MPF SCHEME BROCHURE FOR BCT (MPF) PRO CHOICE

Sponsor: BCT Financial Limited
Trustee: Bank Consortium Trust Company Limited
Version Date: 25 April 2022

Enquiry Contact: Member Hotline 2298 9333
Employer Hotline 2298 9388
Website: www.bcthk.com

IMPORTANT:

If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

BCT (MPF) Pro Choice (the "Plan") is a mandatory provident fund scheme constituted by a master trust deed dated 31 January 2000, as amended and supplemented ("Trust Deed") and is governed by the laws of the Hong Kong Special Administrative Region ("Hong Kong").

Although the Plan has been registered with the Mandatory Provident Fund Schemes Authority (the "Authority") and authorised by the Securities and Futures Commission (the "SFC"), such registration / authorisation does not constitute official recommendation of the Plan by the Authority or the SFC. SFC authorisation is not a recommendation or endorsement of the Plan nor does it guarantee the commercial merits of the Plan or its performance. It does not mean the Plan is suitable for all participants of the Plan nor is it an endorsement of its suitability for any particular participant of the Plan.

BCT (MPF) PRO CHOICE

Important Notes

- Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The BCT (Pro) MPF Conservative Fund uses method (i) and, therefore, unit prices / NAV / fund performance quoted have incorporated the impact of fees and charges.
- 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 section 3.3 headed "Default Investment Strategy" for further information.
- Members should note that BCT (Pro) Asian Income Retirement Fund does not provide any guarantee on capital or investment return or dividend yield, and their investments therein (including dividends distributed) are subject to the same vesting, preservation and withdrawal requirements applicable to mandatory and voluntary contributions (as applicable). The BCT (Pro) Asian Income Retirement Fund may pay dividends out of net distributable income and / or capital, which will result in an immediate decrease or adjustment in the net asset value per unit. The payment of dividends (if any) will involve an investment time-lag and is subject to out-of-market risk. There is no assurance on the dividend distribution frequency and the dividend amount / yield may fluctuate.

For further enquiries, please call our Employer Hotline at 2298 9388 or Member Hotline at 2298 9333 or write to us by facsimile at 2992 0809.

TABLE OF CONTENTS

1. INTRODUCTION

1.1 ABOUT BCT (MPF) PRO CHOICE

The Plan is a master trust scheme which offers the Default Investment Strategy and twenty-seven constituent funds. Each constituent fund has been approved* by the Authority and will only be offered to the members of the Plan. Subject to the investment restrictions in section 3.4, the funds in each constituent fund are invested in either permissible investments, pooled investment funds or index-tracking collective investment schemes as defined, respectively, under Part II and Part IV of Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation as amended from time to time (the "Regulation"). Subject to the approval of the Authority and the SFC, additional constituent funds can be established at any time by the Trustee.

The Plan is a defined contribution provident fund scheme which is made available to all eligible persons, including employees and self-employed persons. All members of the Plan are bound by the rules of the Trust Deed. The Plan is designed to provide various options to suit the particular circumstances of different participating employers and Plan members.

All mandatory contributions (see section 6.1.2) will be fully vested from the dates on which such contributions are made. The participating employers and Plan members may elect to make additional contributions on a voluntary basis. Such voluntary contributions will be vested in the members in accordance with the rules specified in their respective participating plans.

The twenty-seven constituent funds in the Plan are defined and categorized in the following table:

Constituent Funds	Date of Establishment
Equity Funds	
(1) BCT (Pro) China and Hong Kong Equity Fund (the "China and Hong Kong Equity Fund")	1 January 2008
(2) BCT (Pro) Asian Equity Fund (the "Asian Equity Fund")	1 May 2004
(3) BCT (Pro) European Equity Fund (the "European Equity Fund")	1 January 2008
(4) BCT (Pro) Global Equity Fund (the "Global Equity Fund")	1 October 2002
Equity Funds — Market Tracking Series[1]	
(5) BCT (Pro) Hang Seng Index Tracking Fund (the "Hang Seng Index Tracking Fund")	1 October 2009
(6) BCT (Pro) U.S. Equity Fund (the "U.S. Equity Fund")	23 November 2021
(7) BCT (Pro) Greater China Equity Fund (the "Greater China Equity Fund")	28 June 2012
(8) BCT (Pro) World Equity Fund (the "World Equity Fund")	28 June 2012

* Such approval by the Authority does not imply official recommendation of the constituent funds by the Authority.

[1] These funds are denoted as "Equity Funds – Market Tracking Series" under BCT (MPF) Pro Choice as they solely invest in ITCIS. BCT (Pro) Hang Seng Index Tracking Fund invests solely in a single ITCIS, and thereby aims to achieve investment results that closely track the performance of the Hang Seng Index. BCT (Pro) Greater China Equity Fund, BCT (Pro) World Equity Fund and BCT (Pro) U.S. Equity Fund are portfolio management funds investing in ITCISs and these funds themselves are not index-tracking funds.

Constituent Funds		Date of Establishment
***Target Date Mixed Asset Funds*[2]**		
(9)	BCT (Pro) SaveEasy 2050 Fund (the “SaveEasy 2050 Fund”)	23 November 2021
(10)	BCT (Pro) SaveEasy 2045 Fund (the “SaveEasy 2045 Fund”)	23 November 2021
(11)	BCT (Pro) SaveEasy 2040 Fund (the “SaveEasy 2040 Fund”)	27 October 2008
(12)	BCT (Pro) SaveEasy 2035 Fund (the “SaveEasy 2035 Fund”)	27 October 2008
(13)	BCT (Pro) SaveEasy 2030 Fund (the “SaveEasy 2030 Fund”)	27 October 2008
(14)	BCT (Pro) SaveEasy 2025 Fund (the “SaveEasy 2025 Fund”)	27 October 2008
(15)	BCT (Pro) SaveEasy 2020 Fund (the “SaveEasy 2020 Fund”)	27 October 2008
	(collectively, the “SaveEasy Funds”)	
Mixed Asset Funds		
(16)	BCT (Pro) E90 Mixed Asset Fund (the “E90 Mixed Asset Fund”)	27 October 2008
(17)	BCT (Pro) E70 Mixed Asset Fund (the “E70 Mixed Asset Fund”)	31 January 2000
(18)	BCT (Pro) E50 Mixed Asset Fund (the “E50 Mixed Asset Fund”)	31 January 2000
(19)	BCT (Pro) E30 Mixed Asset Fund (the “E30 Mixed Asset Fund”)	31 January 2000
(20)	BCT (Pro) Flexi Mixed Asset Fund (the “Flexi Mixed Asset Fund”)	1 August 2005
(21)	BCT (Pro) Core Accumulation Fund (the “Core Accumulation Fund”)	1 April 2017
(22)	BCT (Pro) Age 65 Plus Fund (the “Age 65 Plus Fund”)	1 April 2017
(23)	BCT (Pro) Asian Income Retirement Fund (the “Asian Income Retirement Fund”)	25 April 2022

[2] These funds are denoted as “Target Date Mixed Asset Funds” under BCT (MPF) Pro Choice and they are designed to shift their investments from equities towards a greater exposure to bonds and cash as the relevant fund approaches to its particular target year.

Constituent Funds	Date of Establishment
Bond / Money Market Funds	
(24) BCT (Pro) RMB Bond Fund (the "RMB Bond Fund")	4 March 2013
(25) BCT (Pro) Global Bond Fund (the "Global Bond Fund")	1 October 2022
(26) BCT (Pro) Hong Kong Dollar Bond Fund (the "Hong Kong Dollar Bond Fund")	1 October 2009
(27) BCT (Pro) MPF Conservative Fund (the "MPF Conservative Fund")	31 January 2000

The constituent funds in the Plan and the Default Investment Strategy are subject to risks inherent in all investments. Please refer to the risk factors in section 4 and section 3.3.4 (relating to the Default Investment Strategy) for more details.

1.2 SCHEME STRUCTURE

A chart of the Plan and its Constituent Funds is set out below:

BCT (MPF) Pro Choice – Structure of the Constituent Funds

	BCT (MPF) Pro Choice – Constituent Funds									
Investment Managers	Amundi Hong Kong Limited									
Constituent Funds	BCT (Pro) Global Bond Fund^	BCT (Pro) China and Hong Kong Equity Fund^	BCT (Pro) Asian Equity Fund^	BCT (Pro) European Equity Fund^	BCT (Pro) Global Equity Fund^	BCT (Pro) E90 Mixed Asset Fund^	BCT (Pro) E70 Mixed Asset Fund^	BCT (Pro) E50 Mixed Asset Fund^	BCT (Pro) E30 Mixed Asset Fund^	BCT (Pro) U.S. Equity Fund^
Approved Pooled Investment Funds / ITCISs	Multiple BCT APIFs under the BCT Pooled Investment Fund Series Managed by Different Investment Managers									MPFA Approved ITCISs

	BCT (MPF) Pro Choice – Constituent Funds							
Investment Managers	Taikang Asset Management (Hong Kong) Co., Ltd.	FIL Investment Management (Hong Kong) Limited						
Constituent Funds	BCT (Pro) Asian Income Retirement Fund*	BCT (Pro) SaveEasy 2050 Fund*	BCT (Pro) SaveEasy 2045 Fund*	BCT (Pro) SaveEasy 2040 Fund*	BCT (Pro) SaveEasy 2035 Fund*	BCT (Pro) SaveEasy 2030 Fund*	BCT (Pro) SaveEasy 2025 Fund*	BCT (Pro) SaveEasy 2020 Fund*
Approved Pooled Investment Funds / ITCISs	Taikang Asian Income Retirement Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2050 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2045 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund	Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund

* Feeder fund

^ Portfolio management fund

	BCT (MPF) Pro Choice – Constituent Funds						
Investment Managers	State Street Global Advisors Asia Limitied			Invesco Hong Kong Limited			
Constituent Funds	BCT (Pro) Hang Seng Index Tracking Fund*	BCT (Pro) Greater China Equity Fund^	BCT (Pro) World Equity Fund^	BCT (Pro) MPF Conservative Fund	BCT (Pro) RMB Bond Fund*	BCT (Pro) Core Accumulation Fund*	BCT (Pro) Age 65 Plus Fund*
Approved Pooled Investment Funds / ITCISs	Tracker Fund of Hong Kong	MPFA Approved ITCISs		Direct Investments	Invesco Pooled Investment Fund – RMB Bond Fund	Invesco Pooled Investment Fund – Core Accumulation Fund	Invesco Pooled Investment Fund – Age 65 Plus Fund

	BCT (MPF) Pro Choice – Constituent Funds	
Investment Managers	Allianz Global Investors Asia Pacific Limited	JPMorgan Funds (Asia) Limited
Constituent Funds	BCT (Pro) Flexi Mixed Asset Fund*	BCT (Pro) Hong Kong Dollar Bond Fund*
Approved Pooled Investment Funds / ITCISs	Allianz Choice Flexi Balanced Fund	JPMorgan SAR HK$ Bond Fund

* Feeder fund

^ Portfolio management fund

2. DIRECTORY

Trustee, Administrator and Custodian

BANK CONSORTIUM TRUST COMPANY LIMITED
18/F, Cosco Tower
183 Queen's Road Central
Hong Kong

Sponsor

BCT FINANCIAL LIMITED
18/F, Cosco Tower
183 Queen's Road Central
Hong Kong

Investment Managers

(1) AMUNDI HONG KONG LIMITED ("Amundi")
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Hong Kong

(2) ALLIANZ GLOBAL INVESTORS ASIA PACIFIC LIMITED ("AllianzGI AP")
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Hong Kong

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3 Garden Road, Central
Hong Kong

(4) FIL INVESTMENT MANAGEMENT (HONG KONG) LIMITED ("Fidelity")
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88 Queensway, Admiralty
Hong Kong

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68/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Delegate of SSgA

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Sydney, NSW 2000 Australia

(6) JPMORGAN FUNDS (ASIA) LIMITED ("JPMorgan")
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8 Connaught Road Central
Hong Kong

(7) TAIKANG ASSET MANAGEMENT (HONG KONG) COMPANY LIMITED ("Taikang")
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18 Chater Road
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Hong Kong

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Central, Hong Kong

3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES

3.1 FUND OPTIONS

Constituent Funds

No.	Name of Constituent Fund	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
1.	BCT (Pro) China and Hong Kong Equity Fund	Amundi	Investing in 2 or more APIFs	Equity Fund – China & Hong Kong	70% to 100% in equities and 0 to 30% in cash and cash equivalents
2.	BCT (Pro) Asian Equity Fund	Amundi	Investing in 2 or more APIFs	Equity Fund – Asia ex-Japan	70% to 100% in equities and 0 to 30% in cash and cash equivalents
3.	BCT (Pro) European Equity Fund	Amundi	Investing in 2 or more APIFs	Equity Fund – Europe	70% to 100% in equities and 0 to 30% in cash and cash equivalents
4.	BCT (Pro) Global Equity Fund	Amundi	Investing in 2 or more APIFs	Equity Fund – Global	70% to 100% in equities and 0 to 30% in cash and cash equivalents
5.	BCT (Pro) Hang Seng Index Tracking Fund	SSgA	Investing in a single ITCIS	Equity Fund – Hong Kong	100% in equities
6.	BCT (Pro) U.S. Equity Fund	Amundi	Investing in 2 or more ITCISs	Equity Fund – U.S.	100% in equities
7.	BCT (Pro) Greater China Equity Fund	SSgA	Investing in 2 or more ITCISs	Equity Fund – Greater China	100% in equities
8.	BCT (Pro) World Equity Fund	SSgA	Investing in 2 or more ITCISs	Equity Fund – Global	100% in equities
9.	BCT (Pro) SaveEasy 2050 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 100%	Initially around 100% in equities and greater exposure to bonds and cash as the year 2050 is approached
10.	BCT (Pro) SaveEasy 2045 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 100%	Initially around 100% in equities and greater exposure to bonds and cash as the year 2045 is approached
11.	BCT (Pro) SaveEasy 2040 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 100%	Initially around 100% in equities and greater exposure to bonds and cash as the year 2040 is approached
12.	BCT (Pro) SaveEasy 2035 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 100%	Initially around 100% in equities and greater exposure to bonds and cash as the year 2035 is approached
13.	BCT (Pro) SaveEasy 2030 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 99%	Initially around 99% in equities and greater exposure to bonds and cash as the year 2030 is approached

No.	Name of Constituent Fund	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
14.	BCT (Pro) SaveEasy 2025 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 97%	Initially around 97% in equities and greater exposure to bonds and cash as the year 2025 is approached
15.	BCT (Pro) SaveEasy 2020 Fund	Fidelity	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities initially around 94%	Initially around 94% in equities and greater exposure to bonds and cash as the year 2020 is approached
16.	BCT (Pro) E90 Mixed Asset Fund	Amundi	Investing in 2 or more APIFs	Mixed Asset Fund – Global – Maximum equities 100%	Normally 90% in equities (with 100% being the maximum exposure to equities) and 10% in bonds and cash
17.	BCT (Pro) E70 Mixed Asset Fund	Amundi	Investing in 2 or more APIFs	Mixed Asset Fund – Global – Maximum equities 80%	70% in equities (with 80% being the maximum exposure to equities) and 30% in fixed income securities
18.	BCT (Pro) E50 Mixed Asset Fund	Amundi	Investing in 2 or more APIFs	Mixed Asset Fund – Global – Maximum equities 60%	50% in equities (with 60% being the maximum exposure to equities) and 50% in fixed income securities
19.	BCT (Pro) E30 Mixed Asset Fund	Amundi	Investing in 2 or more APIFs	Mixed Asset Fund – Global – Maximum equities 40%	30% in equities (with 40% being the maximum exposure to equities) and 70% in fixed income securities
20.	BCT (Pro) Flexi Mixed Asset Fund	AllianzGI AP	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities 50%	Under normal circumstances, it is expected that 0 to 25% will be invested in equities and 75% to 100% in fixed interest securities and cash. In strong equity markets, 0 to 50% will be invested in equities and 50% to 100% in fixed interest securities and cash; while in weaker equity market conditions, up to 100% will be invested in fixed-interest securities
21.	BCT (Pro) Core Accumulation Fund	Invesco	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities 65%	Around 60% in higher risk assets (such as global equities) and around 40% in lower risk assets (such as global bonds, cash and money market instruments.)
22.	BCT (Pro) Age 65 Plus Fund	Invesco	Investing in a single APIF	Mixed Asset Fund – Global – Maximum equities 25%	Around 20% in higher risk assets (such as global equities) and around 80% in lower risk assets (such as global bonds, cash and money market instruments.)
23.	BCT (Pro) Asian Income Retirement Fund	Taikang	Investing in a single APIF	Mixed Asset Fund – Asia – Maximum equities 30%	70% to 100% in fixed income securities; 0 to 30% in equities; 0% to 10% in cash and cash equivalents.

No.	Name of Constituent Fund	Investment Manager	Fund Structure	Fund Descriptor	Investment Focus
24.	BCT (Pro) RMB Bond Fund	Invesco	Investing in a single APIF	Bond Fund – China	70% to 100% in debt instruments and 0 to 30% in cash and money market instruments
25.	BCT (Pro) Global Bond Fund	Amundi	Investing in 2 or more APIFs	Bond Fund – Global	70% to 100% are expected to be fixed income securities and 0 to 30% in cash and cash equivalents
26.	BCT (Pro) Hong Kong Dollar Bond Fund	JPMorgan	Investing in a single APIF	Bond Fund – Hong Kong	70% to 100% in Hong Kong dollar denominated bonds and 0 to 30% in US dollar denominated bonds
27.	BCT (Pro) MPF Conservative Fund	Invesco	Direct Investment	Money Market Fund – Hong Kong	100% in Hong Kong dollar denominated bank deposits and short-term debt securities

3.2 INVESTMENT OBJECTIVES AND POLICIES

Twenty-seven constituent funds, each with a different investment policy, have been established under the Plan. Each Plan member may invest his or her contributions in one or more of these constituent funds and / or in the Default Investment Strategy. Please refer to section 6.1.5 entitled “Investment Mandate” and section 6.2.1 entitled “Change of Investment Instructions” for further details.

The information regarding risk category and expected return for each constituent fund is assigned by the Sponsor on an absolute basis with reference to a risk profiling and asset allocation study that it has commissioned. Such information for each constituent fund is subject to review at least annually. It is based on the corresponding constituent fund’s volatility and expected return and is provided for reference only.

EQUITY FUNDS

3.2.1. China and Hong Kong Equity Fund

Statement of investment policy

(a) Objective and policy

The China and Hong Kong Equity Fund is a portfolio management fund. The objective of the China and Hong Kong Equity Fund is to provide members with long term capital appreciation through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series and in turn invests in a portfolio of (a) Hong Kong and China-related equity securities (including common / preferred stocks, depository receipts / certificates and China A-Shares via the Stock Connect) and (b) other Hong Kong and China-related listed instruments (namely equities related ITCIS, equity real estate investment trusts (“REITs”) and other equity stapled securities / investment units), provided that such securities and listed instruments are permitted for the purposes of the MPFS Ordinance. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy (“Dynamic APIFs”) or a “Rule-based Investment Strategy” (“Smart APIFs”). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a “Rule-based Investment Strategy” makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based investment strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

Hong Kong and China-related equity securities / listed instruments are defined as equity securities and the above-described instruments listed on the Hong Kong Stock Exchange or other exchanges of issuers generating a substantial portion of their revenues and / or profits in the People's Republic of China (including, but not limited to, China A-Shares via the Stock Connect). Investment in China A-Shares will not exceed 10% of its net asset value at all times.

