April 2019, BCT invited Louis Cheung (張繼聰) as tax-saving ambassador, to encourage the public to make use of TVC in relieving short term tax-paying burden while increasing retirement savings in the long run.

BCT launched new advertising campaign #供得啱慳得返 ("Do it right, save more") featuring the popular melody of "Virtues of Harmony"《皆大歡喜》, to remind the public that making TVC could save tax of over \$10,000, relieving the tax-paying burden at year end! Experience BCT's "Tax-saving eChannel" to enjoy the seamless online account registration in 3 steps (fill, upload, eSign). Agile, simple, your say!

Meet Louis and Piggy Army at various channels including TVB, MTR stations, bus wrapper, Facebook, Youtube, and other online media.

Clearing Misconceptions about TVC

1. The new tax concession offers a tax deduction of \$60,000, would it affect the existing tax deduction of \$18,000?

Not at all. There has always been a tax deduction limit of \$18,000 to mandatory contributions made to MPF schemes. With the current arrangement, there would be another \$60,000 tax deduction limit available to voluntary contributions made, making the total limit \$78,000. But don't forget, claims for both deductions need to be made when you report your personal income tax.

2. We saw that many MPF companies have launched different offers. Should we make a decision to contribute based on the bonus units rebates?

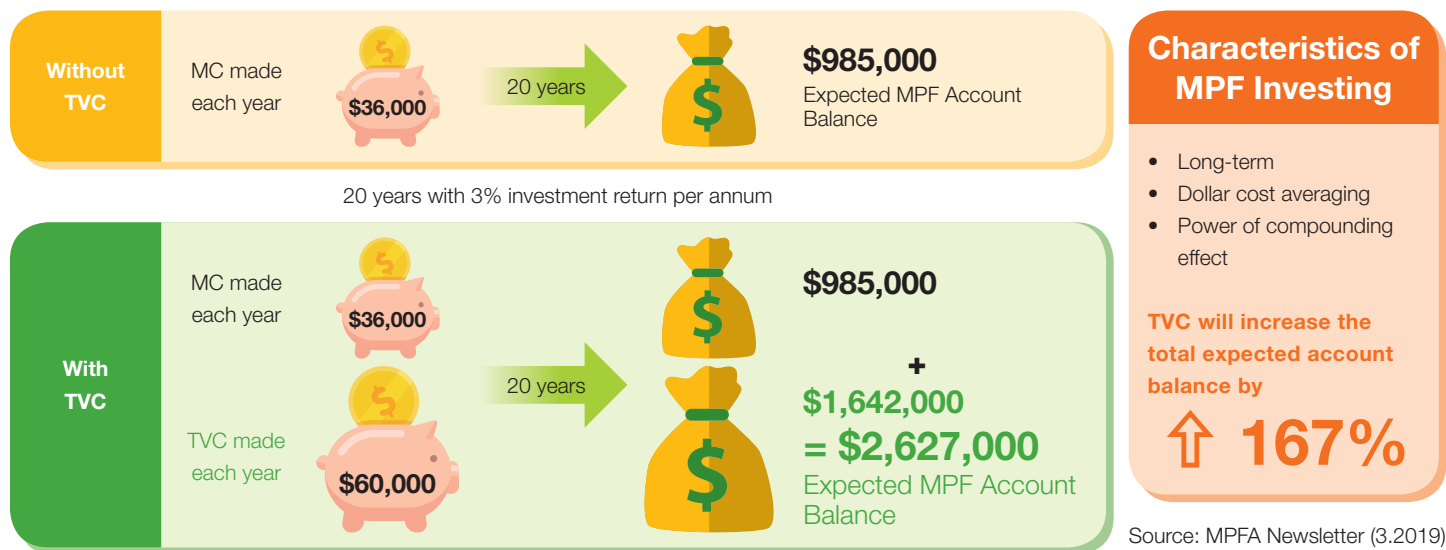
A decision should be made according to your own needs. Bonus unit rebates is one of the considerations, but we should also pay attention to the terms and duration of the promotions. Rather than focusing on the short term offer, to observe whether the management fee level is relatively low may be more practical in the long run, as fees do affect returns.

3. There has been an additional personal contributions called Special Voluntary Contributions "SVC". If we have made TVC, does it mean we don't have to make SVC?

