



BCT

銀聯集團

## BCT (MPF) INDUSTRY CHOICE (the “Plan”)

### NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice. Bank Consortium Trust Company Limited (the “Trustee”), being the trustee of the Plan accepts responsibility for the information contained in this document. This document is only a summary of the key changes relating to the Plan. Members should also carefully review the second addendum to the Principal Brochure. A copy of the Principal Brochure as amended by the first addendum and the second addendum can be obtained free of charge by calling the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333 or accessing the website at [www.bcthk.com](http://www.bcthk.com).

Unless otherwise defined herein, terms used in this document bear the same meaning as in the principal brochure of the Plan dated December 2016, as amended by the first addendum dated 12 December 2016 (together, the “Principal Brochure”).

19 March 2018

Dear Participating Employer / Member,

Thank you for your continued support of the Plan. We are writing to inform you of certain changes to the Plan, as summarised below.

#### Summary of changes to the Plan:

- (1) Update of the respective management fees in respect 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 (“**Constituent Funds**”) with effect from 1 April 2017, to reflect the reduction in trustee fee payable by the underlying approved pooled investment funds of the Constituent Funds with effect from 1 April 2017.
- (2) Enhancement of the disclosures in the Principal Brochure relating to dealing cut-off time for rebalancing / switching between constituent funds of the Plan with immediate effect, to clearly disclose dealing cut-off time (which is not presently disclosed) for processing on a dealing day.
- (3) Change the name of BCT (Industry) Absolute Return Fund to BCT (Industry) Flexi Mixed Asset Fund and clarification of the investment policy of BCT (Industry) Absolute Return Fund which will take effect from 30 November 2018, to cater for the change in name and clarification of investment policy of its underlying approved pooled investment fund.
- (4) Changes in the methodology for valuation of quoted investments of a constituent fund from using the last bid price to the last traded price with effect from 26 April 2018, to align with general market practice as well as other mandatory provident fund schemes under the trusteeship of the Trustee.

The above changes do not and will not have any adverse impact on members of the Plan and no action is required to be taken by the members in connection with the changes. For further details, please refer to the relevant sections below in this Notice.

Should you have any enquiries regarding the changes, please contact the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333.

**1. Update in relation to the reduction in trustee fee relating to underlying funds 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**

BCT (Industry) RMB Bond Fund, BCT (Industry) E70 Mixed Asset Fund, BCT (Industry) E50 Mixed Asset Fund and BCT (Industry) E30 Mixed Asset Fund (each a “**Constituent Fund**”) each invests in one or more approved pooled investment fund (each an “**Underlying Fund**”) managed by Invesco Hong Kong Limited.

With effect from 1 April 2017, the trustee fee payable by the Underlying Funds has been reduced from “0.12% p.a.” to “0.10% p.a.” of the net asset value of such Underlying Funds. Accordingly, the disclosures in the Principal Brochure on the current trustee fees payable out of the assets of the Underlying Funds and the current management fees of the Constituent Funds (inclusive of trustee fees payable out of assets of the Underlying Funds) are respectively updated with effect from 1 April 2017 as follows:

Constituent Fund	Change in the current trustee fee as a percentage of net asset value payable out of the assets of the Underlying Fund		Change in the current management fee as a percentage of net asset value of the Constituent Fund (inclusive of trustee fees payable out of the assets of the Underlying Fund)	
	Before fee reduction	After fee reduction	Before fee reduction	After fee reduction
BCT (Industry) RMB Bond Fund	0.12% p.a.	0.10% p.a.	1.195% p.a.	1.175% p.a.
BCT (Industry) E70 Mixed Asset Fund	0.12% p.a.	0.10% p.a.	1.55% p.a.	1.53% p.a.
BCT (Industry) E50 Mixed Asset Fund	0.12% p.a.	0.10% p.a.	1.55% p.a.	1.53% p.a.
BCT (Industry) E30 Mixed Asset Fund	0.12% p.a.	0.10% p.a.	1.55% p.a.	1.53% p.a.