With effect from 27 June 2022, the paragraph above shall be deleted and replaced with the following:

"Hong Kong and China-related equity securities / listed instruments are defined as equity securities and the above- described instruments listed on the Hong Kong Stock Exchange or other exchanges of issuers generating a substantial portion of their revenues and / or profits in the People's Republic of China (including, but not limited to, China A shares via the Stock Connect). Exposure to China A shares will be less than 30% of the constituent fund's net asset value."

It is expected that the China and Hong Kong Equity Fund will achieve a long term return which follows the trend of the Hong Kong and China-related equity markets. (Note: short term performance of the China and Hong Kong Equity Fund may be higher or lower than the long-term expected return.)

(b) Balance of investments

Under normal conditions, 70% to 100% of the fund's underlying assets will be invested in Hong Kong and China related securities and 0-30% will be held in cash and cash equivalents.

The China and Hong Kong Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

As the fund will be mainly invested in the Hong Kong and China-related securities, the inherent risk and return of the China and Hong Kong Equity Fund will be associated with the Hong Kong and China-related equity markets. The performance of the China and Hong Kong Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, and risks of China A shares market and Stock Connect.

With effect from 27 June 2022, the paragraph above shall be deleted and replaced with the following:

"As the fund will be mainly invested in the Hong Kong and China-related securities, the inherent risk and return of the China and Hong Kong Equity Fund will be associated with the Hong Kong and China-related equity markets. The performance of the China and Hong Kong Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, concentration risk, mainland China business and investment risk, and RMB currency risk."

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.2. Asian Equity Fund

Statement of investment policy

(a) Objective and policy

The Asian Equity Fund is a portfolio management fund. The objective of the Asian Equity Fund is to provide members with long term capital growth by investing in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which in turn invests primarily in equity securities listed on the stock exchanges of Asia Pacific markets (excluding Japan, Australia and New Zealand). The equity securities to be invested primarily include equity securities listed in Hong Kong, China (including, but not limited to, China A-Shares via the Stock Connect), Taiwan, Korea, Thailand, Philippines, Singapore, Malaysia, Indonesia and India. The fund may invest up to 10% of its Net Asset Value in equity securities listed on stock exchanges that are not approved stock exchanges as defined in the Regulation.

The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

It is expected that the Asian Equity Fund will achieve a long term capital growth which modestly exceeds Hong Kong price inflation (as measured by the Consumer Price Index Type A).

(b) Balance of investments

Under normal conditions, 70% to 100% of the fund's underlying assets will be invested in listed equity securities and 0-30% will be held in cash and cash equivalents.

The Asian Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

As the fund will be mainly invested in the stock markets in Asia, the inherent risk and return of the Asian Equity Fund will be associated with the Asian stock markets. The performance of the Asian Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.3. European Equity Fund

Statement of investment policy

(a) Objective and policy

The European Equity Fund is a portfolio management fund. The objective of the European Equity Fund is to provide members with long term capital appreciation by investing primarily in a portfolio of equity securities listed in Europe (including the United Kingdom), through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

The fund may invest in emerging markets such as Russia and Poland. The fund may invest up to 10% of its Net Asset Value in equity securities listed on stock exchanges that are not approved stock exchanges as defined in the Regulation.

It is expected that the European Equity Fund will achieve a long term return which follows the trend of the European equity market. (Note: short term performance of the European Equity Fund may be higher or lower than the long-term expected return.)

(b) Balance of investments

Under normal conditions, 70% to 100% of the fund's underlying assets will be invested in European (including United Kingdom) securities and 0-30% will be held in cash and cash equivalents.

The European Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

As the fund will be mainly invested in the stock markets in Europe (including the United Kingdom), the inherent risk and return of the European Equity Fund will be associated with the European (including United Kingdom) stock markets. The performance of the European Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, and equity market risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.4. Global Equity Fund

Statement of investment policy

(a) Objective and policy

The Global Equity Fund is a portfolio management fund. The objective of the Global Equity Fund is to provide members with capital growth over the medium to long term by investing mainly into global equity markets, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based investment strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

The fund aims to achieve as high a return as possible through global equity investments that commensurate with the lower level of risk considered appropriate for retirement scheme investors.

It is expected that the Global Equity Fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the Global Equity Fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The fund has no prescribed allocations for investments in any specific countries or currencies, and the actual portfolio may vary as market, political, structural, economic and other conditions change. Under normal conditions, 70% to 100% of the fund's underlying assets will be invested in listed equity securities and 0-30% will be held in cash and cash equivalents.

The Global Equity Fund maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the Global Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.5. Hang Seng Index Tracking Fund

Statement of investment policy

(a) Objective and policy

The objective of the Hang Seng Index Tracking Fund, which is an equity fund, is to provide members with long term capital appreciation by investing as a feeder fund solely in a single ITCIS (currently, the Tracker Fund of Hong Kong ("TraHK") which invests all, or substantially all, of its assets in the shares of constituent companies of the Hang Seng Index in substantially similar composition and weighting as they appear therein), and thereby aims to achieve investment results that closely track the performance of the Hang Seng Index.

(b) Balance of investments

The Hang Seng Index Tracking Fund will, through TraHK, maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

Hang Seng Index

The Hang Seng Index, the most widely quoted gauge of the Hong Kong Stock market, includes the largest and most liquid stocks, including H shares and Red Chips listed on the Main Board of the Stock Exchange of Hong Kong. It is a well-known benchmark published and compiled by Hang Seng Indexes Company Limited pursuant to a licence from Hang Seng Data Services Limited.

For investability representation, a freefloat-adjusted market capitalisation weighted methodology is being used for the compilation of the index. Details of the index methodology can be found in the website of Hang Seng Indexes Company Limited (www.hsi.com.hk). Members may also obtain the latest index information and other important news of the index through that website address.

The Hang Seng Index is reviewed quarterly by Hang Seng Indexes Company Limited. The composition of the index may change if one of the constituents was changed or if any of the constituent companies were to delist its shares or if a new company were to list its shares on the Stock Exchange and be added to the index.

Hang Seng Indexes Company Limited and Hang Seng Data Services Limited are both independent from the Trustee (namely, Bank Consortium Trust Company Limited) and the Investment Manager of the Hang Seng Index Tracking Fund ("Licenced Product"). The mark and the name of Hang Seng Index are proprietary to Hang Seng Data Services Limited and Hang Seng Indexes Company Limited publishes and compiles Hang Seng Index pursuant to a licence from Hang Seng Data Services Limited. Hang Seng Indexes Company Limited and Hang Seng Data Services Limited have agreed to the use of, and the reference to mark and name of, the Hang Seng Index by the Trustee in connection with the Licenced Product, **but neither Hang Seng Indexes Company Limited nor Hang Seng Data Services Limited warrants or represents or guarantees to any investors in or any other person dealing with the Licenced Product ("Relevant Persons") (i) the accuracy or completeness of the index and its computation or any information related thereto; or (ii) the fitness or suitability for any purpose of the index or component or data comprised in it or (iii) the results which may be obtained by person from the use of the index or any component or data comprised in it for any purposes, and no warranty or representation or guarantee of any kind whatsoever relating to the index is given or may be implied.**

To the extent permitted by applicable law, no responsibility or liability is accepted by Hang Seng Indexes Company Limited or Hang Seng Data Services Limited (i) in respect of the use of and / or reference to the index by the Trustee in connection with the Licenced Product; or (ii) for any inaccuracies, omissions, mistakes or errors of Hang Seng Index Company Limited in the computation of the index or (iii) for any inaccuracies, omissions, mistakes, errors or incompleteness of any information used in connection with the computation of the index which is supplied by any other person; or (iv) for any economic or other loss which may be directly or indirectly sustained by Relevant Persons as a result of any of the aforesaid, and no claims, actions or legal proceedings may be brought against Hang Seng Indexes Company Limited and / or Hang Seng Data Services Limited in connection with the Licenced Product in any manner whatsoever by any Relevant Persons investing in the Licenced Product. Any Relevant Persons do so therefore in full knowledge of this disclaimer and can place no reliance whatsoever on Hang Seng Indexes Company Limited and Hang Seng Data Services Limited. For the avoidance of doubt, this disclaimer does not create any contractual or quasi-contractual relationship between any Relevant Person and Hang Seng Indexes Company Limited and / or Hang Seng Data Services Limited and must not be construed to have created such relationship.

As of 31 December 2016 Hang Seng Index comprises 50 constituent stocks accounting for around 56.62 per cent of the total market value of all main board primary listings (excluding foreign companies). The top ten constituents of the Hang Seng Index is as below:

	Company	Percentage
1	HSBC Holdings PLC	10.62%
2	Tencent Holdings Ltd	10.16%
3	China Construction Bank Corp	8.99%
4	AIA Group Ltd	7.34%
5	China Mobile Ltd	7.03%
6	ICBC	4.78%
7	Bank of China Ltd	3.80%
8	CK Hutchison Holdings Ltd	3.31%
9	Hong Kong Exchanges & Clearing Ltd	2.97%
10	Ping An Insurance Group Co of China Ltd	2.82%

In the event that the Hang Seng Index ceases to be operated or is not available, the Trustee will, subject to the prior approval and with the consent of Investment Manager of the Hang Seng Index Tracking Fund, change the Hang Seng Index to a replacement index that is tradable and recognised as a benchmark to the overall performance of the Hong Kong stock market. 3 months prior notice will be given to scheme participants if the underlying ITCIS is required to be changed as a result of the above.

Tracking of the Hang Seng Index

TraHK level

The manager of TraHK reviews the stocks held in TraHK's portfolio each business day, checking those stocks against the constituent stocks of the Hang Seng Index and comparing the weighting of each stock in TraHK's portfolio to the weighting of the corresponding constituent stock in the Hang Seng Index.

Member should be aware that whilst Hang Seng Index Tracking Fund through its investment in TraHK (which, in turn, invests all, or substantially all, of its assets in the shares of constituent companies of the Hang Seng Index in substantially similar composition and weighting as they appear therein) aims to achieve a return which follows the trend of that index, there is no guarantee or assurance of exact or identical replication at any time of the performance of the index.

In the event that there is any deviation between TraHK's portfolio and the composition and weighting of the Hang Seng Index thereby giving rise to a tracking error which is considered by the manager of TraHK to be significant taking into account the investment objective, the manager would effect adjustments of TraHK's portfolio which it considers appropriate as soon as it is reasonably practicable, after considering transaction costs and the impact, if any, on the market. However, it will not always be efficient to replicate or attempt to replicate identically the share composition of the Hang Seng Index. For example, if the transaction costs to be incurred by TraHK in performing adjustments of the nature just mentioned would outweigh the anticipated reduction those adjustments could bring about in the tracking error in question, those adjustments may not be made. Minor mis-weightings are, accordingly, likely to occur. It should also be noted that the manager of TraHK may be restricted from effecting certain adjustments or required to perform certain adjustments by applicable laws and regulations.

Hang Seng Index Tracking Fund Level

Due to the delay in actually subscribing for shares in TraHK arising from the time required to process instructions to invest in the Hang Seng Index Tracking Fund in the initial period, the tracking error and the performance of the Hang Seng Index Tracking Fund may respectively be bigger and poorer immediately after launch although such a phenomenon would diminish over time as the fund size of Hang Seng Index Tracking Fund grows. Other than the above, due to the fact that the Hang Seng Index Tracking Fund will hold idle cash to meet members' redemption / switching requests and the calculation of performance of the Hang Seng Index Tracking Fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the Hang Seng Index Tracking Fund would be unavoidable.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying ITCIS will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying ITCIS may enter into financial futures contracts and financial option contracts for hedging purposes or to achieve the investment objective of the underlying ITCIS.

(e) Risks

The performance of the Hang Seng Index Tracking Fund is subject to a number of risks, including the following: general investment risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, and equity market risk, as well as the risks described under section 4.2.2.

Please refer to section 4 entitled “Risks” for a detailed description of the relevant risks.

3.2.6. U.S. Equity Fund

Statement of investment policy

(a) Objective and policy

The U.S. Equity Fund is a portfolio management fund. The objective of the U.S. Equity Fund is to provide members with capital appreciation over the long term by investing in a portfolio of ITCISs which, in turn, invests in the U.S. equity markets.

Whilst the U.S. Equity Fund is an equity fund which solely invests in ITCISs, it is not an index tracking fund. The underlying ITCISs it invests in will only invest in the US and track the relevant equity market indices in the U.S. such as the S&P 500 Index and the Nasdaq 100 Index.

It is expected that the U.S. Equity Fund will provide investment results that correspond generally to the performance of U.S. equity markets. (Note: short-term performance of the fund may be higher or lower than the long-term expected results.)

The underlying ITCISs will be selected from those available in the market (regardless of whether they are managed by the same investment manager or its connected persons of the U.S. Equity Fund) provided that they can achieve the above objective.

(b) Balance of investments

No prescribed allocations for investments in any specific indices, however, apply to the U.S. Equity Fund.

The U.S. Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. In order for the U.S. Equity Fund to maintain the required effective currency exposure, it may enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The U.S. Equity Fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The U.S. Equity Fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The inherent risk and return of the U.S. Equity Fund will be associated with the U.S. equity markets. The performance of the U.S. Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, risk of default of financial institutions, equity market risk, concentration risk, as well as the risks described under section 4.2.6.

Please refer to section 4 entitled “Risks” for a detailed description of the relevant risks.

3.2.7. Greater China Equity Fund

Statement of investment policy

(a) Objective and policy

The Greater China Equity Fund is a portfolio management fund. The objective of the Greater China Equity Fund is to provide members with capital appreciation over the long term by investing in two or more ITCISs which, in turn, invest in Greater China equity markets.

Whilst the Greater China Equity Fund is an equity fund which solely invests in ITCISs, it is not an index-tracking fund. The underlying ITCISs it invests in will invest in and be exposed to the Greater China region comprising of stocks listed in Hong Kong, Taiwan, Shanghai (A shares and B shares), Shenzhen (A shares and B shares) and Singapore, and track the relevant equity market indices.

With effect from 27 June 2022, the paragraph above shall be deleted and replaced with the following:

"Whilst the Greater China Equity Fund is an equity fund which solely invests in ITCISs, it is not an index-tracking fund. The underlying ITCISs it invests in will invest in and be exposed to the Greater China region comprising of stocks listed in Hong Kong, Taiwan, Shanghai (China A shares and China B shares), Shenzhen (China A shares and China B shares) and Singapore, and track the relevant equity market indices."

It is expected that the Greater China Equity Fund will provide investment results that correspond generally to the performance of Greater China equity markets. (Note: short-term performance of the fund may be higher or lower than the long-term expected results.)

The underlying ITCISs will be selected from those available in the market (regardless of whether they are managed by the same investment manager or its connected persons of the Greater China Equity Fund) provided that they can achieve the above objective.

(b) Balance of investments

No prescribed allocations for investments in any countries, regions or territories, however, apply to the Greater China Equity Fund.

The underlying ITCISs of the Greater China Equity Fund comprise of stocks listed in Hong Kong, Taiwan, Shanghai (A shares and B shares) and Shenzhen (A shares and B shares), providing coverage for the Greater China Region. Singapore listed stocks may also be included in the investments of the underlying ITCISs according to the classification system / index methodology of the index provider of the reference index. The total exposure of China A shares and B shares in the Greater China Equity Fund will not exceed 10%. However, please note that this investment policy may change in the future. Should any change take place, at least one month prior written notification will be given to members and this Brochure will be updated accordingly.

With effect from 27 June 2022, the paragraph above shall be deleted and replaced with the following:

"The underlying ITCISs of the Greater China Equity Fund comprise of stocks listed in Hong Kong, Taiwan, Shanghai (China A shares and China B shares) and Shenzhen (China A shares and China B shares), providing coverage for the Greater China Region. Singapore listed stocks may also be included in the investments of the underlying ITCISs according to the classification system / index methodology of the index provider of the reference index. The total exposure to China A shares and China B shares will be less than 30% of the constituent fund's net asset value. However, please note that this investment policy may change in the future. Should any change take place, at least one month prior written notification will be given to members and this Brochure will be updated accordingly."

The Greater China Equity Fund will, through the holdings of relevant ITCISs (and the cash for ancillary purposes), fulfil the requirement of effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund will not enter into financial futures contracts and financial options contracts.

(e) Risks

The inherent risk and return of the Greater China Equity Fund will be associated with the relevant equity markets of the Greater China region. The performance of the Greater China Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.4.

> *With effect from 27 June 2022, the paragraph above shall be deleted and replaced with the following:*
>
> "The inherent risk and return of the Greater China Equity Fund will be associated with the relevant equity markets of the Greater China region. The performance of the Greater China Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, mainland China business and investment risk, RMB currency risk, as well as the risks described under section 4.2.4."

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.8. World Equity Fund

Statement of investment policy

(a) Objective and policy

The World Equity Fund is a portfolio management fund. The objective of the World Equity Fund is to provide members with capital appreciation over the long term by investing in a portfolio of ITCISs which, in turn, invests in global equity markets.

Whilst the World Equity Fund is an equity fund which solely invests in ITCISs, it is not an index tracking fund. The underlying ITCISs it invests in will only invest in America, Europe, Australasia and Asia but not Africa and track the relevant equity market indices.

It is expected that the World Equity Fund will provide investment results that correspond generally to the performance of global equity markets. (Note: short-term performance of the fund may be higher or lower than the long-term expected results.)

The underlying ITCISs will be selected from those available in the market (regardless of whether they are managed by the same investment manager or its connected persons of the World Equity Fund) provided that they can achieve the above objective.

(b) Balance of investments

No prescribed allocations for investments in any specific countries, however, apply to the World Equity Fund.

The World Equity Fund will, through the holdings of relevant ITCISs (and the cash for ancillary purposes), maintain an effective currency exposure to Hong Kong dollars of not less than 30%. In order for the World Equity Fund to maintain the required effective currency exposure, it may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in securities lending or repurchase agreements.

(d) Futures and options

The fund will not enter into financial futures contracts and financial option contracts.

