

## 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.

## Step Up with BCT to Plan Your Retirement



A desired retirement requires proper planning and preparations in 4 major aspects: financial management, self-actualisation, social support network, and healthy lifestyle. To encourage early planning for a desired retirement, BCT launched "Step Up with BCT", an online platform with a range of resources and tools that support various aspects of retirement planning.

### BCT Next Academy – Self Enhancement Lifelong Learning

**BCT Next Academy** collaborates with Li Ka Shing Institute of Professional and Continuing Education, Open University of Hong Kong ("OUHK") and offers tuition fee discounts and subsidies to eligible persons enrolling in the Active Elderly Learning Programme ("AELP") offered by the Elder Academy of OUHK. At the 8<sup>th</sup> graduation ceremony of OUHK's Elder Academy held in July, a total of 104 students of AELP received their Lifelong Learning Certificates, in recognition of their spirit of seeking knowledge.

### Do You Expect a Satisfying Retirement Life?

The population of Hong Kong continues to age. To better understand the retirement needs of Hong Kong people, BCT commissioned international market research company, GfK, to conduct a public opinion survey on retirement satisfaction in Hong Kong, with Dr. Billy S.C. Mak, Associate Professor of the Department of Finance and Decision Sciences of the School of Business at the Hong Kong Baptist University, being the consultant of the survey. We shared the survey results in July, and hope to convey the message that achieving a desired retirement requires proper planning and preparations in self-actualisation, social support network, and healthy lifestyle apart from financial management. Survey results: <https://www.bcthk.com/en/what-s-new/latest-news/1600-bct-encouraged-the-public-to-plan-their-retirement-life-in-multiple-aspects>

<https://retirement.bcthk.com/en>

### Diversified content

- **Retirement Satisfaction Quiz** – A simple assessment on one's readiness to retirement
- **BCT Next Academy** – Promotes self enhancement among the working populations and retirees
- **Piggy's Classroom** – Provides educational videos on investment and MPF management
- **Retirement Calculator** – A basic tool that helps estimate the costs of retirement
- **Other retirement-related information** – on topics such as retirement protection, social security, and lifestyle



**BCT 跨躍學院  
NEXT Academy**



Ms. Ka Shi Lau, MD & CEO of BCT Group, and Dr. Billy S.C. Mak encourage the public to plan for retirement from various aspects.

## Personalise My BCT e-Journey

To enhance your experience with BCT e-journey, we have been gradually improving our member website and offering a wider range of tools, to make your MPF management easier. The “View / Update your Personal Information” part on member website has been updated to “My BCT”, with a whole range of personalised options for selection. The same function is available on our app, you can update your personal information and preferences anytime, anywhere.

### Login to Member Website



**Member Login**

User ID

HKID Card No. / Passport No.

Please enter your password  
8 numeric digits only

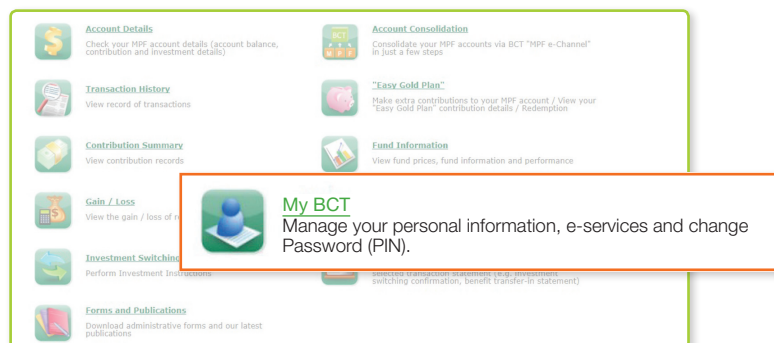
[Forgot password?](#)

