

Second Addendum to the Principal Brochure of the BCT (MPF) Industry Choice



BCT
銀聯集團

This is the second addendum (the “**Second Addendum**”) to the principal brochure of the BCT (MPF) Industry Choice (the “**Plan**”) dated December 2016, as amended by the first addendum dated 12 December 2016 (the “**Principal Brochure**”). This Second Addendum must be read in conjunction with and forms part of the Principal Brochure.

We have drawn up this list of consolidated incremental changes to supplement the information contained in the Principal Brochure. Bank Consortium Trust Company Limited (the “**Trustee**”) accepts responsibility for the information contained in this Second Addendum as being accurate as at the date hereof. The Principal Brochure can be accessed via the website of the Trustee (www.bcthk.com) or obtained by contacting the Trustee.

The numbers on the left column of the below table refer to the relevant pages of the current version of the Principal Brochure. Unless otherwise defined herein, terms used in this Second Addendum bear the same meanings as in the Principal Brochure.

Changes taking immediate effect

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The first paragraph under section 6.3.2 entitled “Fund Rebalancing / Switching” shall be deleted and replaced with the following:

“Subject to any limitation which may be imposed by the Trustee, an employee member, a self-employed person or a personal account member may also submit a rebalancing / switching instruction form, as prescribed by the Trustee from time to time, to the Trustee to redeem, as soon as practicable, any units in a constituent fund and to apply such redemption proceeds to acquire units in other constituent funds in accordance with the rebalancing / switching instruction. Generally, if a valid rebalancing / switching instruction form, which may be sent by mail, facsimile, via the Trustee’s website at www.bcthk.com or other permissible means as specified by the Trustee from time to time, is received by the Trustee before the dealing cut-off time at 4 p.m. on a dealing day, the redemption of units in the original constituent fund and subscription for units in the new constituent fund will generally be processed using the fund prices on the same dealing day. If a valid rebalancing / switching instruction form is

received by the Trustee at or after the dealing cut-off time at 4 p.m. on a dealing day, the redemption of units and subscription for units generally will only be processed using the fund prices on the next dealing day. However, such rebalancing / switching instruction form should not affect the way in which any future contributions should be invested which should be made in accordance with the latest investment mandate submitted by the relevant member. Notwithstanding any limitation which may be imposed by the Trustee in respect of the rebalancing / switching of units in constituent funds, each member is entitled to transfer his entire benefits under the Plan into any one constituent fund.

Please note that for a member who would like to give instructions to switch out of the Default Investment Strategy before annual de-risking takes place (generally on a member's birthday), he should submit a switching instruction before the dealing cut-off time at 4 p.m. on the member's birthday. For further details, please refer to the sub-section entitled "Dealing day of annual de-risking" under section 3.6 entitled "Default Investment Strategy" of the Principal Brochure."

Changes with effect from 1 April 2017

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The fee table entitled "**(C) FEES, EXPENSES AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYING FUNDS)**" in section 7.1 – "Fees and Charges" shall be deleted and replaced with the following:

(C) FEES, EXPENSES AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYING FUNDS)			
Type of fees, expenses & charges	Name of constituent fund	Current level (% per annum of net asset value)	Deducted from
Management Fees	BCT (Industry) Hong Kong Equity Fund	Up to 1.535%	Relevant constituent fund and APIF assets
	BCT (Industry) Asian Equity Fund	1.6%	
	BCT (Industry) Global Equity Fund		
	BCT (Industry) E70 Mixed Asset Fund	1.53%	
	BCT (Industry) E50 Mixed Asset Fund		
	BCT (Industry) E30 Mixed Asset Fund		
	BCT (Industry) Absolute Return Fund	1.52%	
	BCT (Industry) Core Accumulation Fund	0.75%	
	BCT (Industry) Age 65 Plus Fund	0.75%	
	BCT (Industry) RMB Bond Fund	1.175%	
	BCT (Industry) Global Bond Fund	1.49% – 1.5%	
BCT (Industry) MPF Conservative Fund	0.88%		

	<p>Other Expenses</p> <p>Each constituent fund would also bear various costs and expenses that are related to the operations and continuation of the fund, such as compensation fund levy (if any), establishment cost of the scheme (although no establishment costs will be charged in respect of the DIS Funds), indemnity insurance, auditor's fees and legal charges, etc. Certain recurrent out-of-pocket expenses relating to the Core Accumulation Fund and the Age 65 Plus Fund are subject to a statutory annual limit of 0.2% of the net asset value of those funds and will not be charged to or imposed on the fund in excess of that amount.</p> <p>(For details, please refer to Part III of the Explanatory Notes below).</p>	<p>Relevant constituent fund and APIF assets (<i>where such expenses are not directly attributable to a fund, each fund will bear such expenses in proportion to its respective net asset value</i>)</p>
Page 49	<p>In the second bullet point under "Management Fees" in respect of Part II "Underlying Funds" of the "EXPLANATORY NOTES", amendments shall be made as follows:</p> <p>The trustee fee for each of BCT (Industry) RMB Bond Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund and BCT (Industry) E30 Mixed Asset Fund, as stated under the column titled "Current (% p.a. of net asset value)", shall be deleted and replaced with "0.10%".</p>	
Changes with effect from 26 April 2018		
Page 35	<p>Item (i) under section 5.4 entitled "Valuation of Units" shall be deleted and replaced with the following:</p> <p>"(i) quoted investments (including any collective investment schemes listed on stock exchanges and listed index-tracking collective investment schemes) are valued at their last traded price;"</p>	
Changes with effect from 30 November 2018		
Where the name appears in the text of the Principal Brochure	<p>All references to "BCT (Industry) Absolute Return Fund" shall be deleted and replaced with "BCT (Industry) Flexi Mixed Asset Fund".</p>	

Where the name appears in the text of the Principal Brochure	All references to “Absolute Return Fund” shall be deleted and replaced with “Flexi Mixed Asset Fund”.
Page 10	<p>Item (ix) under section 3.1 entitled “Investment Policy” shall be deleted and replaced with the following:</p> <p>“(ix) Flexi Mixed Asset Fund</p> <p>The objective of the Flexi Mixed Asset Fund is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Flexi Balanced Fund which is an APIF which in turn invests primarily in a diversified portfolio of global equities and fixed-interest securities. The underlying APIF adopts a dynamic asset allocation strategy. In strong equity markets, the underlying APIF may invest up to 50% of its assets in equities. In weaker equity market conditions, the underlying APIF may be rebalanced to preserve capital through the holding of fixed-interest securities which satisfy the minimum credit rating requirements set out by the Mandatory Provident Fund Schemes Authority. If market conditions so require, the underlying APIF may hold no equities and invest fully in fixed interest securities and cash only. It is expected that under normal circumstances, at least 75% of the assets of the underlying APIF will be invested in fixed-interest securities and cash in order to minimize short term volatility. The underlying APIF may engage in securities lending, subject to a limit of 10% of the underlying APIF’s latest net asset value and in respect of no more than 50% of securities of the same issue. Futures and options will be used for hedging purpose only.</p> <p>Up to 100% of the assets of the underlying APIF may be held in deposits, cash and / or invested directly in money market instruments and / or (up to 10% of assets of the underlying APIF) in money market funds on a temporary basis for liquidity management and / or defensive purpose and / or any other exceptional circumstances, and if the manager of the underlying APIF considers it in the best interest of the underlying APIF.”</p>

Date: 19 March 2018