(e) Risks

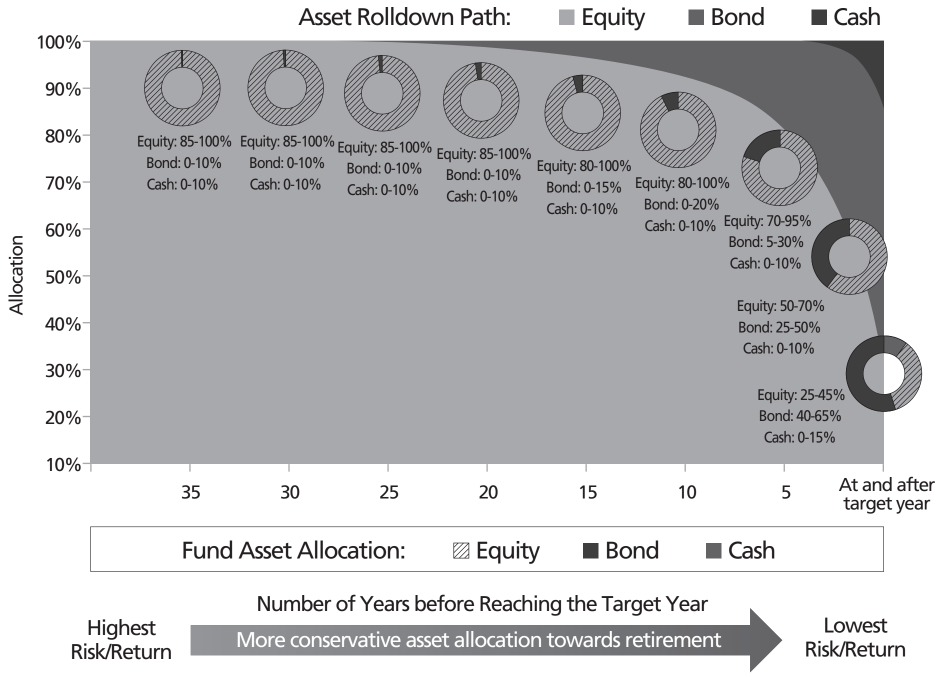
The inherent risk and return of the World Equity Fund will be associated with those relevant equity markets. The performance of the World Equity Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, equity market risk, risks of China A shares market and Stock Connect, mainland China business and investment risk, RMB currency risk, as well as the risks described under section 4.2.4.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

TARGET DATE MIXED ASSET FUNDS

The SaveEasy Funds (referred to in sections 3.2.9 to 3.2.15), through investing in the underlying APIFs managed by Fidelity (which, in turn, invest in other APIFs managed by Fidelity), invest in a variety of equities, bonds and cash. The SaveEasy Funds are designed to shift their underlying investments from equities towards a greater exposure to bonds and cash as the relevant SaveEasy Fund gets closer to its particular target year. Please refer to the indicative chart below displaying the SaveEasy Funds asset rolldown over the duration of each fund.

SaveEasy Funds Assets Rolldown Chart



Reminder: SaveEasy Funds are not saving deposits but MPF products. Age should not be the sole determining factors when choosing the funds and the fact that a person's age falls within the age range of fund as suggested in this Brochure should only be one of the determining factors. Members should also consider factors other than age (such as their own investment objectives) and seek financial advice as appropriate.

Members will be informed of how the assets of each SaveEasy Fund are allocated by way of Fund Performance Fact Sheet (a) an updated version of which will be posted on the Trustee's website on a quarterly basis for access by the members and (b) a hard copy of which will be provided to each member within 3 months of the end of the financial year of the Plan (together with the annual benefit statement).

The target year for a SaveEasy Fund is the year specified in its name, for example, the target year for the SaveEasy 2020 Fund is the year 2020. Each SaveEasy Fund aims to provide long-term capital growth for members planning to dispose of their investment in such fund in the target year, this may coincide with choosing a target year which comes closest before the member's expected retirement age of 65.

The following table illustrates the applicable SaveEasy Funds for different age groups for reference:

Year-of-birth	Applicable Constituent Fund
After 1989	SaveEasy 2050 Fund
1985 - 1989	SaveEasy 2050 Fund
1980 - 1984	SaveEasy 2045 Fund
1975 - 1979	SaveEasy 2040 Fund
1970 - 1974	SaveEasy 2035 Fund
1965 - 1969	SaveEasy 2030 Fund
1960 - 1964	SaveEasy 2025 Fund
1955 - 1959	SaveEasy 2020 Fund

Member should note that the selection of a SaveEasy Fund that does not most closely align with their expected date of disposal of their investments in such fund (which may coincide with their expected retirement age of 65) may result in their having a higher risk of potential mismatch between their investment horizon and their investment type than would the case if they had accurately selected a SaveEasy Fund that does mostly closely align with their expected date of disposal of their investments.

The SaveEasy Funds may remain in existence for a period of up to five years after the designated target year (as may the underlying APIFs). A particular SaveEasy Fund is expected to terminate with effect from 31 December in the year that is up to five years after its target year (the fund's "Maturity Date"). Notice(s) will be issued to the member at least 3 months before the Maturity Date of a SaveEasy Fund advising him / her that the Maturity Date is close to being reached and offering the member an opportunity to switch his / her holdings in the particular SaveEasy Fund to any other constituent funds. If the member does not, within 30 days after the Trustee has notified him / her of the said termination, give any instructions to dispose of his holdings in the particular SaveEasy Fund before its Maturity Date, the Trustee shall have the right, without further notice or consent from the member, to switch the member's holdings in the particular SaveEasy Fund into the E30 Mixed Asset Fund and the Trustee shall notify the member of such switching of holdings after it has been effected. Similarly, where applicable, any subsequent contributions received from a member following the Maturity Date of the particular SaveEasy Fund will also be invested in the E30 Mixed Asset Fund unless a new investment mandate is received by the Trustee as described in section 6.1.5 "Investment Mandate".

3.2.9. SaveEasy 2050 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2050 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2050 Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2050 Fund will achieve long term capital growth to year 2050. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2050 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2050 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.10. SaveEasy 2045 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2045 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2045 Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2045 Fund will achieve long term capital growth to year 2045. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2045 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2045 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.11. SaveEasy 2040 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2040 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2040 Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2040 Fund will achieve long term capital growth to year 2040. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2040 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2040 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.12. SaveEasy 2035 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2035 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2035 Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2035 Fund will achieve long term capital growth to year 2035. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 100% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2035 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2035 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.13. SaveEasy 2030 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2030 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2030 Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2030 Fund will achieve long term capital growth to year 2030. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 99% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2030 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2030 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.14. SaveEasy 2025 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2025 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2025 Fund", an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2025 Fund will achieve long term capital growth to year 2025. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 97% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2025 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2025 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.15. SaveEasy 2020 Fund

Statement of investment policy

(a) Objective and policy

The objective of the SaveEasy 2020 Fund is to provide members with capital growth over the long term by investing as a feeder fund solely in "Fidelity Global Investment Fund – Fidelity SaveEasy 2020 Fund", an underlying APIF which, in turn (through its investment in other APIFs managed by Fidelity) invests in a wide range of investments (equities, bonds and cash) covering markets throughout the world.

It is expected that the SaveEasy 2020 Fund will achieve long term capital growth to year 2020. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying APIF will initially invest around 94% of its net assets in equities and will maintain an asset allocation appropriate to achieving a combination of income and long term capital growth (i.e. greater exposure to bonds and cash) as the year 2020 is approaching.

The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF will not engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the SaveEasy 2020 Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, as well as the risks described under section 4.2.1.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

MIXED ASSET FUNDS

3.2.16. E90 Mixed Asset Fund

Statement of investment policy

(a) Objective and policy

The E90 Mixed Asset Fund is a portfolio management fund. The objective of the E90 Mixed Asset Fund is to provide members with capital appreciation over the long term by investing primarily in global equities with the flexibility to invest in fixed income securities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

It is expected that the E90 Mixed Asset Fund will build real wealth over the long term. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The underlying investments will normally consist of 90% of the fund's net assets in equities (with 100% being the maximum exposure to equities) and 10% in bonds and cash, although actual portfolios may vary as market, political, structural, economic and other conditions change. The fund will maintain a broad geographical diversification with a bias towards Hong Kong.

The E90 Mixed Asset Fund will, maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the E90 Mixed Asset Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, risks of China interbank bond market and Bond Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.17. E70 Mixed Asset Fund

Statement of investment policy

(a) Objective and policy

The E70 Mixed Asset Fund is a portfolio management fund. The objective of the E70 Mixed Asset Fund is to provide members with capital appreciation over the long term through diversified investments in global equities where higher rates of returns are usually available, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

In addition, the fund will also maintain a limited exposure to global fixed income securities through investments in the aforementioned relevant APIFs.

It is expected that the fund will achieve a long term return which exceeds the salary inflation in Hong Kong. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

As a substantial portion of the fund will be invested in the equities market, the fund is expected to be subject to the higher level of volatility of the equity markets in the short to medium term. Accordingly, the fund is suitable for members who are willing to take a relatively longer term of investment and assume a higher level of risk to achieve potentially higher returns in the long term.

(b) Balance of investments

The underlying investments primarily include bank deposits, global bonds and global equities. The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 30% in fixed income securities and 70% in equities (with 80% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

The E70 Mixed Asset Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the E70 Mixed Asset Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, risks of China interbank bond market and Bond Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.18. E50 Mixed Asset Fund

Statement of investment policy

(a) Objective and policy

The E50 Mixed Asset Fund is a portfolio management fund. The objective of the E50 Mixed Asset Fund is to provide members with capital appreciation and a stable level of income over the long term by investing primarily in bank deposits, global bonds and global equities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

It is expected that the fund will achieve a long term return which exceeds Hong Kong's price inflation. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

As the fund will be invested equally in fixed income securities and equities, the fund is suitable for investors who are willing to assume a moderate level of risk to achieve higher returns in the medium to long term.

(b) Balance of investments

The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 50% in fixed income securities and 50% in equities (with 60% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

The E50 Mixed Asset Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the E50 Mixed Asset Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, risks of China interbank bond market and Bond Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the associated risks.

3.2.19. E30 Mixed Asset Fund

Statement of investment policy

(a) Objective and policy

The E30 Mixed Asset Fund is a portfolio management fund. The objective of the E30 Mixed Asset Fund is to provide members with capital growth over the long term with a view to minimizing the risk of capital loss by investing primarily in fixed income securities and maintaining a limited exposure to global equities, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target allocation percentages for respectively the Dynamic APIFs and the Smart APIFs ("Target Dynamic / Smart Allocation Percentages") are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor), and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

It is expected that the fund will achieve a long term return which is in line with Hong Kong's price inflation. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

Investors should regard the fund as a low to medium risk investment. As the majority of the fund will be invested in fixed income securities, the fund is expected to exhibit a relatively lower level of risk in the investment in the short term.

(b) Balance of investments

The underlying investments primarily include bank deposits, global bonds and global equities. The benchmark weightings of the underlying investments of the fund are expected to be, but not restricted to, 70% in fixed income securities and 30% in equities (with 40% being the maximum exposure to equities). The fund is globally diversified with a bias towards Hong Kong on the equity portion.

The E30 Mixed Asset Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the E30 Mixed Asset Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, risks of China interbank bond market and Bond Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.20. Flexi Mixed Asset Fund

Statement of investment policy

(a) Objective and policy

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.

(b) Balance of investments

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.

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.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. 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. The underlying APIF may engage in repurchase agreements.

(d) Futures and options

The fund will not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the Flexi Mixed Asset Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, risks of China interbank bond market and Bond Connect, mainland China business and investment risk, and RMB currency risk.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.21. Core Accumulation Fund

Statement of investment policy

(a) Objective and policy

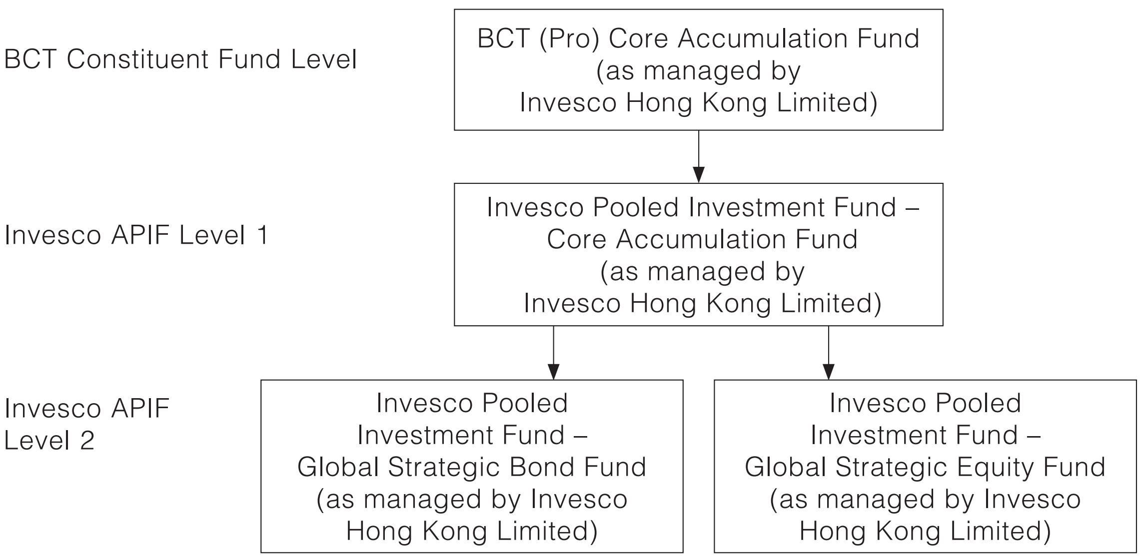
Investment objective

The objective of the Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner.

Investment policy

The Core Accumulation Fund will invest solely in "Invesco Pooled Investment Fund – Core Accumulation Fund" an underlying APIF which, in turn (through its investment in two other APIFs, namely Invesco Pooled Investment Fund – Global Strategic Equity Fund and Invesco Pooled Investment Fund – Global Strategic Bond Fund (the "DIS Underlying APIFs", and each of them an "DIS Underlying APIF")) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

The investment structure of the Core accumulation Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Core Accumulation Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Core Accumulation Fund. For further information, please refer to section 3.3.5 (relating to the Default Investment Strategy) on performance of DIS Funds.

The Core Accumulation Fund is designated as a medium risk investment option. It is expected that the return of the Core Accumulation Fund over the long term will be at least similar to the return of the Reference Portfolio of the Core Accumulation Fund.

The risk profile designated for the Core Accumulation Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

(b) Balance of investments

Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Core Accumulation Fund, invested by the Core Accumulation Fund targets to invest 60% of its net asset in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The asset allocation of the Invesco Pooled Investment Fund – Core Accumulation

Fund will make reference to the Reference Portfolio adopted for the Core Accumulation Fund. For further information on the Reference Portfolio, please refer to section 3.3.5 (relating to the Default Investment Strategy) on performance of DIS Funds. Subject to the above allocation limit / reference, the investment manager of the Invesco Pooled Investment Fund – Core Accumulation Fund has discretion as to the asset allocation of that APIF.

Geographical allocation

There is no prescribed allocation for investments in any specific countries or currencies.

(c) Security lending and repurchase agreements

The Core Accumulation Fund will not engage in any securities lending or repurchase agreements. The underlying APIF, Invesco Pooled Investment Fund – Core Accumulation Fund, and the DIS Underlying APIFs will not engage in securities lending. The underlying APIF, Invesco Pooled Investment Fund – Core Accumulation Fund, may engage in repurchase agreements.

(d) Futures and options

The Core Accumulation Fund and the underlying APIF, Invesco Pooled Investment Fund – Core Accumulation Fund will not enter into financial futures and options contracts, but will maintain an effective currency exposure to Hong Kong dollars of not less than 30% by holding a minimum of 30% of its net assets in Hong Kong dollars currency investments. One of the DIS Underlying APIFs invested by the Invesco Pooled Investment Fund – Core Accumulation Fund may enter into financial futures and options contracts for hedging purposes.

(e) Risks

The performance of the Core Accumulation Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, and risks of China interbank bond market and Bond Connect.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks. For risks associated with the Default Investment Strategy, please also refer to section 3.3.4.

3.2.22. Age 65 Plus Fund

Statement of investment policy

(a) Objective and policy

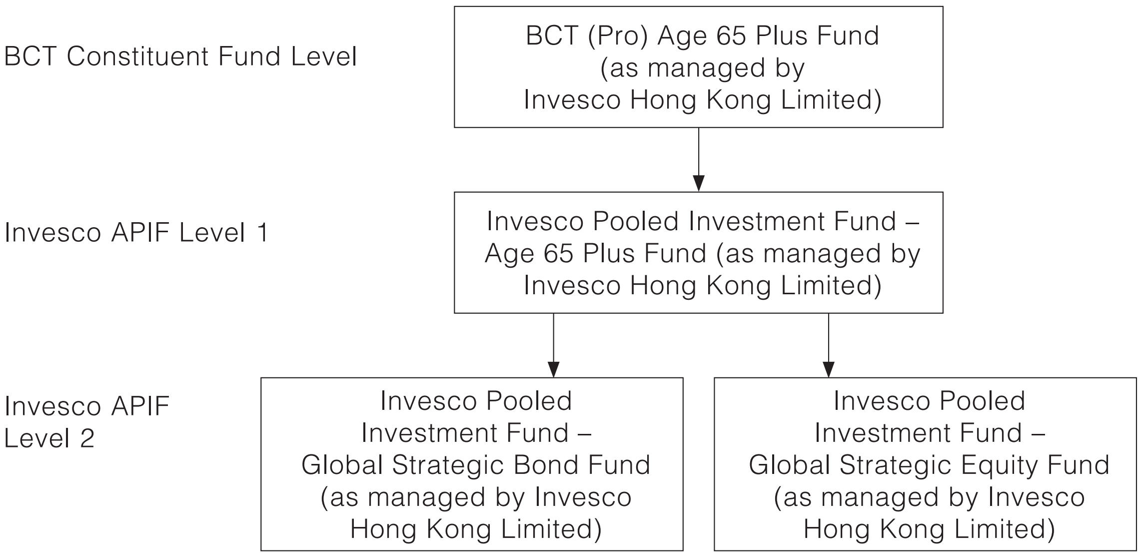
Investment objective

The objective of the Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner.

Investment policy

The Age 65 Plus Fund will invest solely in "Invesco Pooled Investment Fund – Age 65 Plus Fund" an underlying APIF which, in turn (through its investment in the DIS Underlying APIFs) invests in a portfolio of global equities with reference to the constituents, sectors, and geographical allocation of the FTSE MPF All-World Index, and a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of the FTSE MPF World Government Bond Index, as allowed under the Regulation.

The investment structure of the age 65 Plus Fund and its underlying APIFs are illustrated as follows:



Investment strategy of underlying APIFs

The Invesco Pooled Investment Fund – Age 65 Plus Fund will primarily invest in a combination of global equities and bonds in a globally diversified manner (through investment in Class B Units of the DIS Underlying APIFs).

The DIS Underlying APIFs adopt an active investment strategy. The Invesco Pooled Investment Fund – Global Strategic Equity Fund aims to achieve capital appreciation over the long term and seek to achieve returns above that of the FTSE MPF All-World Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global equities with reference to the constituents, sectors and geographical allocation of that reference index. The Invesco Pooled Investment Fund – Global Strategic Bond Fund aims to achieve stable growth over the long term and to seek to achieve returns above that of the FTSE MPF World Government Bond Index (a constituent index under the Reference Portfolio) through active management of a portfolio of global fixed income securities with reference to the credit rating, sectors, and geographical allocation of that reference index. In other words, the constituents of the portfolios of each of the DIS Underlying APIFs may not be identical to those of its reference index in terms of security selection and weighting and the DIS Underlying APIFs may selectively react to the movement of the dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize costs for the purpose of DIS asset rebalancing.

Risk and Return Profile

An MPF industry developed Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the Age 65 Plus Fund. For further information, please refer to section 3.3.5 (relating to the Default Investment Strategy) on performance of DIS Funds.

The Age 65 Plus Fund is designated as a low to medium risk investment option. It is expected that the return of the Age 65 Plus Fund over the long term will be at least similar to the return of the Reference Portfolio of the Age 65 Plus Fund.

The risk profile designated for the Age 65 Plus Fund is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations and by reference to the risk profiles of the other constituent funds in the Plan. The risk profile is provided for reference only, and may be reviewed and updated (where necessary) annually based on prevailing market circumstances.