**Login**

For new members to obtain login password / verification code

**Password Setup**  
(Applicable to new / existing members who have received the 6-digit verification code)

### Select “My BCT” in Main Page



**Account Details**  
Check your MPF account details (account balance, contribution and investment details)

**Transaction History**  
View record of transactions

**Contribution Summary**  
View contribution records

**Gain / Loss**  
View the gain / loss of your account

**Investment Switching**  
Perform Investment Switching

**Forms and Publications**  
Download administrative forms and our latest publications

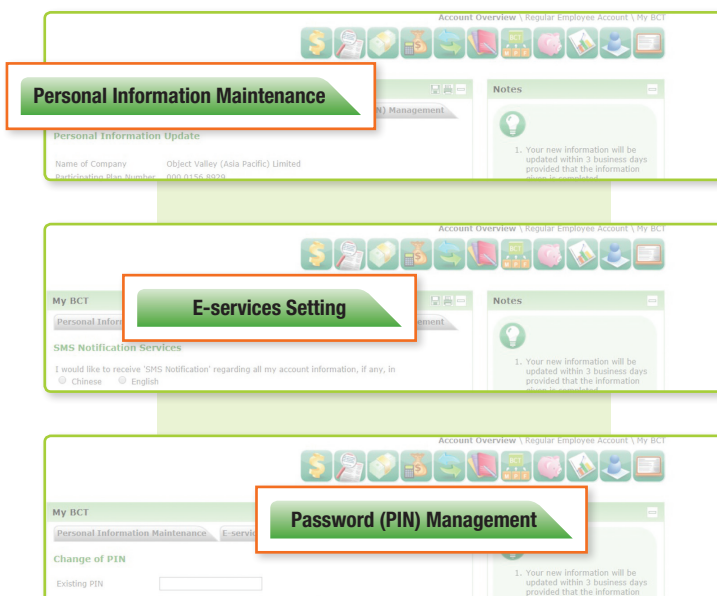
**Account Consolidation**  
Consolidate your MPF accounts via BCT “MPF e-Channel” in just a few steps

**“Easy Gold Plan”**  
Make extra contributions to your MPF account / view your “Easy Gold Plan” contribution details / Redemption

**Fund Information**  
View fund prices, fund information and performance

**My BCT**  
Manage your personal information, e-services and change Password (PIN).

### 3 Main Sections under “My BCT”



**Personal Information Maintenance**

Personal Information Update

Name of Company: Object Valley (Asia Pacific) Limited  
Subscription Plan Number: 600-0156-8009

**E-services Setting**

SMS Notification Services

I would like to receive “SMS Notification” regarding all my account information, if any, in  
☐ Chinese ☐ English

**Password (PIN) Management**

Change of PIN

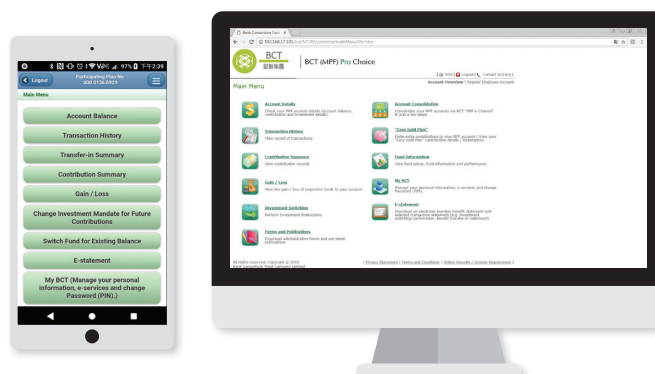
Existing PIN:

1. **Personal Information Maintenance:** update personal information and options of receiving message

2. **E-services Setting:** personalised options of e-services

- Register for MPF Account Balance SMS Service and select your preferred language
- Select to receive the electronic version of “Semi-annual Member Benefit Statement”

3. **Password (PIN) Management**



## Check Your Semi-annual Statement for MPF Review

The “Semi-annual Member Benefit Statement” as of 30 June 2018 is now available on our website. Please view or download your statement through logging in to your account on BCT’s website.



# US Stock Markets Stood Out from Escalating Trade War

## Positive to US Equities despite Escalation of Trade War

President Donald Trump finally decided to implement some of his protectionist threats with a new threat to raise even more taxes on imports from China. We expect that limited tariffs will be implemented with relatively controlled macro impacts. While talks continue, we would consider the probability of a scenario in which tensions would escalate further in the coming months. We remain positive on **U.S. equity** markets mainly due to the U.S. growth and the fiscal expansion policy.

## Economic Slowdown Implies Continuation of BoJ's Stimulus

GDP growth should slow in 2018 from the previous year. However, the recent rebound in the U.S. Dollar eases the pressure on export price. On the monetary policy side, we do not see any imminent signs of changes to the current Quantitative and Qualitative Monetary Easing program in the short and medium term, as inflation is still well below target. We turn NEUTRAL on the **Japanese equity** markets mainly due to a loss of momentum in GDP growth.

## The End of ECB's QE soon amidst Lower Growth Environment

The European Central Bank ("ECB") announced that net asset purchases would end in December 2018. On a monetary policy side, the ECB's quantitative easing should end in a more challenging environment than for the Federal Reserve as the growth in the Eurozone is decelerating and the peak of liquidity is behind us. We remain NEUTRAL on **European equity** markets mainly due to a loss of momentum in leading economic indicators and lower GDP growth expectations.

## PBoC's Policy Turns Loose amidst US-China Trade War

Chinese equities recently was punctuated by escalating tensions with the U.S. and the rise of the policy mix implemented by Beijing to protect themselves from economic accidents. The People's Bank of China ("PBOC") announced another Required Reserve Ratio ("RRR") cut of 0.5% for all banks, to release liquidity. On U.S./China negotiations, while near-term uncertainty looks relatively high, we expect limited tariff to be implemented on China with relatively mild macro impacts during negotiations. We remain POSITIVE on **Chinese & Hong Kong equities** as they look attractive on a medium-to long-term horizon. In the shorter term, we are cautious due to concerns on trade war.