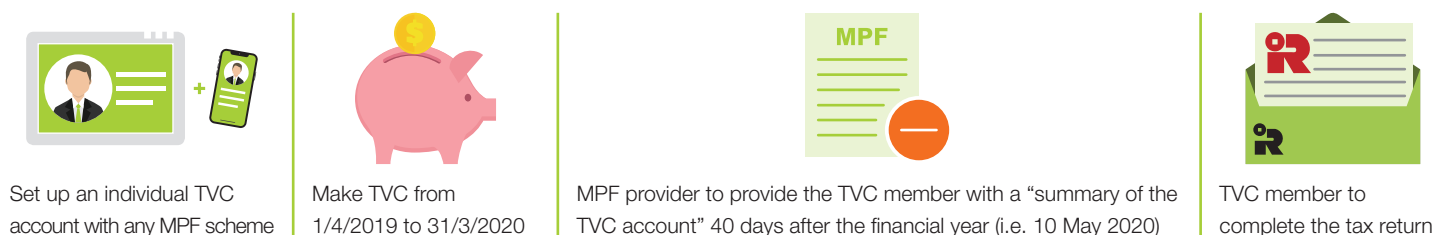
Both are personal savings in nature but the withdrawal conditions are different. TVC is tax deductible, but can only be withdrawn after retirement or on other statutory ground under the MPF legislation. SVC is not tax deductible, but can be withdrawn anytime, and is more flexible. But there is no conflict between two, and you may consider making both contributions for additional retirement protection if your financial situation permits, so that you can enjoy tax concession and more retirement protection.

How Does TVC Help Accumulating Your Retirement Savings

The example below is based on the assumptions that the employer and employee each contributes the maximum mandatory contribution amount of \$1,500 per month and the employee makes \$5,000 TVC each month (i.e. \$60,000 TVC per year) for 20 years and the annual investment return is 3% per annum.



How to Enjoy TVC Tax Deduction in Tax Assessment Year 2019-2020?



Fruitful Achievements in "MPF Awards" and "Lipper Fund Awards"

BCT has earned multiple accolades in the **2019 MPF Awards** organised by MPF Ratings Limited (MPFR), in recognition of its excellence in MPF investment performance and services. We are particularly pleased to be awarded "Best Administrator" for 4 consecutive years!

The list of awards we received include:

- MPF Ratings 2019 Gold Rated Scheme
- 2019 Best Administration Award
- 5-Year Consistent Performer 2019 - Equity (Asia)
- 5-Year Consistent Performer 2019 - Mixed Asset Fund (Dynamic)
- 10-Year Consistent Performer for 2019 - Mixed Asset Fund (Dynamic)



MPFR is an independent pension research provider in Hong Kong. For more details of the ratings and the award programme, please visit <https://www.mpfratings.com.hk/awards-methodology/>

BCT's funds under our MPF schemes received 6 awards at "**2019 Lipper Fund Award Hong Kong**".

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|---|----------------------------------|
| • Equity Asia Pacific ex Japan – 3 Years | • Equity Global – 5 Years |
| • Equity Asia Pacific ex Japan – 5 Years | • Equity Greater China – 5 Years |
| • Equity Asia Pacific ex Japan – 10 Years | • Equity Hong Kong – 3 Years |



LIPPER FUND AWARDS FROM REFINITIV

2019 WINNER
HONG KONG

For more than three decades, the Lipper Fund Awards have recognized funds and fund management firms for their consistently strong risk-adjusted three-, five-, and ten-year performance relative to their peers. Based on Lipper's quantitative, proprietary methodology, the awards reflect a truly independent and uncompromised assessment of fund performance. More information about Lipper Fund Awards Hong Kong can be found at <http://lipperfundawards.com/Awards/HongKong>.

Remarks: The above awards are for reference only, with the sole purpose of corporate communications. Investment involves risks. Past performance is not indicative of future performance.

Where to Invest as Global Economy Enters a Synchronized Slowdown

U.S. - Growth and earnings continues to lead

The market focus is on companies' forward earnings guidance. A stronger outlook on top-line growth, along with still-manageable wage inflation, would suggest that the trajectory of profit margins is not likely to reverse quickly.

Still-dynamic labor demand and wage growth, coupled with contained inflationary pressures, support resiliency in personal consumption, which is expected to be the main driver of domestic demand.

Some early signals of the earnings season seem positive, showing that revisions are starting to improve again. Further confirmation is needed to see a continuation of the bull market. We therefore keep a neutral stance on **U.S. Equities**.

Japan - Weak export

Global economic stagnancy has crippled manufacturers, with exports marking a YoY fall for four months. The BoJ corporate survey points to decent capital spending plans for 2019. In fact, sluggish shipments are undermining investment. Machinery orders showed only a meagre gain in February after three months of contraction.

However, non-manufacturers held up well on urban redevelopment, job placement and the coming 5G Telecom standard. Despite the weak export snapshot, shipments are likely to gather strength as the Chinese economy rebounds solidly.

The earnings per share momentum is weak, although valuations are attractive. In the last few weeks we have become more cautious on **Japanese equities**, and try to find some bottom-up opportunities.

Europe - Ongoing political uncertainties

In Europe, valuations have reset after the rally and are now in line with historical averages. Yet positioning in Europe is very light, and could improve in case of further earnings delivery and/or the resolution of political risks.

The risk of a no-deal Brexit has become less imminent, but there is still the threat of U.S. trade measures against Europe. Moreover, there are still some considerable political uncertainties, particularly the upcoming European elections and the situation in Italy.

Our neutral outlook to **European equities** is unchanged, as earnings delivery and/or the resolution of political risks is needed for further upside.

China & Hong Kong - Encouraging economic data

Economic activity recovered some strength after a poor performance ahead of the Chinese New Year. With policy gradually taking effect, growth seems to be near bottom. Credit growth is bottoming out, while fiscal spending has been accelerating.