(b) Balance of investments

Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Age 65 Plus Fund invested by the Age 65 Plus Fund targets to invest 20% of its net asset value in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The asset allocation of the Invesco Pooled Investment Fund – Age 65 Plus Fund will make reference to a Reference Portfolio adopted for the Age 65 Plus Fund. For further information on the Reference Portfolio, please refer to section 3.3.5 (relating to the Default Investment Strategy) on performance of DIS Funds. Subject to the above allocation limit / reference, the investment manager of the Invesco Pooled Investment Fund – Age 65 Plus Fund has discretion as to the asset allocation of that APIF.

Geographical allocation

There is no prescribed allocation for investments in any specific countries or currencies.

(c) Security lending and repurchase agreements

The Age 65 Plus Fund will not engage in securities lending or repurchase agreements. The underlying APIF, Invesco Pooled Investment Fund – Age 65 Plus Fund, and the DIS Underlying APIFs will not engage in securities lending. The underlying APIF, Invesco Pooled Investment Fund – Age 65 Plus Fund, may engage in repurchase agreements.

(d) Futures and options

The Age 65 Plus Fund and the underlying APIF, Invesco Pooled Investment Fund – Age 65 Plus Fund, will not enter into financial futures and options contracts, and it will maintain an effective currency exposure to Hong Kong dollars of not less than 30% by holding a minimum of 30% of its net assets in Hong Kong dollars currency investments. One of the DIS Underlying APIFs invested by the Invesco Pooled Investment Fund – Age 65 Fund may enter into financial futures and options contracts for hedging purposes.

(e) Risks

The performance of the Age 65 Plus Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, and risks of China interbank bond market and Bond Connect.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks. For risks associated with the Default Investment Strategy, please also refer to section 3.3.4.

3.2.23. Asian Income Retirement Fund

Statement of investment policy

(a) Objective and policy

The objective of the Asian Income Retirement Fund is to provide members with stable income (by way of distribution of dividend which will be reinvested in the Asian Income Retirement Fund or invested in the Age 65 Plus Fund based on the member's age) and capital appreciation over the medium to long term, by investing as a feeder fund solely in the distribution class of "Taikang Age of Longevity Unit Trust Fund – Taikang Asian Income Retirement Fund", an underlying APIF which in turn invests in a portfolio of Asian fixed income instruments and Hong Kong and Mainland China-related equity securities.

The underlying APIF will invest at least 70% of its net asset value in investment-grade USD-denominated fixed income securities issued by governments, governmental agencies, local and public authorities as well as corporations domiciled in, or exercising the principal part of their business activity in, or generating a substantial portion of their revenues and / or profits from Asian countries or regions, including but not limited to Mainland China, Hong Kong, Macau, Taiwan, India, Indonesia, Japan, Korea, Malaysia, Philippines, Singapore and Thailand. The underlying APIF may also maintain up to 10% of its net asset value in cash and cash equivalents for cash flow management.

Not more than 30% of the underlying APIF's net asset value will be invested in Hong Kong and Mainland China-related equity securities, which may include common stocks listed in Hong Kong, depositary receipts (including American depositary receipts), and China A shares via the Stock Connect. Hong Kong and Mainland China-related equity securities are defined as securities listed on the Hong Kong Stock Exchange or other exchanges of companies which generate a substantial portion of their revenues and / or profits in Mainland China and / or Hong Kong (including, but not limited to, China A shares via the Stock Connect). As part of the foregoing investment in listed securities, the underlying APIF may invest in ITCIS as permitted under the Regulation.

It is expected that the Asian Income Retirement Fund will seek an expected total return of 2% above the concurrent Hong Kong Consumer Price Index through income generation and capital appreciation over the medium to long term. (Note: Members who invest in the fund should be prepared to accept fluctuation in the value of the underlying investment. Future returns are not guaranteed and members should always consider their individual risk and return profile.)

The dividends distributed to members' account will be reinvested in the Asian Income Retirement Fund or invested in the Age 65 Plus Fund based on member's age as at the Record Date (as defined below) as explained in paragraph (f) below relating to distribution of dividends.

(b) Balance of investments

The target ranges of asset allocation of the underlying APIF are as follows:

(For indication only and the long term allocations may vary with changing market conditions)

	Min%	**Max%**
Fixed income securities	70%	100%
Listed equity securities	0%	30%
Cash and cash equivalents	0%	10%

The fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its net asset value, and may enter into currency forward contracts for such purposes.

(c) Security lending and repurchase agreements

The fund and its underlying APIF will not engage in any securities lending and enter into repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts or financial options contracts for hedging purposes only.

(e) Risks

The performance of the Asian Income Retirement Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, equity market risk, risks of China A shares market and Stock Connect, mainland China business and investment risks, mainland China tax risk, as well as the risks described under section 4.2.7.

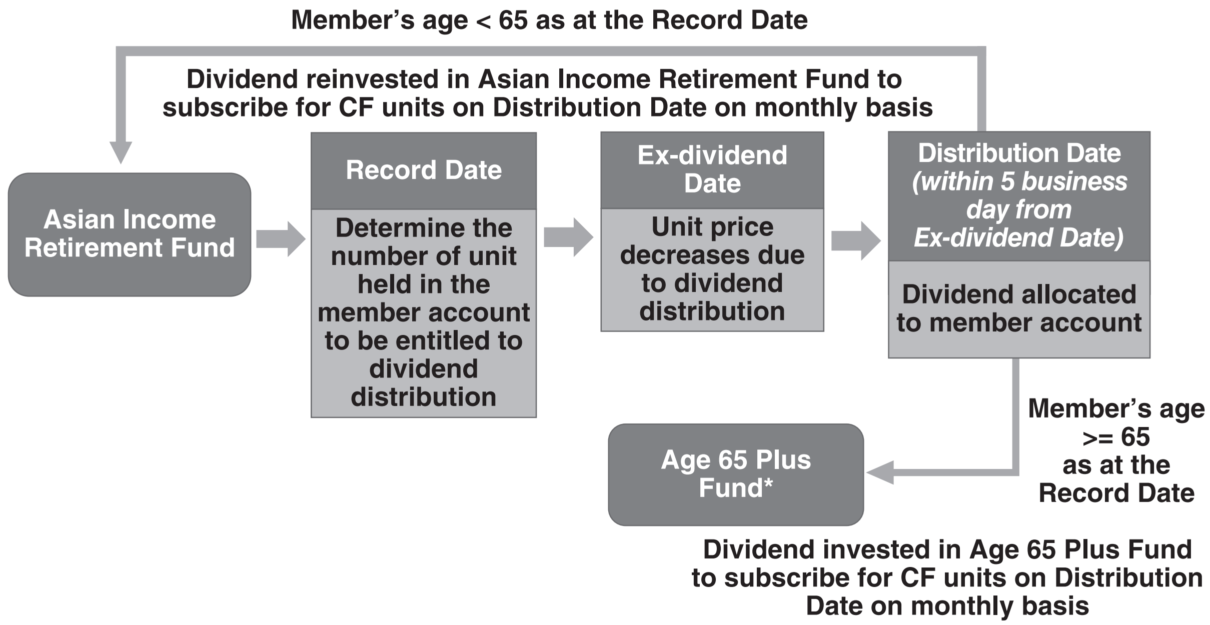
Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

(f) Distribution of dividends

The fund aims to distribute dividend on a regular basis, at such frequency as determined by the investment manager of the fund. Currently, the investment manager intends to distribute dividend on a monthly basis starting from the 7th month (or earlier as advised by the investment manager if it considers appropriate) after launch. Prior to the first month commencing distribution of dividend in each calendar year, a dealing day of each month for that calendar year will be pre-determined as the record date ("**Record Date**"). The net asset value per unit of the fund on the next dealing day immediately following the Record Date ("**Ex-dividend Date**") will be decreased or adjusted to reflect the distribution of dividend. The schedule of the pre-determined Record Dates and Ex-dividend Dates of each month for each calendar year will be made available on the Trustee's website at www.bcthk.com, as soon as practicable prior to the first Record Date of that calendar year. If any date becomes a non-dealing day, such date and the corresponding following dates in relation to the dividend distribution process will be postponed to the respective next dealing day accordingly without notice. For the purposes of determining entitlement to distribution, (i) any units of the Asian Income Retirement Fund which are redeemed or switched to other constituent fund(s) on the relevant Record Date shall be excluded, and (ii) any units of the Asian Income Retirement Fund which are issued on the relevant Record Date upon subscription shall be included. Records of dividend distribution will be posted on the Trustee's website at www.bcthk.com as soon as practicable after distribution.

The amount of the relevant portion of dividend of the relevant members will be either reinvested in the Asian Income Retirement Fund (which invests in the distribution class of "Taikang Age of Longevity Unit Trust Fund – Taikang Asian Income Retirement Fund"), or invested in the Age 65 Plus Fund* based on the member's age as at the Record Date. Such reinvestment or investment will be made on a dealing day within 5 business days from the Ex-dividend Date ("**Distribution Date**"). The amount of dividend per unit and the Distribution Date corresponding to each Record Date will be published on the Trustee's website within 6 business days after the Distribution Date. (*Please refer to section 3.2.19 for details of the Age 65 Plus Fund, particularly its investment objective and associated risks. Please also refer to section 5.1 regarding the fees and charges of the Age 65 Plus Fund.)

A one-off reminder will be issued to the relevant members at the time when dividend will start to be invested in the Age 65 Plus Fund. Please refer to the chart below for the dividend distribution process:



As shown in the chart above, dividends (if any) are reinvested and are not paid out in cash. For members who have reached the age of 65, dividends will be reinvested in the Age 65 Plus Fund, and such investments are subject to the risks, fees and charges applicable to the Age 65 Plus Fund.

Members should also note that their investments in the Asian Income Retirement Fund (including dividends distributed) are subject to the same vesting, preservation and withdrawal requirements applicable to mandatory and voluntary contributions (as applicable).

Notes:

The Trustee may, after consulting and agreeing with the investment manager of the Asian Income Retirement Fund and the Sponsor, and having regard to the interests of the members, amend the schedule of any future Record Dates and Ex-dividend Dates by updating the Trustee's website as soon as practicable without notice to members. Members should check the latest information available at the Trustee's website.

The Trustee may, after consulting with the Sponsor and taking into account the recommendation of the investment manager of the Asian Income Retirement Fund, determine whether or not to make any distribution of dividend for any month and the amount of dividend. The Trustee and the investment manager may consider various factors such as economic and market conditions and outlook, investment environment and performance of the underlying APIF, etc. and in any case the dividend shall be determined by the Trustee at its sole discretion. The amount of the relevant portion of dividend of the relevant members will be invested as aforementioned or, having regard to the interests of the relevant Members, made in such other manner as the Trustee considers appropriate.

The Trustee may, after consulting with the Sponsor and taking into account the recommendation of the investment manager of the Asian Income Retirement Fund, determine if and to what extent dividends are paid out of net distributable income and / or capital. Subject to prior approval of the Authority and the SFC, the Trustee may amend the aforementioned dividend policy by giving 1 month's prior notice to members.

Members should note that payment of dividends out of capital and / or effectively out of capital represent a withdrawal of part of the original investment or from any capital gains attributable to that original investment. Distribution of dividends will result in an immediate decrease or adjustment in the net asset value per unit of the Asian Income Retirement Fund on the Ex-dividend Date.

The amount of dividend per unit and the composition of dividend distribution (i.e. the percentages of dividend being made out of net distributable income and / or capital) for the last 12 months will be made available at the Trustee's website or on request.

Members should note that the regular and frequent distribution of dividends and reinvestment of dividends will inevitably involve an investment time-lag (i.e. within 5 business days from the Ex-dividend Date) during which dividends are not reinvested and are subject to out-of-market risk on a recurring basis (currently, on a monthly basis). During the period pending reinvestment, the net asset value per unit of the relevant constituent fund (i.e. the Asian Income Retirement Fund for members below the age of 65, or the Age 65 Plus Fund for members who have reached the age of 65) into which dividends are reinvested may have gone up or down, and accordingly the members' investment return may be impacted negatively or positively. Therefore the investment return for these members may deviate from that derived from a constituent fund with a similar investment portfolio without such arrangement, meaning that the dividend distribution arrangement of the Asian Income Retirement Fund may not always be advantageous to these members.

Members should consider carefully whether the Asian Income Retirement Fund is suitable for them and, if necessary, seek independent professional advice.

Members should note that the Asian Income Retirement Fund does not provide any guarantee on the capital or investment return or dividend amount / yield. There is no assurance on the dividend distribution frequency and the dividend amount / yield may fluctuate.

BOND / MONEY MARKET FUNDS

3.2.24. RMB Bond Fund

Statement of investment policy

(a) Objective and policy

The objective of the RMB Bond Fund, a bond fund, is to provide members with steady growth over the long term by investing as a feeder fund solely in "Invesco Pooled Investment Fund – RMB Bond Fund" (this fund is denominated in HKD only and not in RMB), an APIF which in turn invests primarily into RMB denominated debt instruments and money market instruments (including but not limited to commercial papers, certificates of deposit and bank deposits) issued or distributed outside and within the mainland China, with a primary focus on RMB denominated bonds issued in Hong Kong.

It is expected that the RMB Bond Fund will achieve a long term return which exceeds Hong Kong inflation (Note: short term performance of the RMB Bond Fund may be higher or lower than the long-term expected return).

(b) Balance of investments

The target ranges of asset allocation of the underlying APIF are as follows:

(For indication only and the long term allocations may vary with changing market conditions)

By asset Class	Min%	Max%
Debt instruments	70%	100%
Cash and money market instruments	0%	30%

By Currency	Min%	Max%
RMB denominated instruments	70%	100%
Non-RMB denominated instruments*	0%	30%

* Primarily denominated in HK dollar or US dollar but may also be denominated in other currencies in the Asia Pacific region.

The underlying APIF will invest at least 70% of its net assets in RMB denominated bonds issued outside and within the mainland China, with a primary focus on RMB denominated bonds issued in Hong Kong. It may also invest in other RMB denominated debt instruments which include but are not limited to convertible bonds, fixed rate and floating rate debt instruments, issued by governmental and supranational bodies, local authorities, national public bodies and corporations worldwide. Accordingly, the inherent risk of the RMB Bond Fund will be associated with, among other things, RMB denominated investments.

The underlying APIF may also invest up to 30% of its net assets in non-RMB denominated bonds, money market instruments, cash and cash equivalents. Investment manager for the constituent fund believes that the non-RMB currency exposure of the APIF will mitigate risks arising from the RMB exchange rate fluctuations and provide flexibility to achieve steady growth over the long term in various market conditions. Such exposure may also help to reduce the cost of hedging in order to provide the effective currency exposure as required under the Schedule 1 to the Regulation.

The underlying APIF may invest in debt securities traded on the China interbank bond market ("CIBM") through the Bond Connect (and / or such other means as permitted by the relevant regulations from time to time) but will not invest in securities issued within mainland China through any Qualified Foreign Institutional Investor (QFII) quota.

The RMB Bond Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its net assets and may enter into currency forward contacts for such purposes.

(c) Security lending and repurchase agreements

The fund will not engage in securities lending or repurchase agreements. The underlying APIF will not engage in security lending, and may engage in repurchase agreements.

(d) Futures and options

The fund will not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the RMB Bond Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, risks of China interbank bond market and Bond Connect, concentration risk, as well as the risks described under section 4.2.5.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.25. Global Bond Fund

Statement of investment policy

(a) Objective and policy

The Global Bond Fund is a portfolio management fund. The objective of the Global Bond Fund is to provide members with total investment return over the medium to long term by investing primarily into investment-grade global fixed income securities (including bonds traded on the China interbank bond market via the Bond Connect) issued by governments, governmental agencies, local and public authorities as well as corporates, through investments in a portfolio of APIFs selected from the BCT Pooled Investment Fund Series, which, in turn invests globally and may invest in emerging markets such as Thailand and Poland. The BCT Pooled Investment Fund Series comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the investment manager (in consultation with the Sponsor); and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (taking into account the characteristics such as attractive valuation, high quality, and low return volatility of such constituents). Such a strategy does not invest by replicating a designated index (i.e. it is not a typical index tracking fund with a passive investment strategy). The weighting of the constituent securities of the portfolio may be different from those of the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view to delivering a risk-and-return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to without discretion in the said selection process, the relevant rules will be subject to reviews and may be changed from time to time.

The fund aims to achieve as high a return as possible through global fixed income investments that commensurate with the lower level of risk considered appropriate for retirement scheme investors.

It is expected that the Global Bond Fund will achieve a long term return in line with Hong Kong's price inflation. (Note: short term performance of the Global Bond Fund may be higher or lower than the long term expected return.)

(b) Balance of investments

The fund has no prescribed allocations for investments in any specific countries or currencies. 70% to 100% of the underlying investments are expected to be fixed income securities and 0-30% will be held in cash and cash equivalents.

The Global Bond Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency forward contracts for hedging purposes.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the Global Bond Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, and risks of China interbank bond market and Bond Connect.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.26. Hong Kong Dollar Bond

Fund Statement of investment policy

(a) Objective and policy

The objective of the Hong Kong Dollar Bond Fund is to provide members with long term capital appreciation by investing as a feeder fund solely in "JPMorgan SAR HK$ Bond Fund", an APIF which in turn invests in a portfolio consisting primarily of Hong Kong dollar denominated bonds (including government and corporate bonds).

It is expected that the Hong Kong Dollar Bond Fund will provide members with long term capital growth in Hong Kong dollar terms. (Note: short term performance of the fund may be higher or lower than the long term expected return.)

(b) Balance of investments

At least 70% of net asset value of the underlying APIF's holding of Hong Kong dollar denominated securities shall be invested in Hong Kong dollar denominated bonds. Up to 30% of net asset value of the underlying APIF's holding can be invested in US dollar denominated bonds.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements. The underlying APIF may engage in securities lending and repurchase agreements.

(d) Futures and options

The fund may not enter into financial futures contracts and financial option contracts. The underlying APIF may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risks

The performance of the Hong Kong Dollar Bond Fund is subject to a number of risks, including the following: general investment risk, currency risk, risk of changes in laws, regulations, policies and practices, emerging markets risks, risk of default of financial institutions, risks of default of issuer of debt securities, as well as the risks described under section 4.2.3. The underlying APIF invests in fixed income instruments and therefore its performance is subject to interest rate, currency and credit risks.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

3.2.27. MPF Conservative Fund

Statement of investment policy

(a) Objective and policy

The objective of the MPF Conservative Fund is to provide members with a rate of return which matches or exceeds the Hong Kong dollar savings rate with a view to minimizing the exposure of the principal amount invested to market fluctuation and volatility.

The fund is an internal portfolio fund which seeks to achieve its investment objective by investing in a portfolio of Hong Kong dollar denominated bank deposits and short-term debt securities in conformity with the requirements set out in section 37(2) of the Regulation. In summary, these include:

(a) deposits, less than 12 months' maturity with banks meeting specific requirements; or

(b) debt securities, with a remaining maturity of 2 years or less issued by or guaranteed by the Hong Kong Government; the Exchange Fund; a company wholly owned by the Hong Kong Government; or a government, the central bank of a country or a multilateral international agency (such as the World Bank) all with the highest credit rating determined by a credit rating agency approved by the Authority; or

(c) debt securities, with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by a credit rating agency approved by the Authority.

The average remaining maturity of all securities must not exceed 90 days. The direct holdings of the fund must be wholly in Hong Kong dollars.

The fund is designed as a low risk investment option with minimal exposure to market fluctuations or volatility. The return of the fund over the long term is expected to approximate the interest rate payable from time to time by major banks in Hong Kong on Hong Kong dollar savings accounts.