## NEGATIVE on Government Bonds due to Higher Yield Prospects

In the U.S., we think the curve is currently too flat, as we believe that more inflation risk premia should be discounted. In Europe, we continue to favor a short duration view in core bonds due to expensive valuations and the end of QE approaching. We expect the 10 year Treasury yield to reach 3% to 3.5% by the end of 2018, assuming a 2.4% Fed Funds target rate. On currencies, the short-term dynamic remains favorable to the U.S. Dollar against the Euro, but a large part of the gains are now behind us. We also like being long on a basket of Asian currencies with current account surpluses vs the U.S. Dollar, given that these currencies should be more resilient during monetary policy normalization. We remain mostly NEGATIVE on **Government Bonds** mainly due to higher yield prospects, and mostly positive on **credit** mainly due to an interesting carry vs Government Bonds and a benign default outlook.

## Negative Market Sentiment Weighed on Asian Markets

Trade war concerns and increasing foreign outflows weighed on Asia ex-Japan ex China & Hong Kong equities. Regarding the latest Sino-American developments on trade, it is worth noting that if the total measures comes into effect, it would have a significant impact. However, both parties should at some point understand that they both may lose from departing too abruptly from the current order of global business, and noise in trade war rhetorics could negatively affect market sentiment. We turn NEUTRAL on **Asia ex-Japan equities** due to a negative market sentiment that calls for a cautious stance.



- 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.

## Reunite with Your Long-lost MPF Account...



BCT's branding campaign teamed with several local influencers and extended its reach to the online platforms. The video sparked off social buzz with fresh collaboration between millennial TV hosts "Three Cyclists" and veteran actress Mary Hon, named as the "most heartless mother" by netizens for abandoning her children in numerous TV dramas. Want to know how the classic character gets connected with her MPF accounts in ancient time? Watch the video now!



Scan to watch the video



## BCT Wins Best SME's Partner Award for the 9th Consecutive Year



2018

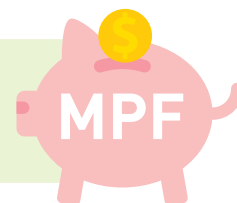
中小企業最佳拍檔獎

Best SME's Partner Award

BCT has received the Best SME's Partner Award for the 9<sup>th</sup> consecutive year from The Hong Kong General Chamber of Small and Medium Business in acknowledgement of our long-standing support and contributions to the SMEs in Hong Kong.

## MPF System is doing well by international standards

Serving as a key pillar of Hong Kong's retirement protection framework, the Mandatory Provident Fund (MPF) System aims to help the workforce save for retirement. There are five key outcomes identified by the World Bank for evaluating a private pension system: adequacy, coverage, security, sustainability and efficiency. The MPF System has performed well in a number of respects.



### Coverage

The MPF has wide coverage. Employees and self-employed persons aged 18 to 64 are covered by the MPF System. Before the introduction of the MPF System, only one third of the workforce enjoyed retirement protection. Today 84% of the total employed population is covered under the MPF and other retirement protection schemes, which is a high ratio compared with other schemes in the international arena.

### Sustainability

The MPF is financially sustainable, as it does not place a burden on government, employers or employees to finance any shortfall of underfunded schemes. The MPF is also growing in size relative to the domestic economy. As at the end of June 2018, MPF assets reached \$852 billion, representing approximately 30% of Hong Kong's 2017 Gross Domestic Product.

### Security

MPF savings are safeguarded under a sound legal and financial system in Hong Kong. MPF schemes are managed and maintained under trust by MPF trustees, who must meet stringent statutory criteria. MPF assets are under the safe custody of qualified custodians and are kept separate from those of employers, MPF trustees or other service providers.

### Efficiency

The efficiency of the MPF System has been improving, with costs being lowered over the years due to various initiatives undertaken by the Mandatory Provident Fund Schemes Authority (MPFA), such as the Employee Choice Arrangement and the Default Investment Strategy (DIS). The Fund Expense Ratio (FER), which was 2.1% when introduced in December 2007, has dropped to a record low of 1.53% in July 2018. The MPFA is developing a centralized electronic platform, called eMPF, with a view to bringing greater efficiency and cost-efficiency to the MPF System in the long run.

### Adequacy

By design, the MPF alone is inadequate for retirement, as it is only one pillar in the multi-pillar retirement protection system in Hong Kong. It is expected that with the abolition of the offsetting arrangement and introduction of tax deductions for voluntary contributions in the future, more MPF savings will be retained in scheme members' accounts to better meet their retirement needs.



Mandatory Provident Fund Schemes Authority

Hotline: 2918 0102

Website: [www.mpfa.org.hk](http://www.mpfa.org.hk)

Member Hotline: 2298 9333

Employer Hotline: 2298 9388

[www.bcthk.com](http://www.bcthk.com)

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"BCT Group" — BCT Financial Limited (Plan Sponsor)

— Bank Consortium Trust Company Limited (Trustee & Administrator)

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