Local orders are recovering, as implied by PMIs. The latest data also suggested that the Auto and Smartphone sectors, which were major drags in H2 2018, are past the worst time.

For now, we expect the Chinese Yuan (RMB) to move in the range of 6.0-7.0 per U.S. Dollar, but without breaching the resistance level of 7.0. If talks don't go relatively smoothly, there is a real chance that China could allow the RMB to breach that level of 7.0.

We remain positive on **China** in the expectation of a proper trade deal with the U.S., and Chinese stimulus measures that have yet to kick in completely.

Global Bond - Spread tightening

The market is expecting a very dovish Fed and is starting to discount even an interest rate cut. This exposes the U.S. government bond market to some risk of upward pressure on yields, in case of stabilization and an improvement of the global economy in H2. German Bund yields are very low, and exposed to some risks of modest increase should the EU economy mildly rebound in H2, as we believe it will.

We are Neutral on Government Bonds (neutral on U.S. Government Bonds and neutral on Euro Government Bonds) and Neutral on Corporate Credit (neutral on U.S. credit and positive on European credit), i.e. Neutral on **Global Bonds**.

Asia - Inflation slows, monetary policy outlook eases

Growth dynamics continued to be tepid, mainly in the first two months of the year. On the exports side, figures have been less negative since March (in South Korea, India and Indonesia).

The region's inflation figures remained very benign. Oil and food prices pushed inflation to levels lower than expected.

Final elections results in Thailand leave the country divided and signal the military's grip on power, while the region is holding new electoral campaigns (in India and Indonesia).

Our base case remains that a deal between the US and China will eventually be reached. We continue to see some encouraging signals coming from both parties, even if the path to a final deal could be tougher and longer than was once expected. Asia should benefit from Chinese stimulus. This justifies, in our view, a cautiously positive stance on **Asia ex-Japan Equities**.

- The value of constituent funds may fall as well as rise. For further information about the risks involved, please refer to the principal brochure of BCT (MPF) Pro Choice and BCT (MPF) Industry Choice.
- The information contained in this document is provided for information purpose only and does not constitute any solicitation and offering of investment products. Potential investors should be aware that such investments involve market risk and should be regarded as long-term investments.

BCT Has Launched Two-factor Authentication

To offer our members a safe and reliable online platform, we have launched Two-factor Authentication for online accounts. Please ensure that your registered mobile phone numbers and email addresses at BCT are updated.



BCT MPF Related Services at JETCO ATM to be Suspended from June

BCT encourages customers to use ePlatform to manage MPF efficiently and conveniently through various electronic channels and tools. As technology advanced, it has become a habit for customers to use mobile devices for daily communications, and the usage rate of handling BCT MPF via JETCO network ATMs continued to drop. As such, BCT MPF related services at JETCO network ATMs will be gradually suspended from June.

You can use BCT member website and mobile app to check your account, or you may register for BCT's "MPF Account Balance SMS" service, to keep track of your account balance every month with your mobile phone. You may simply login to member website and set up the service under "E-services Setting" section at "My BCT".

Newly Launched MPF Fund Platform Helps Scheme Members Select Value-for-money Funds

Consumers have been empowered in recent years by the growing popularity of online platforms such as travel information apps. The same concept now applies to the management of the Mandatory Provident Fund (MPF). At the end of April, the Mandatory Provident Fund Schemes Authority (MPFA) launched an upgraded MPF Fund Platform, which reveals the components of MPF management fees for the first time and provides more user-oriented navigation. The new platform enables scheme members to obtain more information on MPF funds, and exercise their rights as consumers to select the funds that best suit their needs.

The Platform, which amalgamates the existing Fund Performance Platform, Fee Comparative Platform, Low Fee Fund List and Default Investment Strategy Fund List, provides a one-stop solution for scheme members to examine information about different MPF funds and compare their fees, performance, fund expense ratio, etc., to assess the effectiveness of MPF funds from different perspectives.

The Platform reveals the breakdown of fund management fees, namely the administration fee / trustee fee / custodian fee, the sponsor fee, and the investment management fee. It also shows the guarantee charge for Guaranteed Funds. These information helps scheme members understand whether their investments and services received provide value for money.

On another note, the MPFA has revamped its [MPF investment education platform](#) recently, which now provides financial planning tips to address the needs of scheme members in different age groups. This helps scheme members understand their personal situation and motivates them to manage their MPF proactively to realize their desired retirement life.

We encourage scheme members to make good use of the various online tools provided by the MPFA to review their investment portfolio regularly, and to formulate an appropriate investment strategy according to their stage of life, investment goals and risk tolerance level.



**MPF Fund
Platform**



Mandatory Provident Fund Schemes Authority
Hotline: 2918 0102
Website: www.mpfa.org.hk

Member Hotline: 2298 9333
Employer Hotline: 2298 9388
www.bcthk.com
18/F Cosco Tower, 183
Queen's Road Central, Hong
Kong

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