(b) Balance of investments

100% of the investments of the fund will be denominated in Hong Kong dollars through direct holdings of investments.

(c) Security lending and repurchase agreements

The fund will not engage in any securities lending or repurchase agreements.

(d) Futures and options

The fund will not enter into financial futures contracts or financial option contracts.

(e) Risks

Members in the Plan should be informed that an investment in the MPF Conservative Fund is not the same as placing funds on deposit with a bank or deposit taking company and that there is no obligation to redeem the investment at the subscription value and that the MPF Conservative Fund is not subject to the supervision of the Hong Kong Monetary Authority. The MPF Conservative Fund does not guarantee capital repayment.

The performance of the MPF Conservative Fund is subject to a number of risks, including the following: general investment risk, risk of changes in laws, regulations, policies and practices, risk of default of financial institutions, and risks of default of issuer of debt securities.

Please refer to section 4 entitled "Risks" for a detailed description of the relevant risks.

Subject to the prior approval of the Authority and the SFC, the Trustee may, by giving to the members and participating employers of the Plan not less than 3 months' notice, or such shorter notice as the Authority and the SFC may agree / approve:

(i) change the investment policy of any constituent fund;

(ii) terminate any constituent fund (other than the MPF Conservative Fund); or

(iii) merge or sub-divide the Plan or any constituent fund.

In addition, subject to the approval of the Authority and the SFC, the Trustee may at any time establish a new constituent fund.

3.3 DEFAULT FUND AND DEFAULT INVESTMENT STRATEGY

For the purpose of this section 3.3:

"**DIS**" means the default investment strategy;

"**Effective Date**" means the date on which DIS comes into effect under the MPFS Ordinance (namely: 1 April 2017);

"**Higher risk assets**" means assets identified as such under the Mandatory Provident Fund Schemes Ordinance in connection with the requirements for DIS and such assets include, by way of examples only, shares, warrants, financial futures contracts and financial option contracts that are used other than for hedging purposes, and interests in an index-tracking collective investment scheme that tracks an index comprised of equities or equities-like securities;

"**Lower risk assets**" means assets which are not higher risk assets and such assets include, by way of examples only, global bonds, cash, and money market instruments;

"**Reference Portfolio**" means a reference portfolio for each of the constituent funds under DIS as developed by the MPF industry and its performance is published by the Hong Kong Investment Funds Association to provide a common reference point for the performance and asset allocation of that constituent fund. For further details, please refer to the heading "Information on Performance of DIS Funds" under this section 3.3.

In respect of new accounts set up on or after 1 April 2017, if a member fails to give an investment mandate to the Trustee on how his contributions are to be invested or where all or part of the investment mandate is regarded as invalid, the default investment arrangement of the Plan will be the Default Investment Strategy ("DIS") replacing the original Default Fund (i.e. the BCT (Pro) MPF Conservative Fund or the BCT (Pro) E30 Mixed Asset Fund). DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make an investment choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not give an investment mandate or where all or part of the investment mandate is regarded as invalid in respect of an account opened on or after the Effective Date, all (or the relevant part of) their contributions and accrued benefits transferred from another scheme will be invested in accordance with the DIS. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all schemes.

3.3.1. Key features

The key features about DIS:

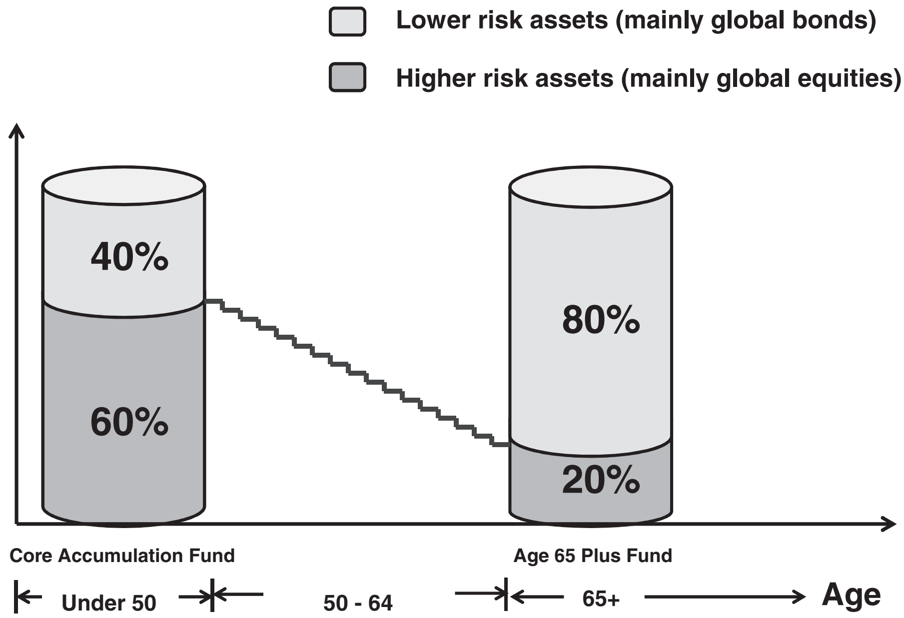
3.3.1.1 Asset allocation of the DIS

The DIS aims to balance the long term effects of investment risk and return through investing in two constituent funds for the Plan, namely the Core Accumulation Fund and the Age 65 Plus Fund (together the "DIS Funds"), according to the pre-set allocation percentages at different ages. The Core Accumulation Fund will have exposure of around 60% in higher risk assets (higher risk assets generally mean equities or similar investments) and 40% in lower risk assets (lower risk assets generally mean fixed income instruments, money market instruments, cash or similar investments) of its net asset value whereas the Age 65 Plus Fund will have exposure of around 20% in higher risk assets and 80% in lower risk assets. Both DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, global bonds, money market instruments and cash, and other types of assets allowed under the MPF legislation. For further information on the investment objective and policies of each of the DIS Funds, please refer to sections 3.2.21 and 3.2.22.

3.3.1.2 De-risking of the DIS

Accrued benefits invested through the DIS will be invested in a way that adjusts investment risk depending on a member's age. The DIS will manage investment risk exposure by automatically reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older. Such de-risking is to be achieved by way of reducing the holding in the Core Accumulation Fund and increasing the holding in the Age 65 Plus Fund throughout the prescribed time span as detailed below. Diagram 1 below shows the target proportion of investment in riskier assets over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

Diagram 1: Asset Allocation between the DIS Funds according to DIS



Note: The exact proportion of the portfolio in higher / lower risk assets at any point in time may deviate from the target glide path due to market fluctuations

The above de-risking is to be achieved by annual adjustments of asset allocation gradually from the Core Accumulation Fund to the Age 65 Plus Fund under the DIS. Switching of the existing accrued benefits from the Core Accumulation Fund to the Age 65 Plus Fund will be automatically carried out each year ("annual de-risking") generally, on the relevant member's birthday and according to the allocation percentages in the DIS De-risking Table as shown in Diagram 2 below. Please refer to the following sub-section for details of dealing day of annual de-risking.

3.3.1.3 Dealing day of annual de-risking

The annual de-risking will be carried out on a member's birthday. Subject to as described in the following paragraph, if a member's birthday falls on a day which is not on a dealing day, then the annual de-risking will be carried out on the next available dealing day. If the birthday of the relevant member falls on the 29th of February and in the year which is not a leap year, then the annual de-risking will be carried out on 1st of March or the next available dealing day. Where as a result of a number 8 typhoon signal, black rainstorm warning or other similar events, the opening hours of banks in Hong Kong on any day is reduced, such day shall not be a dealing day of annual de-risking unless the Trustee and the Sponsor determine otherwise.

When one or more of the specified instructions (including but not limited to subscription or redemption) are being processed on the annual date of de-risking for a relevant member, the annual de-risking in respect of such member will normally take place on the next dealing day, after completion of such specified instructions where necessary. For the avoidance of doubt, the sequence for processing de-risking as described above will also apply in all other circumstances involving redemption of accrued benefits from the DIS (provided that the member still has accrued benefits invested in the DIS after the redemption), for example where there is any withdrawal from the Plan, or withdrawal as a result of Employee Choice arrangement or offsetting against long service payment or severance payment, or where an employer elects to transfer out from the Plan into other MPF schemes. Members should note that the annual de-risking may be deferred as a result.

If a member would like to switch out from the DIS and / or change his investment mandate to invest into individual constituent fund(s) (which may include the DIS Funds as standalone constituent funds) before the annual de-risking takes place (generally on a member's birthday), he should submit a switching instruction and / or a new investment mandate (as applicable) before the dealing cut-off time at 4:00 p.m. on the member's birthday. If the switching instruction and / or the new investment mandate are received after such dealing cut-off time, the switching instruction and / or change of investment mandate (as applicable) will only be performed after the completion of the de-risking process.

A de-risking notice will be sent at least 60 days prior to a member reaching the age of 50 or, to the extent practicable, and a de-risking statement will be sent to members no later than 5 business days after de-risking is completed.

Please refer to section 7.3.6 entitled "Dealing of Units" for details regarding the handling procedures for subscription, redemption and switching. Members should be aware that the above de-risking will not apply where a member chooses the Core Accumulation Fund and the Age 65 Plus Fund as individual fund choices (rather than as part of the DIS).

In summary, under the DIS:

- When a member is below the age of 50, all his contributions and accrued benefits transferred from another scheme will be invested in the Core Accumulation Fund.
- When a member is between the ages of 50 and 64, all his contributions and accrued benefits transferred from another scheme will be invested according to the allocation percentages between the Core Accumulation Fund and the Age 65 Plus Fund as shown in the DIS De-risking Table below. The de-risking on the existing accrued benefits will be automatically carried out as described above.
- When a member reaches the age of 64, all his contributions and accrued benefits transferred from another scheme will be invested in the Age 65 Plus Fund.

If the Trustee does not have the full date of birth of the relevant member, the de-risking will be carried out as follows:

- If only the year and month of birth is available, the annual de-risking will take place on the last calendar day of the birth month or if it is not a dealing day, the next available dealing day.
- If only the year of birth is available, the annual de-risking will take place on the last calendar day of the year or if it is not a dealing day, the next available dealing day.
- If no information at all on the date of birth, member's accrued benefits will be fully invested in the Age 65 Plus Fund with no de-risking applied.

If the relevant member subsequently provide satisfactory evidence as to his year, month and / or day of birth, the relevant member's birthday based on such new evidence will be adopted, and the corresponding allocation percentages will be applied as soon as practicable.

Diagram 2: DIS De-risking Table

Age	Core Accumulation Fund	Age 65 Plus Fund
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%
59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between the Core Accumulation Fund and the Age 65 Plus Fund is made at the point of annual de-risking and the proportion of the Core Accumulation Fund and the Age 65 Plus Fund in the DIS portfolio may vary during the year due to market fluctuations.

The allocation percentages of each relevant member between the Core Accumulation Fund and the Age 65 Plus Fund will be rounded to one decimal place.

3.3.1.4 Switching in and out of the DIS

A member can switch into or out of the DIS and change his future contributions to invest in DIS at any time, subject to the Trust Deed and the relevant participation agreement. Subject to the same limitation, if a member wishes to switch out of the DIS, he may elect to switch all or part of his accrued benefits to other constituent funds (including the DIS Funds as standalone investments). Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. If a member switches out of the DIS, such switching may negatively affect the balance between the risk and return attributes which have been built into the DIS as a long-term strategy (the effect of such switching is also stated under "Risk on early withdrawal and switching" in section 3.3.4 entitled "Risks associated with the Default Investment Strategy").

Members should note that switching instructions only apply to accrued benefits and are not equivalent to a change of the investment mandate for future contributions, and vice versa.

3.3.2. Circumstances for accrued benefits to be invested in the DIS

3.3.2.1 New accounts set up on or after the Effective Date

(a) **When members join the Plan or set up a new account in the Plan, they have the opportunity to give an investment mandate for their future contributions and accrued benefits transferred from another scheme. Unless otherwise provided in the relevant Participation agreement and / or the relevant forms, they may choose to invest their future contributions (including accrued benefits transferred from another scheme) into:**

— the DIS; and / or

— one or more constituent funds of their own choice from the list under section 3.2 entitled "Investment Objectives and Policies" (including the Core Accumulation Fund and the Age 65 Plus Fund) and according to their assigned allocation percentage(s) to relevant constituent fund(s) of their choice.

Members should note that, if investments / benefits in the Core Accumulation Fund or the Age 65 Plus Fund are made under the member's investment mandate as a standalone fund choice rather than as part of the DIS offered as a choice ("standalone investments"), those investment / accrued benefits derived therefrom will not be subject to the de-risking process. On the other hand, if the member has made investments in the Core Accumulation Fund and / or the Age 65 Plus Fund according to the DIS (whether as a default arrangement or in accordance with investment instructions) ("DIS investments"), accrued benefits derived therefrom will be subject to the de-risking process. In this connection, members should pay attention to the different on-going administration arrangements applicable to accrued benefits invested in standalone investments and DIS investments. In particular, the member would, when giving a fund switching instruction, be required to specify to which of the benefits (namely, under standalone investments or DIS investments) the instruction relates.

(b) **If a member does not give investment mandate (i.e. "specific investment instructions" which refer to the instructions directing how his contributions and accrued benefits transferred from other schemes given according to the member's selection as permitted under the Trust Deed stated in section 6.1.5 "Investment Mandate"), all (or the relevant part of) his future contributions and accrued benefits transferred from another scheme will be automatically invested in the DIS.**

3.3.2.2 Existing accounts set up before the Effective Date

There are special rules to be applied for accounts which exist or are set up before 1 April 2017) ("Pre-existing Account"), but these rules **only apply to a member who is under or becoming 60 years of age on the Effective Date or the Trustee is not aware of the age of the member:**

(a) For a member's Pre-existing Account with all accrued benefits being invested according to the original default investment arrangement (as specified in the form(s) prescribed and accepted by the Trustee from time to time, being, for the versions of the form(s) issued on or after 1 August 2005, the BCT (Pro) E30 Mixed Asset Fund and, for the versions of the form(s) issued before 1 August 2005, the BCT (Pro) MPF Conservative Fund[#]) ("Default Fund") and no investment instruction has been given in respect of the accrued benefits:

If the accrued benefits in a member's Pre-existing Account are only invested according to the Default Fund, special rules and arrangements will be applied, in due course, to determine whether the accrued benefits in such Pre-existing Account will be transferred to the DIS and whether the future contributions and accrued benefits transferred from another scheme for such account will be invested in DIS. If the member's Pre-existing Account is the one described above, a notice called the DIS Re-investment Notice (the "DRN") may be sent to the member, within 6 months from the Effective Date, explaining the impact on such account and giving the member an opportunity to give an investment instruction to the Trustee before the accrued benefits, future contributions and accrued benefits transferred from another scheme are invested into the DIS. **Members should note that the risk inherent in the Default Fund**

[#] For members enrolled during the period from about August 2005 to about May 2007, as both versions of the form(s) were in use, the original default investment arrangement for (where applicable) each of such members was, depending on which versions of the form(s) were used, either the BCT (Pro) E30 Mixed Asset Fund or the BCT (Pro) MPF Conservative Fund.

may be different from that of the DIS. The risk and return profiles of the BCT (Pro) MPF Conservative Fund and the BCT (Pro) E30 Mixed asset Fund are "low" and "low to medium" respectively, whilst the risk and return profile of the DIS Funds (namely the age 65 Plus Fund and the Core accumulation Fund) under the DIS ranges from "low to medium" to "medium". Members will also be subject to market risks during the redemption and reinvestment process.

Notwithstanding the aforesaid, in the case of any transfer from one account to another account within the Plan (e.g. from a contribution account to a personal account following the cessation of employment), unless the member otherwise instructs as permitted under the governing rules, the transferred benefits shall remain invested in the same manner as they were invested immediately before the transfer. Accordingly, if the accrued benefits of a member's Pre-existing Account are invested in the Default Fund as a result of a transfer from one account to another account within the Plan, the special rules and arrangements relating to DIS and the DRN as described above will not apply. For the avoidance of doubt, the investment mandates applicable to the original account generally will not apply to future contributions or accrued benefits transferred from another scheme that are made to the new account. Future contributions or accrued benefits transferred from another scheme to the new account will be invested according to the DIS, unless investment mandates are received by the Trustee or unless the continued application of such investment mandate on or after the Effective Date has been reinforced before the Effective Date by certain activities requested by the member (such as the transfer of assets from another scheme before the Effective Date requested by the member).

For details of the arrangement, members should refer to the DRN.

(b) For a member's Pre-existing Account with part of the accrued benefits invested in the Default Fund:

For a member's Pre-existing Account with part of the accrued benefits is invested in the Default Fund immediately before the Effective Date, unless the Trustee has received any specific investment instructions, accrued benefits of a member will be invested in the same manner as accrued benefits were invested immediately before the Effective Date. Future contribution and accrued benefit transferred from another scheme will be invested in the DIS, unless the Trustee has received any investment mandate.

(c) Members with Pre-existing Account and aged 60 or above before the Effective Date:

In the case of members who are aged 60 or above before the Effective Date and who hold a Pre-existing Account, the accrued benefits, future contributions and accrued benefits transferred from another scheme in the Pre-existing Account will continue to be invested in the same manner as accrued benefits, future contributions and accrued benefits transferred from another scheme (as the case may be) were invested immediately before the Effective Date, unless the Trustee receives any investment instructions.

For the avoidance of doubt, Pre-existing Accounts that did not invest any accrued benefits in the Default Fund will continue to be invested in the same manner as accrued benefits were invested immediately before the Effective Date.

Members with Pre-existing Accounts who have doubts as to how their Pre-existing Accounts will be affected by the above or the law regarding DIS in general should consult the Trustee.

3.3.3. Fees and out-of-pocket expenses of the DIS Funds

In accordance with the MPF legislation, the aggregate of the payments for services of the Core Accumulation Fund and the Age 65 Plus Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of these DIS Funds divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor of the Plan and the underlying fund(s) of the respective DIS Fund and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of the DIS Fund and its underlying fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying fund(s). For further details, please refer to section 5 entitled "Fees and Charges".

In accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on a DIS Fund or a member who invests in a DIS Fund, for out-of-pocket expenses incurred by the trustee on a recurrent basis in the discharge of the trustee's duties to provide services in relation to a DIS Fund, shall not in a single year exceed 0.2% of the net asset value of the DIS Fund. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of net asset value and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. It should, however, be noted that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on the DIS Funds and are not subject to the said statutory cap.

3.3.4. Risks associated with the Default Investment Strategy

Members should note that there are a number of attributes of the design of the DIS strategy as set out below, which affect the types of risks associated with the DIS.

3.3.4.1 Limitations on the strategy

(a) *Age as the sole factor in determining the asset allocation under the DIS*

As set out in more detail in section 3.3.1 entitled "Key features" under section 3.3 entitled "Default Investment Strategy", members should note that the DIS adopts pre-determined asset allocation and automatically adjusts asset allocation based only upon a member's age. The DIS does not take into account factors other than age, such as market and economic conditions nor member's personal circumstances including investment objectives, financial needs, risk tolerance or likely retirement date. Members who want their MPF portfolio to reflect their own personal circumstances can make their own selection of funds from the range available in the Plan.