**2. Dealing cut-off time for rebalancing / switching between constituent funds of the Plan**

It is currently disclosed in section 6.3.2 of the Principal Brochure that, 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. The relevant disclosures will be enhanced to state that if a valid rebalancing / switching instruction form, which may be sent by mail, facsimile, via the Trustee’s website at [www.bcthk.com](http://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.

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.

### 3. Change of name and clarification of investment policy in relation to BCT (Industry) Absolute Return Fund

BCT (Industry) Absolute Return Fund (“**Absolute Return Fund**”) invests into Allianz Choice Absolute Return Fund (“**AGI Underlying Fund**”) which is an approved pooled investment fund managed by Allianz Global Investors Asia Pacific Limited (“**AGI**”).

AGI has notified us that with effect from 30 November 2018, for the AGI Underlying Fund (i) its name will be changed to “Allianz Choice Flexi Balanced Fund”, and (ii) its investment objectives and policy in relation to the holding of fixed-interest securities, as well as the investment in deposits, cash, money market instruments and / or money market funds will be clarified. In this connection, we wish to inform you that with effect from 30 November 2018, the name of the Absolute Return Fund will be changed to “BCT (Industry) Flexi Mixed Asset Fund”, and the investment policy of the Absolute Return Fund as set out in the Principal Brochure will be amended as follows (deletion shown with strikethrough and addition shown as underlined):

~~“The objective of the Absolute Return Flexi Mixed Asset Fund is to provide members with long-term capital preservation not related to an index by investing solely in Allianz Choice Absolute Return 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.~~

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.

~~With respect to Absolute Return Fund, “Absolute Return” is the name of the fund only and refers to the investment objective — to achieve an absolute return performance target not related to an index. Such a description is a performance target only and absolute positive returns are not guaranteed.”~~

Based on information provided by AGI on the AGI Underlying Fund, the above changes will not have any adverse impact on the members of the Plan and will be in the interest of the members.

### 4. Changes in methodology for valuation of Units

With effect from 26 April 2018, for the purpose of determining the net asset value per unit of a constituent fund, quoted investments (including any collective investment schemes listed on stock exchanges and listed index-tracking collective investment schemes) will be valued at their last traded price instead of their last bid price. The Trust Deed will be amended by way of a seventh supplemental deed to provide for such valuation methodology.

The change in valuation methodology is to align with what the Trustee understands to be the general market practice of schemes of similar nature as the Plan, which primarily use the last traded price for purposes of valuation of quoted investments. The change will not result in any adverse implication on the features and risk profile of the constituent funds of the Plan, nor any adverse impact on the members and constituent funds of the Plan.

## 5. General

To reflect the relevant changes described in items 1 to 4 above, the Principal Brochure is amended by way of a second addendum.

The changes set out in this Notice do not and will not have any adverse impact on members of the Plan and no action is required to be taken by the members in connection with the changes. Nevertheless, if the members who have existing units in the relevant constituent funds referred to in this Notice (“**Relevant Constituent Funds**”) and / or investment mandates to invest on-going contributions in the Relevant Constituent Funds do not wish to be affected by the above changes, those members may give written instructions to the Trustee to switch their existing units in the Relevant Constituent Funds and / or change their investment mandates (for investment of on-going contributions) from investing in the Relevant Constituent Funds to any one or more of the remaining constituent funds under the Plan by using a switching instruction form and / or new investment mandate instruction form as prescribed by the Trustee. The instructions will then be processed in accordance with the Principal Brochure. Any members who do not wish to be affected by the changes may transfer out of the Plan to another registered scheme in accordance with the prevailing laws and regulations.

## 6. For further information

Should you have any enquiries regarding the changes, please contact the Employer Hotline at 2298 9388 or the Member Hotline at 2298 9333.

Yours faithfully,  
Bank Consortium Trust Company Limited  
銀聯信託有限公司

This is a computer-generated letter and no signature is required.