(b) *Pre-set asset allocation*

Members should note that the two DIS Funds have to follow the prescribed allocation between higher risk assets and lower risk assets at all times subject to a tolerance level of + or -5%. The prescribed exposure between higher risk and lower risk assets of the Core Accumulation Fund and the Age 65 Plus Fund will limit the ability of the investment manager of these two DIS Funds to adjust asset allocations in response to sudden market fluctuations; for example through the adoption of either a more defensive asset allocation approach (being an approach which seeks to reduce higher risk assets exposure), or alternatively a more aggressive asset allocation approach (being an approach which seeks to increase higher risk assets exposure) even if, for some reason, the investment manager thought it appropriate to do so.

(c) *Annual de-risking between the DIS Funds*

Members should note that de-risking for each relevant member will generally be carried out on a member's birthday, regardless of the prevailing market conditions. While the de-risking process aims at managing risks of the investments through reducing exposure to higher risk assets, it may preclude the DIS from fully capturing the upside in rising equity markets during the de-risking process and therefore would underperform as compared with funds not adopting the de-risking process under the same market conditions. It is possible that the de-risking process is done at a time which may result in members reducing exposure to an asset class which outperforms and increasing exposure to an asset class which underperforms. The asset allocation changes gradually over a 15-year time period. Members should be aware that the de-risking operates automatically regardless of the wish of a member to adopt a strategy which might catch market upside or avoid market downside.

Also, the de-risking process cannot insulate members from "systemic risk", such as broad-based recessions and other economic crises, which will affect the prices of most asset classes at the same time.

(d) *Potential rebalancing within each DIS Fund*

In order to maintain the prescribed allocation between the higher risk assets and lower risk assets within each of the Core Accumulation Fund and the Age 65 Plus Fund, the investments of each of the Core Accumulation Fund and the Age 65 Plus Fund may have to be continuously rebalanced. For example, when the higher risk assets perform poorly, the Core Accumulation Fund's or the Age 65 Plus Fund's asset allocation may fall outside the respective prescribed limit. In this case, each of the Core Accumulation Fund and the Age 65 Plus Fund will have to liquidate some of the better performing lower risk assets in order to invest more in the higher risk assets, even if the investment manager is of the view that the higher risk assets might continue to perform poorly.

(e) *Additional transaction costs*

Due to (a) the potential rebalancing of higher risk assets and lower risks assets in the process of maintaining the prescribed allocation within each of the Core Accumulation Fund and the Age 65 Plus Fund and (b) the annual reallocation of accrued benefits for members under the de-risking process, the DIS may incur greater transaction costs than a fund / strategy with more static allocation.

3.3.4.2 General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns (in particular for those members with only a short investment horizon before retirement). The two DIS Funds are mixed asset funds investing in a mix of equities and bonds. Members should note that the DIS which invests in the DIS Funds is subject to the general investment risks that apply to mixed asset funds. For general key risks relating to investment funds, please refer to section 4 entitled "Risks".

3.3.4.3 Risks on early withdrawal and switching

Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.

3.3.4.4 Impact on members keeping benefits in the DIS beyond the age of 64

Members should note that the de-risking process will discontinue upon reaching the age of 64. Members should be aware that all accrued benefits (including accrued benefits transferred from another scheme) / on-going contributions, if any, will be invested in the Age 65 Plus Fund which holds around 20% of its assets in higher risk assets which may not be suitable for all members beyond the age of 64.

3.3.5. Information on Performance of DIS Funds

The fund performance and fund expense ratio (which, as explained in the glossary at the website of the Mandatory Provident Fund Schemes Authority, indicates the total amount of expenses charged by an MPF fund as a percentage of fund size) of the Core Accumulation Fund and the Age 65 Plus Fund will be published in the fund factsheet (issued quarterly and the fund factsheet for the 4th quarter issued will be attached to the annual benefit statement). Members can visit www.bcthk.com or call the Employer Hotline (2298 9388) or Member Hotline (2298 9333) for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

To provide a common reference point for performance and asset allocation of the Core Accumulation Fund and the Age 65 Plus Fund, a MPF industry developed Reference Portfolio, which may change from time to time, is adopted for the purpose of each of the DIS Funds. The fund performance will be reported against the Reference Portfolios the performance of which is published by the Hong Kong Investment Funds Association, please visit www.hkifa.org.hk for further information regarding the performance of the Reference Portfolios.

The fund performance is calculated in Hong Kong dollar on NAV-to-NAV basis. Past performance is not indicative of future performance. There is no assurance that investment returns and members' accrued benefits may not suffer significant loss. Members should regularly review the performance of the funds and consider whether the investments still suit their personal needs and circumstances.

3.4 INVESTMENT AND BORROWING RESTRICTIONS

3.4.1. Investment restrictions and guidelines

The assets in the constituent funds may be invested in any investments, securities, pooled investment funds (as defined in the Regulation) or any other properties at any time subject to the following restrictions and any other restrictions which may be imposed from time to time by the Authority or the SFC.

The following investment restrictions and guidelines shall apply to all constituent funds other than the MPF Conservative Fund:

(i) The assets in the constituent funds may be invested only in the investments permitted under and in accordance with Part V and Schedule 1 of the Regulation and such investment is required to comply with Part V and Schedule 1 of the Regulation and any guidelines relating to forbidden investment practices issued by the Authority.

(ii) Borrowing securities for the purposes of any constituent fund is prohibited.

However, the custodian may under the following circumstances, enter into an agreement to lend securities comprised in the constituent fund on such terms as the Trustee shall approve:

(a) the lending is in respect of fully paid up shares listed on an approved stock exchange as defined by the Regulation;

(b) the agreement is entered into by the custodian of the constituent fund and the borrower of the securities;

(c) the amount of the consideration (including any value of any collateral securities) given for the securities exceeds the value of those securities;

(d) no more than 10% of the net asset value of the relevant constituent fund can be the subject of securities lending agreements at any one time; and

(e) no more than 50% of the securities of the same issue, or of the same kind, held in respect of the relevant constituent fund can be the subject of securities lending agreement, at any one time.

(iii) The assets of any constituent fund should not be applied for the purpose of entering into a Repurchase Agreement unless the agreement is entered into by the custodian of the constituent fund and only if:

(a) the amount of the consideration (including the value of any collateral securities) given for the relevant securities exceeds the value of the securities; and

(b) no more than 10% of the assets of the relevant constituent fund are the subject of Repurchase Agreements at any one time; and

(c) no more than 50% of the securities of the same issue held among the assets of the relevant constituent fund are the subject of Repurchase Agreements at any one time.

"Repurchase Agreement" means an agreement under which the Trustee agrees to sell debt securities to a person and to repurchase it from that person at a specified date in the future for an agreed price, subject to the amount of consideration (including the value of any collateral securities) provided by that person during the period of the agreement.

(iv) The assets in any constituent fund should not be the subject of a reverse repurchase agreement under which the Trustee agrees to buy debt securities from a person and to resell it to that person at a specified date in the future for an agreed price.

(v) The assets in any constituent fund should not be applied for the acquisition of financial futures contracts or financial option contracts, unless there is established and maintained in respect of the Plan an effective system for monitoring the risks inherent in dealing in contracts of those kinds.

(vi) The funds in the Plan may not be invested in the securities of, or lent to, as applicable, the Trustee, the Investment Managers, or any custodian appointed under the Plan except where any of these parties is a substantial financial institution as defined in the Regulation.

Notwithstanding the above, as (i) the Flexi Mixed Asset Fund, the Asian Income Retirement Fund, the SaveEasy Funds, the Hong Kong Dollar Bond Fund, the RMB Bond Fund, the Core Accumulation Fund and the Age 65 Plus Fund are feeder funds investing in their respective underlying APIFs and (ii) the Hang Seng Index Tracking Fund is a feeder fund investing in an underlying ITCIS, assets of such constituent funds may not be applied for acquisition of any financial futures and options contracts nor be entered into currency forward contracts (except the RMB Bond Fund and the Asian Income Retirement Fund where currency forward contracts may be entered into for hedging purposes to maintain the required effective currency exposure to Hong Kong dollars).

The following investment restrictions and guidelines shall apply to the MPF Conservative Fund:

(i) The assets of the MPF Conservative Fund may be invested only:

  (a) by placing them on deposit in accordance with section 11 of the Schedule 1 of the Regulation, but only for a term of not exceeding 12 months; or

  (b) in debt securities with a remaining maturity period of 2 years or less and of a kind referred to in section 7(2)(a) or (b) of Schedule 1 of the Regulation; or

  (c) in debt securities with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the Authority, based on the credit rating of the securities as determined by the following approved credit rating agencies or such other credit rating agency approved by the Authority:

    (A) Fitch Ratings;

    (B) Rating & Investment Information, Inc.;

    (C) Moody's Investors Service, Inc.; and

    (D) Standard & Poor's Corporation.

(ii) The assets of the MPF Conservative Fund must have an average portfolio remaining maturity period of not more than 90 days.

(iii) The assets of the MPF Conservative Fund must have a total value of Hong Kong dollar currency investment equal to the total market value of the constituent fund, as measured by the effective currency exposure in accordance with section 16 of Schedule 1 of the Regulation.

3.4.2. Borrowing policy

Subject to the provisions of the MPFS Ordinance and the Regulation (including section 4 of Schedule 1 of the Regulation) and any other statutory requirements and restrictions and to other terms and conditions contained in the Trust Deed, the Trustee may, for the account of a constituent fund, make and vary arrangements for the borrowing in any currency for the purpose of paying accrued benefits, settling a transaction relating to the acquisition of investments for the relevant constituent funds.

4. RISKS

The performance of the constituent funds may be subject to a number of risk factors, including the following:

4.1 GENERAL INVESTMENT RISKS

4.1.1. General investment risk

The investments in the constituent funds are subject to market fluctuations and other risks inherent to investing in securities. As a result, the price of a unit of a constituent fund may go up as well as down.

4.1.2. Currency risk

There is also a currency exchange risk which may affect the value of the constituent funds to the extent that the constituent funds (other than the MPF Conservative Fund) may make investments in currencies other than Hong Kong dollars.

4.1.3. Risk of changes in laws, regulations, policies and practices

The value of the constituent funds' assets may also be affected by uncertainties such as changes in government policies, taxation, currency repatriation restrictions and other developments in the laws, regulations or market practices of the countries in which the constituent funds may invest.

4.1.4. Emerging markets risks

All constituent funds which invest in securities of issuers with exposure to or operations in the emerging markets (either directly or indirectly through investment in an APIF) are subject to the risks of investing in emerging markets generally. Emerging markets can be significantly more volatile than developed markets and the value of investments therein may, therefore, be subject to large fluctuations. These markets may be insufficiently liquid and levels of volatility in price movements may be greater than those experienced in more developed economies and markets. The overall economic conditions in emerging markets, which are susceptible to a higher risk of government intervention, may have an impact on the relevant constituent fund's financial performance. Also, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally.

4.1.5. Risk of default of financial institutions

The value of a constituent fund may be affected if any of the financial institutions with which the cash of the constituent fund is invested or deposited suffers insolvency or other financial difficulties. This risk is minimised to the extent that the exposure to any institution is limited to the maximum level of investment permitted under the Regulation.

4.1.6. Risks of default of issuer of debt securities

There is no certainty in the credit worthiness of issuers of debt securities in which any constituent funds (either directly or indirectly through investment in an APIF) invest. Unstable market conditions may mean there are increased instances of default amongst issuers. This risk is minimised to the extent that investment in debt securities of any one issuer by a constituent fund or its underlying APIF is subject to the investment restrictions set out in Schedule 1 of the Regulation.

4.1.7. Equity market risk

Investors should note that a constituent fund or its underlying APIF that invests in equities will be subject to market risks. The impact of these risks is minimised to the extent that investment in equities and other securities is subject to the diversification requirements of Schedule 1 of the Regulation.

4.1.8. Risks of China A shares market and Stock Connect

To the extent that a constituent fund or its underlying fund invests in China A shares listed on the PRC stock exchange(s) via the Stock Connect, investors will be subject to the risks associated with the Stock Connect and the China A shares market. A constituent fund or its underlying fund may invest less than 30% (or in the case of a DIS Fund and a SaveEasy Fund, up to 10%) of its net asset value in China A shares listed on the PRC stock exchange(s).

4.1.8.1. Stock Connect risk

The Stock Connect is a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect enables a constituent fund or its underlying fund to trade eligible China A shares listed on the relevant stock exchange(s) in the PRC.

The Stock Connect is novel in nature. The relevant regulations are untested and subject to change. The programme is subject to quota limitations which may restrict the ability of a constituent fund or its underlying fund to invest in China A shares through the programme on a timely basis and as a result, the ability of a constituent fund or its underlying fund to access the China A shares market (and hence to pursue its investment strategy) will be adversely affected. In addition, the PRC regulations impose certain restrictions on selling, therefore a constituent fund or its underlying fund may not be able to dispose of holdings of China A shares in a timely manner. A stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of a constituent fund or its underlying fund. Due to the differences in trading days, a constituent fund or its underlying fund may be subject to a risk of price fluctuations in China A shares on a day that the PRC market is open for trading but the Hong Kong market is close.

Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, a constituent fund or its underlying fund may suffer delays in recovering its losses or may not be able to fully recover its losses. The underlying fund may encounter difficulties or delays in any action to enforce its rights as the China A shares are held by the Hong Kong Securities and Clearing Company Limited as a nominee on behalf of the underlying fund.

Trading in securities through the Stock Connect is subject to operational risk.

4.1.8.2. China A shares market risk

China A shares market may be less liquid and more volatile as compared with other developed financial markets. The net asset value of a constituent fund or its underlying fund may be adversely affected if trading markets for China A shares are limited or absent. Market volatility and settlement difficulties in the China A shares markets may also result in significant fluctuations in the prices of the securities traded on such markets and may affect the value of a constituent fund or its underlying fund which invests in the China A shares market.

Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits may be imposed where trading in any China A shares security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the manager of the constituent fund or its underlying fund to liquidate positions and can thereby expose the constituent fund or its underlying fund which invests in the China A shares market to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the manager of the constituent fund and its underlying fund to liquidate positions at a favourable price.

4.1.8.3. Mainland China tax risk

There are risks and uncertainties associated with the current tax laws, regulations and practice of the PRC in respect of capital gains and dividends / interest on a constituent fund's or its underlying fund's investments in the PRC. In addition, tax laws are liable to change without prior notice, and may be changed with retrospective effect.

The interpretation and applicability of the tax law and regulations by PRC tax authorities may not be as consistent and transparent as those of more developed countries and may vary from region to region. In addition, the value of a constituent fund's or its underlying fund's investment in the PRC and the amount of its income and gains could also be adversely affected by an increase in rates of taxation or changes in the basis of taxation.

Where no provision is made by an underlying fund in relation to all or part of the actual or potential tax that may be levied by the relevant PRC tax authorities the value of the underlying fund may be reduced, if the underlying fund ultimately has to bear the full amount of its tax liabilities. In this case, any actual tax liabilities will negatively impact the value of the units of the underlying fund in issue at the relevant time, and the constituent fund will be disadvantaged correspondingly. Should the investment manager of the underlying fund consider it appropriate, the investment manager may make provision for PRC taxes and to deduct or to withhold PRC taxes for the account of the underlying fund. In this case, the relevant constituent fund may be advantaged or disadvantaged depending upon the final determination of the tax liabilities, the level of provision and when units in the underlying fund held by the constituent fund were subscribed and / or redeemed.

4.1.8.4. Risks associated with the ChiNext market and / or the Science and Technology Innovation Board ("STAR Board")

A constituent fund or its underlying fund may invest in ChiNext market and / or STAR Board, and will be subject to the following risks:

Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and / or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main boards.

Over-valuation risk: Stocks listed on ChiNext and / or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.

Delisting risk: It may be more common and faster for companies listed on ChiNext market and / or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the constituent fund or its underlying fund if the companies that it invests in are delisted.

Concentration risk (Applicable to STAR Board): STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the constituent fund or its underlying fund to higher concentration risk.

Investments in the ChiNext market and / or STAR Board may result in significant losses for the constituent fund or its underlying fund

4.1.9. Risks of China interbank bond market and Bond Connect

To the extent that a constituent fund or its underlying APIF invests in bonds traded on the China interbank bond market ("CIBM") through the northbound trading of the Bond Connect (or such other means as permitted by the relevant regulations from time to time), investors will be subject to the risks associated therewith including those relating to the Bond Connect and the CIBM. Bond Connect is an initiative for mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit. There is no investment quota for the northbound trading link of the Bond Connect. A fund which invests in the CIBM is subject to liquidity and volatility risks, and large bid and offer spreads, due to low trading volume of certain bonds in the CIBM. In addition, such fund will be subject to risks associated with settlement procedures and default of counterparties. The relevant fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

Under the prevailing regulations in mainland China, if foreign institutional investors wish to invest in CIBM through the Bond Connect, the relevant filings, registration with People's Bank of China and account opening for investment in the CIBM have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the relevant fund is subject to the risks of default or errors on the part of such third parties.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The relevant fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. A fund's investment may also be subject to risks of delays inherent in the Bond Connect order placing and / or settlement systems.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the relevant fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the relevant fund may suffer substantial losses as a result.

Investment in Chinese securities and / or instruments may be exposed to risks associated with changes in current Chinese tax laws, regulations and practice which may have retrospective effect. In addition, RMB is currently not a freely convertible currency. Where investments are denominated in RMB, such investments will be subject to risks associated with RMB including foreign exchange controls, repatriation restrictions and devaluation, and as a result the performance of a fund which is denominated in Hong Kong dollars could be adversely affected.

4.1.10. Concentration risk

Pursuant to the investment policy of a constituent fund or its underlying fund, its investments may be concentrated in a specific geographical location or country from time to time. Therefore, the value of such constituent fund is likely to be more volatile than a more broad-based fund, such as a global or regional fund, as it is more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market in that country or location.

4.1.11. Mainland China business and investment risk

A constituent fund investing in the securities markets in mainland China (either directly or indirectly through investment in fund) is subject to the risks of investing in emerging markets generally as well as to specific risks relating to the mainland China market. Investing in China-related companies involves certain risks and special considerations not typically associated with investment in more developed economies or markets, namely risks and considerations pertaining to politics, tax, foreign exchange, liquidity and regulatory issues and the fact that infrastructures are still under development and subject to uncertainties.

4.1.12. RMB currency risk

RMB is currently not a freely convertible currency and is subject to foreign exchange controls and repatriation restrictions imposed by the Chinese government. There is no assurance that RMB will not be subject to devaluation.

The underlying fund of a constituent fund may be denominated in HKD and not in RMB. Any devaluation of the RMB could adversely affect the net asset value of the underlying fund and in turn that of the constituent fund. Further, while the underlying fund may be denominated in HKD but not in RMB, some of the underlying assets of the underlying fund may be denominated in RMB. Therefore, the performance of the underlying fund and in turn that of the constituent fund may also be adversely affected by changes in HKD to RMB exchange rate if the RMB depreciates against HKD.

4.2 RISKS RELATING TO PARTICULAR FUNDS

4.2.1. SaveEasy Funds

The SaveEasy Funds will invest in certain APIFs managed by Fidelity. The SaveEasy Funds unit will vary daily based on the performance of the said APIFs that each SaveEasy Fund invests into. The ability of each SaveEasy Fund to meet its investment objective is directly related to its target asset allocation among the underlying APIFs and the ability of those APIFs to achieve their investment objectives. Further, if the asset allocation strategy of the investment manager with respect to the SaveEasy Funds does not work as intended, the SaveEasy Funds may not achieve their objectives. Subject to market, political, structural, economic and other conditions change, the actual portfolio at any particular given point in time may vary from that shown in the asset rolldown chart immediately above section 3.2.9 under the title "Target Date Mixed Asset Funds".

4.2.2. Hang Seng Index Tracking Fund

Changes in the net asset value of the Hang Seng Index Tracking Fund are unlikely to replicate exactly changes in the Hang Seng Index. This is due to, among other reasons (including those referred to in section 3.2.5 under the sub-title "Tracking of the Hang Seng Index"), the fees and expenses payable by Hang Seng Index Tracking Fund / TraHK and transaction fees and / or stamp duty incurred at the respective levels of both funds. In addition, there may be timing differences between changes in the Hang Seng Index and the corresponding adjustment to the shares which comprise TraHK's portfolio.

Since the Hang Seng Index Tracking Fund and TraHK are not actively managed, neither the Investment Manager of the Hang Seng Tracking Fund nor the manager of TraHK will attempt to select stock individually or take defensive positions in declining markets. Declines on the Hang Seng Index are expected to result in corresponding falls in the value of the funds.

Given the fact that the Hang Seng Index Tracking Fund is a feeder fund directly investing into TraHK and no cash (save for "idle cash" as described below) is expected to be maintained, investment in Hang Seng Index Tracking Fund would be subject to the same risks of TraHK. Despite the above, due to the fact that the Hang Seng Index Tracking Fund will hold idle cash to meet members' redemption / switching requests and the calculation of performance of the Hang Seng Index Tracking Fund is on an after-fee basis, tracking error resulted from such cash holding and fee deduction from the Hang Seng Index Tracking Fund would be unavoidable.

The manager of TraHK may use futures contracts and options for the purpose of hedging and achieving TraHK's investment objective. In particular, the manager of TraHK may invest TraHK's assets in futures contracts and options in order to try to minimise tracking error between the Hang Seng Index and the net asset value of TraHK. There is no guarantee that such techniques will achieve their desired result. There are certain investment risks in using futures contracts and options. Such risks may include: (i) the inability to close out a futures contract or option caused by the non-existence of a liquid secondary market; and (ii) an imperfect correlation between price movements of the futures contracts or options with price movements of the subject portfolio securities or subject securities index. Further, the risk of loss in trading futures contracts is potentially great, due to both the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contract may result in immediate and substantial loss (or gain) to TraHK.

The market price of the units in the TraHK may sometimes trade above or below its net asset value. There is a risk, therefore, that the Hang Seng Index Tracking Fund may not be able to buy or sell at a price close to the net asset value of the TraHK. The deviation from the net asset value is dependent on a number of factors, but will be accentuated when there is a large imbalance between market supply and demand for the constituent stocks of the index. The "bid / ask" spread (being the difference between the prices being bid by potential purchasers and the prices being asked by the potential sellers) is another source of deviation from net asset value. The bid / ask spread can widen during periods of market volatility or market uncertainty, thereby increasing the deviation from net asset value.

In the past, the Hang Seng Index has experienced periods of volatility and decline. The Hang Seng Index fell from a high of 31,638 on 30 October 2007 to 11,015 on 27 October 2008, and could experience such volatility or decline again in future.

As of 31 December 2016, HSBC Holdings PLC and Tencent Holdings Ltd, which represented approximately 20.78% in total, are given a large weighting in the Hang Seng Index relative to other companies. As a result, variations in the performance of these sectors or companies could have a larger effect on the price of the units of the Hang Seng Index Tracking Fund than a similar variation in the performance of other sectors or companies comprised in the Hang Seng Index.

Adverse economic developments in Hong Kong or elsewhere in the Asia region could have a material adverse effect on the financial conditions and results of operations of the constituent companies of the Hang Seng Index. From the latter half of 1997 to the first half of 1998, many Asian countries experienced significant adverse changes in economic conditions. Hong Kong also suffered adverse economic developments during this period (and reported declining gross domestic product statistics in the first quarter of 1999). Should the economy of Hong Kong or other Asian countries deteriorate again, the performance of the constituent companies of the Hang Seng Index and, therefore, the Hang Seng Index Tracking Fund, could be adversely affected.

4.2.3. Hong Kong Dollar Bond Fund

Interest rates in Hong Kong may be subject to fluctuation. Any such fluctuation may have a direct effect on the income received by the fund and its capital value. High yield bonds are particularly susceptible to interest rate changes and may experience significant price volatility.

The Hong Kong Dollar Bond Fund through the investment in JPMorgan SAR HK$ Bond Fund invests in one country only. Although the portfolio of the JPMorgan SAR HK$ Bond Fund is well diversified in terms of the number of holdings, investors should be aware that this fund is likely to be more volatile than a broad-based fund, such as a global or regional market fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in the country in which it invests.

The manager of JPMorgan SAR HK$ Bond Fund in which the Hong Kong Dollar Bond Fund invests into, is permitted, but not obliged, to use hedging techniques to attempt to offset market risks. There is no guarantee that hedging techniques will achieve their desired result.

World Equity Fund and Greater China Equity Fund Investors should note that: Both the World Equity Fund and the Greater China Equity Fund are not intended to track any particular market index. Accordingly, their performance may be substantially higher or lower than that of any benchmark index available in the market.

4.2.4. World Equity Fund and Greater China Equity Fund

Investors should note that:

Both the World Equity Fund and the Greater China Equity Fund are not intended to track any particular market index. Accordingly, their performance may be substantially higher or lower than that of any benchmark index available in the market.

Counterparty risk

The World Equity Fund and the Greater China Equity Fund may buy and sell units of ITCISs in ways other than through a stock exchange and may hold cash with a bank for ancillary purposes, and therefore may be exposed to additional counterparty default and settlement risks.

Hedging risk

SSgA, being the manager of the Greater China Equity Fund, is not permitted to use any hedging techniques to attempt to offset market / currency risks for the Greater China Equity Fund. However, SSgA may, in managing the World Equity Fund enter into currency forward contracts for hedging purposes. There is no guarantee that hedging techniques will achieve their desired result.

Concentration risk

Pursuant to the investment requirements of the Authority, up to 90% of the total funds of each of the World Equity Fund and the Greater China Equity Fund (being a portfolio management fund) may be invested in any one of its underlying ITCISs. Therefore, in the event that the investments of the underlying ITCIS are concentrated in the securities of a single / several issuer or in a particular / selected industries, the World Equity Fund and the Greater China Equity Fund will also be subject to the same concentration risk and be susceptible to loss due to adverse occurrences affecting those issuers or industries.

Tracking error risk

The performance of the ITCISs held by the World Equity Fund and the Greater China Equity Fund may not track exactly the performance of the respective equity market indices. Factors such as fees and expenses of the ITCISs, liquidity of the market, timing differences for changes to the ITCIS's portfolio in response to changes to the underlying index may affect the manager's ability at the underlying ITCIS level to achieve close correlation with the underlying index of an ITCIS.

Passive investment risk

Each ITCIS held by the World Equity Fund and the Greater China Equity Fund is not actively managed by the relevant manager(s) and it will decrease in value if there is a decline in the value of the ITCIS. The manager(s) of the ITCISs will have no discretion to adapt to market changes (such as to take defensive positions in declining markets).

Composition of the respective equity market indices which are tracked by the underlying ITCISs of the World Equity Fund and the Greater China Equity Fund may change and the constituent securities may be delisted. In either case, the ability of the World Equity Fund and the Greater China Equity Fund to meet their respective investment objectives may be adversely affected.

The license granted to the service providers of the underlying ITCISs of the World Equity Fund and the Greater China Equity Fund for the use of and reference to the indices may be terminated and, consequently, the underlying ITCISs may be terminated, and the World Equity Fund and / or the Greater China Equity Fund (as the case may be) may have to reallocate the relevant assets to other ITCISs.

Pricing risk

The Manager of the World Equity Fund and the Greater China Equity Fund will typically buy and sell units of ITCISs on stock exchanges. The trading prices of such units on the stock exchanges are driven by market factors (such as demand and supply of the units) and therefore the units of ITCISs may trade at a substantial premium / discount to its net asset values, which might have a negative impact on the fund performance.

4.2.5. RMB Bond Fund

All references to "constituent fund" in the risk factors of "RMB currency risk"; "Liquidity risk of RMB debt securities"; and "Limited supply of RMB denominated debt instruments" below refer to the RMB Bond Fund.

RMB currency risk

RMB is currently not a freely convertible currency and is subject to foreign exchange controls and repatriation restrictions imposed by the Chinese government. There is no assurance that RMB will not be subject to devaluation.

The underlying APIF is denominated in HKD and not in RMB. Any devaluation of the RMB could adversely affect the net asset value of the underlying APIF and in turn that of the constituent fund. Further, this constituent fund being denominated in HK dollar and not in RMB is expected to hold at least 70% of its net asset value in assets denominated in RMB through the underlying APIF. Therefore, the performance of the underlying APIF and in turn that of the constituent fund may also be adversely affected by changes in the HK dollar to RMB exchange rate if the RMB depreciates against the HK dollar.

Liquidity risk of RMB debt securities

The offshore RMB debt securities market has continued to develop although the trading volume may be less than that of a more developed market.

The market liquidity for RMB debt securities has enhanced following measures by the PRC government to gradually expand the use of RMB outside the PRC and the increased number of issues in RMB debt securities in the offshore primary market. However, there is no guarantee that there will be an active secondary market for all offshore RMB debt instruments. In the absence of an active secondary market, such investments may need to be held until their maturity date and / or could only be disposed at a substantial discount. In the later case, the constituent fund may suffer significant losses in trading such investments. Even if a secondary market is developed, the prices at which such investments are traded may be higher or lower than the initial subscription prices due to many factors including the prevailing interest rates.

In addition, the underlying APIF may invest in RMB debt instruments which are not listed. Even if the RMB debt instruments are listed, there may not be a liquid or active market for such instruments. As a result, the bid and offer spreads of the price of such instruments may be substantial and hence the underlying APIF may suffer significant losses due to increased trading and realisation costs thereby affecting the net asset values of the constituent fund. In respect of the listed debt instruments, the underlying APIF may be subject to the risk of not being able to sell them over the exchange on a timely basis, or may have to sell at a substantial discount to their face values. This may not only adversely affect the liquidity and net asset value of the underlying APIF but also the constituent fund.

Limited supply of RMB denominated debt instruments

Although the issuance of offshore RMB debt instruments has increased substantially in recent years, supply may lag the demand for offshore RMB debt instruments under certain circumstances. In some cases, new issues of offshore RMB debt instruments may be oversubscribed and may be priced higher than and / or trade with a lower yield than equivalent onshore RMB debt instruments. If the onshore RMB debt instruments market subsequently opens up, this may lead to the convergence of the yields in the two markets. This may result in higher yields for the offshore RMB debt instruments and, consequently, decrease the price of such offshore RMB debt instruments. This may adversely affect the net asset value of the underlying APIF and in turn the net asset value of the constituent fund.

Certain RMB debt instruments available in the market may not meet the requirements under Schedule 1 to the Regulation. Although it is expected that there will be sufficient issues of debt instruments that meet the requirements, the choice of investment may not be as diverse as other types of funds and this may result in concentration of credit risk.

4.2.6. U.S. Equity Fund

Investors should note that investment in the U.S. Equity Fund is subject to the following risks.

Tracking error risk

The performance of the ITCISs held by the U.S. Equity Fund may not track exactly the performance of the underlying equity market indices. Factors such as fees and expenses of the ITCISs, liquidity of the market, timing differences for changes to the ITCIS's portfolio in response to changes to the underlying index may affect the manager's ability at the underlying ITCIS level to achieve close correlation with the underlying index of an ITCIS.

Passive investment risk

Each ITCIS held by the U.S. Equity Fund is not actively managed by the relevant manager(s) and it will decrease in value if there is a decline in the value of the ITCIS. The manager(s) of the ITCIS will have no discretion to adapt to market changes (such as to take defensive positions in declining markets).

Composition of the respective equity market indices which are tracked by the underlying ITCISs of the U.S. Equity Fund may change and the constituent securities may be delisted. In either case, the ability of the U.S. Equity Fund to meet their respective investment objectives may be adversely affected.

The license granted to the service providers of the underlying ITCISs of the U.S. Equity Fund for the use of and reference to the indices may be terminated and, consequently, the underlying ITCISs may be terminated, and the U.S. Equity Fund may have to reallocate the relevant assets to other ITCISs.

Pricing risk

The Manager of the U.S. Equity Fund will typically buy and sell units of ITCISs on stock exchanges. The trading prices of such units on the stock exchanges are driven by market factors (such as demand and supply of the units) and therefore the units of ITCISs may trade at a substantial premium / discount to its net asset values, which might have a negative impact on the fund performance.

4.2.7. Asian Income Retirement Fund

Distributions risk

There is no guarantee that the distributions will be made nor will there be a target level of distributions payout. A high distribution yield does not imply a positive or high return.

Subject to the disclosure in the statement of investment policy, distributions may be paid out of the capital of the Asian Income Retirement Fund. The Asian Income Retirement Fund may distribute out of capital if the net distributable income during the relevant period is insufficient to pay distributions as declared. Members should note that the payment of distributions out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Distributions will result in an immediate decrease in the net asset value of the relevant units.

The regular and frequent distribution of dividends and reinvestment of dividends will involve an investment time-lag during which dividends are not reinvested and are subject to out-of-market risk on a recurring basis. In addition, higher transaction costs may be incurred as a result of the reinvestment and may negatively impact investment return.

RMB currency risk

RMB is currently not a freely convertible currency and is subject to foreign exchange controls and repatriation restrictions imposed by the Chinese government. There is no assurance that RMB will not be subject to devaluation.

The Asian Income Retirement Fund and the underlying APIF are denominated in HK dollar and not in RMB. Some of the underlying assets of the underlying APIF may be denominated in RMB. Therefore, any devaluation of the RMB could adversely affect, in HK dollar terms, the net asset value of the underlying APIF and in turn that of the constituent fund. Therefore, the performance of the underlying APIF and in turn that of the constituent fund may also be adversely affected by changes in the HK dollar to RMB exchange rate if the RMB depreciates against the HK dollar.

Liquidity risk of debt securities

The debt securities in which the underlying APIF invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. The bid and offer spreads of the price of such securities may be large and the underlying APIF may incur significant trading costs. In the absence of an active secondary market, the underlying APIF may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the underlying APIF may need to liquidate its investments at a substantial discount in order to satisfy such requests and the underlying APIF and consequently the constituent fund may suffer losses in trading such securities.

4.3 RISK CLASS

Information about the latest risk class of each constituent fund under the Plan is available in the latest fund fact sheet of each constituent fund under the Plan and the following website www.bcthk.com.

5. FEES AND CHARGES

5.1 FEE TABLE

5.1.1 The following table describes the fees, charges and expenses that participating employers and members may pay upon and after joining the Plan. Explanatory notes and definitions are set out at the bottom of the table. [Remark: "Trustee, administration and custodian fee" and "sponsor fee" as used in this Brochure shall mean respectively the "Trustee and Administration Fee" and "Sponsor Fee" as defined in the Trust Deed.]

(a) JOINING FEE & ANNUAL FEE		
Type of fees	**Current amount (HK$)**	**Payable by**
Joining fee[1]	Currently waived	Employer and / or employee member / personal account member / TVC member / SVC member
Joining fee[1]	HK$500*	Self-employed person
Annual fee[2]	Not applicable	Not applicable
* The Trustee / Sponsor shall have full discretion to waive the joining fee for self-employed persons.		

(B) FEES, EXPENSES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMBER'S ACCOUNT			
Type of fees, expenses and charges	**Name of constituent fund**	**Current level**	**Payable by**
Contribution charge[3]	All constituent funds	Not applicable	Not applicable
Offer spread[4]	BCT (Pro) MPF Conservative Fund	Not applicable	Not applicable
	Other constituent funds	Currently waived	Deduct from contributions
Bid spread[5]	BCT (Pro) MPF Conservative Fund	Not applicable	Not applicable
	Other constituent funds	Currently waived	Deduct from withdrawals
Withdrawal charge[6]	All constituent funds	Not applicable	Not applicable

(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[7]	BCT (Pro) China and Hong Kong Equity Fund	1.43%	Relevant constituent fund and APIF / ITCIS assets
	BCT (Pro) Asian Equity Fund	1.50%	
	BCT (Pro) European Equity Fund	1.50%	
	BCT (Pro) Global Equity Fund	1.44%	
	BCT (Pro) Hang Seng Index Tracking Fund	0.75% - 0.80%	
	BCT (Pro) U.S. Equity Fund	Up to 0.99%	
	BCT (Pro) Greater China Equity Fund	Up to 0.99%	
	BCT (Pro) World Equity Fund		
	BCT (Pro) SaveEasy 2050 Fund	Up to 1.45% the fee shall be reduced to up to 1.2% five years prior to reaching the beginning (i.e. 1 January) of the applicable target year	
	BCT (Pro) SaveEasy 2045 Fund		
	BCT (Pro) SaveEasy 2040 Fund		
	BCT (Pro) SaveEasy 2035 Fund		
	BCT (Pro) SaveEasy 2030 Fund		
	BCT (Pro) SaveEasy 2025 Fund	Up to 1.20%	
	BCT (Pro) SaveEasy 2020 Fund	Up to 1.20%	
	BCT (Pro) E90 Mixed Asset Fund	1.44%	
	BCT (Pro) E70 Mixed Asset Fund	1.44%	
	BCT (Pro) E50 Mixed Asset Fund	1.44%	
	BCT (Pro) E30 Mixed Asset Fund	1.44%	
	BCT (Pro) Flexi Mixed Asset Fund	Up to 1.32%	
	BCT (Pro) Core Accumulation Fund	0.75%	
	BCT (Pro) Age 65 Plus Fund	0.75%	
	BCT (Pro) Asian Income Retirement Fund	Up to 1.288%	
	BCT (Pro) RMB Bond Fund	1.175%	
	BCT (Pro) Global Bond Fund	1.40%	
	BCT (Pro) Hong Kong Dollar Bond Fund	0.9995%	
	BCT (Pro) MPF Conservative Fund	0.88%	
Other Expenses	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, sub-custodians' fees (where applicable), auditor's fees, legal charges and constituent fund level's licence fee (applicable to BCT (Pro) Hang Seng Index Tracking Fund only), 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. (For details, please refer to section 5.1.3.3 below).		Relevant constituent fund and APIF assets *(where such expenses are not directly attributable to a fund, each fund will bear such expenses in proportion to its respective net asset value)*

<table>
<tr><th colspan="4">(D) OTHER FEES, EXPENSES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES</th></tr>
<tr><th>Type of services</th><th>Current amount</th><th>Receivable by</th><th>Payable by</th></tr>
<tr><td>Re-issuance of notice of participation</td><td>Currently waived</td><td rowspan="7">Trustee</td><td rowspan="4">Employer / member</td></tr>
<tr><td>Request for copy of Trust Deed</td><td>HK$450 per copy</td></tr>
<tr><td>Re-issuance of statement / request for non-statutory statement</td><td>HK$100 per copy</td></tr>
<tr><td>Re-issuance of cheque payment (save with regard to payment of accrued benefits to scheme members)</td><td>HK$100 per cheque</td></tr>
<tr><td>Withdrawal fee for withdrawal of special voluntary contribution upon request</td><td>HK$200 per redemption will be levied if redemption amount < HK$5,000 or if the number of withdrawal exceeds 4 times in a financial year</td><td rowspan="3">Member</td></tr>
<tr><td>Withdrawal fee for withdrawal of special voluntary contribution by instalment according to standing instructions</td><td>HK$200 per redemption will be levied if redemption amount < HK$2,000</td></tr>
<tr><td>Withdrawal fee for withdrawal of mandatory contribution and (if applicable) standard voluntary contributions</td><td>Nil</td></tr>
</table>

The Trustee / Sponsor may, by way of certain rebates credited to the following constituent funds, maintain the current level of Management Fees in respect of these funds as stated in Part (C) of the fee table above:

1. BCT (Pro) Greater China Equity Fund
2. BCT (Pro) World Equity Fund

To arrive at the current level of Management Fees, the sum of rebates may vary in respect of each constituent fund concerned. Currently, in respect of BCT (Pro) Greater China Equity Fund and BCT (Pro) World Equity Fund, the Trustee / Sponsor pays a rebate of up to 0.04% per annum of its net asset value and up to 0.42% per annum of its net asset value, respectively.

5.1.2 DEFINITIONS

The following are the definitions of the different types of fees and charges:

1. "**Joining fee**" means the one-off fee charged by the trustee / sponsor of a scheme and payable by the employers and / or members and / or self-employed persons of the scheme.
2. "**Annual fee**" means the fee charged by the trustee of a scheme on an annual basis and payable by the employers and / or members of the scheme.
3. "**Contribution charge**" means the fee charged by the trustee of a scheme against any contributions paid to the scheme. This fee is usually charged as a percentage of contributions and will be deducted from the contributions. This charge does not apply to the MPF Conservative Fund.
4. "**Offer spread**" is charged by the trustee upon subscription of units of a constituent fund by a scheme member. Offer spread does not apply to the MPF Conservative Fund. Offer spread for a transfer of benefits can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer and are payable to a party other than the trustee.
5. "**Bid spread**" is charged by the trustee upon redemption of units of a constituent fund by a scheme member. Bid spread does not apply to the MPF Conservative Fund. Bid spread for a transfer of benefits, withdrawal of benefits in a lump sum or by instalments can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer or withdrawal and are payable to a party other than the trustee.

6. "**Withdrawal charge**" means the fee charged by the trustee of a scheme upon withdrawal of accrued benefits from the scheme. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to the MPF Conservative Fund. Save as regards the withdrawal of the special voluntary contributions, a withdrawal charge (whether as a percentage of the withdrawal amount or not) for a withdrawal of benefits in a lump sum can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the withdrawal and are payable to a party other than the trustee.

7. "**Management fees**" include fees paid to the trustee, administrator, custodian, investment manager and sponsor of a scheme for providing their services to the relevant funds. They are usually charged as a percentage of the net asset value of a fund. In the case of the Core Accumulation Fund and the Age 65 Plus Fund, management fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the MPFS Ordinance) be charged as a percentage of the net asset value of the DIS Fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of the DIS Fund which applies across both the DIS Fund and its underlying funds.

5.1.3 EXPLANATORY NOTES

5.1.3.1. Constituent Funds

Management Fees: Management fees include trustee, administration and custodian fee, sponsor fee and investment management fee paid to the trustee, administrator, custodian, sponsor and investment manager. For each constituent fund, the investment management fee and the trustee, administration and custodian fee and sponsor fee will be payable on a monthly basis and accrued on each dealing day.

- A breakdown of the current investment management fee, trustee, administration and custodian fee and sponsor fee payable out of the assets of each constituent fund is as follows:

Name of constituent fund	Sponsor fee	Trustee, administration and custodian fee	Investment management fee
	(% p.a. of net asset value)		
BCT (Pro) China and Hong Kong Equity Fund	0.24%	0.56%	0.51%
BCT (Pro) Asian Equity Fund	0.24%	0.56%	0.58%
BCT (Pro) European Equity Fund	0.24%	0.56%	0.58%
BCT (Pro) Global Equity Fund	0.24%	0.56%	0.52%
BCT (Pro) Hang Seng Index Tracking Fund	0.14%	0.56%	Nil*
BCT (Pro) U.S. Equity Fund	0.24%	0.56%^	0.09%
BCT (Pro) Greater China Equity Fund	0.14%	0.58%	Nil*
BCT (Pro) World Equity Fund	0.24%	0.56%	Nil*
BCT (Pro) SaveEasy 2050 Fund	0.14%	0.46%^^	Nil*
BCT (Pro) SaveEasy 2045 Fund	0.14%	0.46%^^	Nil*
BCT (Pro) SaveEasy 2040 Fund	0.14%	0.46%	Nil*
BCT (Pro) SaveEasy 2035 Fund	0.14%	0.46%	Nil*
BCT (Pro) SaveEasy 2030 Fund	0.14%	0.46%	Nil*
BCT (Pro) SaveEasy 2025 Fund	0.14%	0.46%	Nil*
BCT (Pro) SaveEasy 2020 Fund	0.14%	0.46%	Nil*
BCT (Pro) E90 Mixed Asset Fund	0.24%	0.56%	0.52%
BCT (Pro) E70 Mixed Asset Fund	0.24%	0.56%	0.52%
BCT (Pro) E50 Mixed Asset Fund	0.24%	0.56%	0.52%
BCT (Pro) E30 Mixed Asset Fund	0.24%	0.56%	0.52%
BCT (Pro) Flexi Mixed Asset Fund	0.24%	0.56%	Nil*
BCT (Pro) Core Accumulation Fund	Nil	0.59%	Nil*

Name of constituent fund	Sponsor fee	Trustee, administration and custodian fee	Investment management fee
BCT (Pro) Age 65 Plus Fund	Nil	0.59%	Nil*
BCT (Pro) Asian Income Retirement Fund	0.24%	0.51%^^^	0.40%
BCT (Pro) RMB Bond Fund	0.14%	0.485%	0.45%
BCT (Pro) Global Bond Fund	0.24%	0.56%	0.48%
BCT (Pro) Hong Kong Dollar Bond Fund	0.14%	0.43%	0.40%
BCT (Pro) MPF Conservative Fund	0.14%	0.44%	0.30%

^ The current trustee, administration and custodian fee payable by the relevant constituent fund includes (i) scheme administration fee of 0.32% p.a., and (ii) trustee fee, fund administration fee, custodian fee and other servicing fees of 0.24% p.a., of the net asset value of the relevant constituent fund.

^^ The current trustee, administration and custodian fee payable by the relevant constituent fund includes (i) scheme administration fee of 0.28% p.a., and (ii) trustee fee, fund administration fee, custodian fee and other servicing fees of 0.18% p.a., of the net asset value of the relevant constituent fund.

^^^ The current trustee, administration and custodian fee payable by the relevant constituent fund includes (i) scheme administration fee of 0.30% p.a., and (ii) trustee fee, fund administration fee, custodian fee and other servicing fees of 0.21% p.a. of the net asset value of the relevant constituent fund.

- The maximum investment management fee payable out of the assets of each constituent fund is 1.00% p.a. of the net asset value of the relevant constituent fund. There is no maximum investment management fee for the constituent funds marked with * above. For the constituent funds marked with * above, the investment management fee will be charged at the underlying fund level as shown in section 5.1.3.2.
- The maximum aggregate of trustee, administration and custodian fee and sponsor fee payable out of the assets of each constituent fund is 1.50% p.a. of the net asset value of the relevant constituent fund (except for the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund). For the BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund, the maximum aggregate of trustee, administration and custodian fee and sponsor fee is 0.59% p.a. of the net asset value of the relevant constituent fund.

Joining Fee: The Trustee / Sponsor may charge a maximum of HK$2,000 per participating employer and HK$100 per employee member of the employer, payable by the employer upon the execution of the participation agreement and / or the enrolment of the employee member. (HK$500 will be levied for the personal account member and SVC member, payable upon signing of application form). In relation to self-employed persons, the current and maximum joining fee is HK$500 (payable upon signing of application form).

Offer and Bid Spreads: The maximum offer spread is 1.0% of the net asset value of the units issued. The maximum bid spread is 1.0% of the net asset value of the units redeemed.

Withdrawal Fee: The Trustee may levy a withdrawal fee of up to HK$500 per withdrawal in relation to special voluntary contributions if: (i) the number of withdrawals upon request in any financial year is greater than 4 times or (ii) the redemption amount for withdrawal upon request is less than HK$5,000 or (iii) the redemption amount for withdrawal according to standing instructions is less than HK$2,000. (The withdrawal fee does not apply to the redemption of units in the DIS Funds. No apportionment will be made if only part of the redeemed units is in relation to any one of the DIS Funds.)

General: In addition to the above, the Trustee may also levy certain custodial and transaction fees in respect of the securities and debt instruments held in the constituent funds. Such custodial and transaction fees will be charged at normal market rates. For the avoidance of doubt, no such fees will be levied in respect of the DIS Funds as they only invest in APIFs.

The Fee Table does not take into account any fee rebate that may be offered to some members of the Plan.

Increase in Fees: In respect of any increase in fees, charges and spreads from the current level as stated, at least three months' prior notice (or such shorter period of notice as the Authority and SFC may approve / agree) must be given to all members and participating employers of the Plan, provided that the maximum levels of such fees, charges and spreads are not exceeded.

Subject to the approval of the Authority and the SFC, the Trustee may also change the maximum level of any fees, charges and spreads listed above by giving the members 3 months' prior written notice (or such other shorter period of notice as the Authority and SFC may approve / agree). The Trustee reserves the right to reduce or waive any such fees, charges or spreads for any members of the Plan which the Trustee considers appropriate.

MPF Conservative Fund: Fees, charges and expenses will only be payable out of the MPF Conservative Fund to the extent permitted by the Mandatory Provident Fund Schemes Ordinance or the Mandatory Provident Fund Schemes (General) Regulation. See section 5.1.3.4.

DIS Funds: In accordance with the MPF legislation, the aggregate of the payments for services of the DIS Funds (i.e. the Core Accumulation Fund and the Age 65 Plus Fund) must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of these DIS Funds divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor of the Plan and the APIFs invested into by the respective DIS Fund, and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of the DIS Fund and its underlying fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying fund(s).

The Trustee is, in respect of each of the DIS Funds, paid the entirety of the "trustee, administration and custodian fee" for providing trustee services (including the discharge of trustee duties and performance or exercise of trustee functions in relation to the Plan and the DIS Funds as well as the safe-keeping of the investments and assets of the same, all in accordance with the governing rules of the Plan and the MPFS Ordinance) and administrative services (including services of an operational and administrative nature required to allow the proper functioning of the Plan and the DIS Funds in terms of, for example, the processing and recording of member data, the receiving of contributions, the processing of investments and claims, all in accordance with the governing rules of the Plan and the MPFS Ordinance) in its respective roles as the trustee, the administrator and the custodian. The Sponsor does not charge any sponsor fee in respect of the DIS Funds. The Investment Manager does not charge any investment management fee at the level of the DIS Funds. The Investment Manager is, instead, paid the investment management fee for providing investment management services to the APIFs invested into by the DIS Funds.

In accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on the DIS Fund or members who invest in the DIS Fund, for out-of-pocket expenses incurred by the trustee on a recurrent basis in the discharge of the trustee's duties to provide services in relation to the DIS Fund, shall not in a single year exceed 0.2% of the net asset value of the DIS Fund. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of the net asset value and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. It should, however, be noted that out-of- pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on the DIS Funds and are not subject to the said statutory cap.

5.1.3.2. Underlying Funds

Management Fees: Management fees include sponsor fee, investment management fee, trustee, administration and custodian fee and registrar fee paid to the sponsor, investment manager, trustee, administrator, custodian and registrar of the relevant APIF.

- A breakdown of the current investment management fee, trustee, administration and custodian fee and sponsor fee (if any) payable out of the assets of each underlying APIF or the underlying ITCISs is as follows:

<table>
<tr><th>Name of constituent fund</th><th>Sponsor fee</th><th>Trustee, administration and custodian fee</th><th>Investment management fee</th></tr>
<tr><td></td><td colspan="3">(% p.a. of net asset value)</td></tr>
<tr><td>BCT (Pro) China and Hong Kong Equity Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Asian Equity Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) European Equity Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Global Equity Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Hang Seng Index Tracking Fund</td><td>N/A</td><td>Up to 0.05%#</td><td>Up to 0.05%#</td></tr>
<tr><td>BCT (Pro) U.S. Equity Fund</td><td>N/A</td><td colspan="2">Up to 0.10%</td></tr>
<tr><td>BCT (Pro) Greater China Equity Fund</td><td>N/A</td><td colspan="2">Up to 0.31%</td></tr>
<tr><td>BCT (Pro) World Equity Fund</td><td>N/A</td><td colspan="2">Up to 0.61%</td></tr>
<tr><td>BCT (Pro) SaveEasy 2050 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.75%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2045 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.75%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2040 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.75%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2035 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.75%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2030 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.75%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2025 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.50%^</td></tr>
<tr><td>BCT (Pro) SaveEasy 2020 Fund</td><td>N/A</td><td>Up to 0.10%*</td><td>0.50%^</td></tr>
<tr><td>BCT (Pro) E90 Mixed Asset Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) E70 Mixed Asset Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) E50 Mixed Asset Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) E30 Mixed Asset Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Flexi Mixed Asset Fund</td><td>N/A</td><td>Up to 0.07%</td><td>0.45%</td></tr>
<tr><td>BCT (Pro) Core Accumulation Fund</td><td>N/A</td><td>0.08%##</td><td>0.08%##</td></tr>
<tr><td>BCT (Pro) Age 65 Plus Fund</td><td>N/A</td><td>0.08%##</td><td>0.08%##</td></tr>
<tr><td>BCT (Pro) Asian Income Retirement Fund</td><td>N/A</td><td>Up to 0.138%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) RMB Bond Fund</td><td>N/A</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Global Bond Fund</td><td>0.02%</td><td>0.10%</td><td>Nil</td></tr>
<tr><td>BCT (Pro) Hong Kong Dollar Bond Fund</td><td>N/A</td><td>0.0295%</td><td>Nil</td></tr>
</table>

The underlying ITCIS of the BCT (Pro) Hang Seng Index Tracking Fund charges the investment management fee and the trustee fee respectively according to the following scale:

	(% p.a. of net asset value)
For the first HK$15 billion:	0.050%
For the next HK$15 billion:	0.045%
For the next HK$15 billion:	0.030%
Thereafter:	0.025%

* The current trustee fee payable by the relevant underlying APIF is inclusive of the trustee fees of up to 0.10% per annum charged on the other APIFs (managed by Fidelity) in which that underlying APIF invests. The maximum total trustee fee payable at both levels is 0.50% per annum of the net asset value of the relevant underlying APIF.

^ The current management fee payable by the relevant underlying APIF represents the total overall investment management fee payable to Fidelity. Investment by the relevant underlying APIF into other APIFs (managed by Fidelity) will not result in overall increase in fees and charges payable to Fidelity and / or its connected persons i.e. no double charging of investment management fee. The fee will be reduced to 0.50% 5 year prior to reaching the beginning (i.e. 1 January) of the applicable target year.

The current management fee payable by the relevant underlying APIF (namely the Invesco Pooled Investment Fund – Core Accumulation Fund in the case of the Core Accumulation Fund and the Invesco Pooled Investment Fund – Age 65 Plus Fund in the case of the Age 65 Plus Fund) represents the total overall investment management fee payable to Invesco. Investment by the said relevant underlying APIF into the DIS Underlying APIFs (managed by Invesco) will not result in overall increase in fees and charges payable to Invesco and / or its connected persons i.e. no double charging of investment management fee.

Also, the current trustee fee payable by the relevant underlying APIF (namely the Invesco Pooled Investment Fund – Core Accumulation Fund in the case of the Core Accumulation Fund and the Invesco Pooled Investment Fund – Age 65 Plus Fund in the case of the Age 65 Plus Fund) represent the overall trustee fee charged by that relevant underlying APIF and the DIS Underlying APIFs invested into by it.

- The maximum investment management fee payable out of the assets of each underlying APIF of BCT (Pro) Flexi Mixed Asset Fund and BCT (Pro) SaveEasy Funds is 2.00% p.a. of the net asset value of the relevant underlying APIF.
- The maximum investment management fee payable out of the assets of each underlying APIF of BCT (Pro) Core Accumulation Fund and BCT (Pro) Age 65 Plus Fund is 0.08% p.a. This maximum is not the maximum stated in the offering document of the underlying APIF, but it is the maximum for the purpose of the relevant DIS Fund.
- The maximum aggregate of trustee, administration and custodian fee and sponsor fee (if any) payable out of the assets of each underlying APIF are as follows:

Name of constituent fund	**Maximum aggregate of trustee, administration and custodian fee and sponsor fee**
	(% p.a. of net asset value)
BCT (Pro) China and Hong Kong Equity Fund	1.00%
BCT (Pro) Asian Equity Fund	1.00%
BCT (Pro) European Equity Fund	1.00%
BCT (Pro) Global Equity Fund	1.00%
BCT (Pro) SaveEasy 2050 Fund	0.50%
BCT (Pro) SaveEasy 2045 Fund	0.50%
BCT (Pro) SaveEasy 2040 Fund	0.50%
BCT (Pro) SaveEasy 2035 Fund	0.50%
BCT (Pro) SaveEasy 2030 Fund	0.50%
BCT (Pro) SaveEasy 2025 Fund	0.50%
BCT (Pro) SaveEasy 2020 Fund	0.50%
BCT (Pro) E90 Mixed Asset Fund	1.00%
BCT (Pro) E70 Mixed Asset Fund	1.00%
BCT (Pro) E50 Mixed Asset Fund	1.00%
BCT (Pro) E30 Mixed Asset Fund	1.00%
BCT (Pro) Flexi Mixed Asset Fund	0.25%
BCT (Pro) Core Accumulation Fund	0.08%#
BCT (Pro) Age 65 Plus Fund	0.08%#
BCT (Pro) Asian Income Retirement Fund	0.50%
BCT (Pro) RMB Bond Fund	1.00%
BCT (Pro) Global Bond Fund	1.00%
BCT (Pro) Hong Kong Dollar Bond Fund	0.30%

This maximum is not the maximum stated in the offering document of the underlying APIF, but it is the maximum for the purpose of the relevant DIS Fund.

- The underlying APIF of the BCT (Pro) Flexi Mixed Asset Fund currently charges a registrar fee of HK$20,000 per annum. This registrar fee may be increased up to a maximum registrar fee of HK$50,000 per annum.

Offer and Bid Spreads: The maximum offer spread and bid spread which may be levied in relation to each underlying APIF are as follows:

	Maximum offer spread *(% of net asset value of units issued)*	**Maximum bid spread** *(% of net asset value of units redeemed)*
BCT (Pro) Flexi Mixed Asset Fund	5.00%	2.00%
BCT (Pro) Hong Kong Dollar Bond Fund	5.00%	0.50%

These charges are currently waived.

The underlying ITCIS of the BCT (Pro) Hang Seng Index Tracking Fund currently charges offer and bid spreads at market rate.

General: The trustees of the underlying APIFs are also entitled to receive various transactions and processing fees in accordance with their normal scale of charges.

Increase in Fees: The fees of the underlying APIFs may be increased by giving a 3 months' notice to the relevant unitholders concerned provided that the maximum levels are not exceeded.

5.1.3.3. Other expenses

5.1.3.3.1 Plan

Subject to the provisions in section 5.1.3.4 relating to the MPF Conservative Fund, the following charges, fees and expenses shall also be borne by the members of the Plan, unless waived (in part or in whole) by the Trustee. Further, certain out-of-pocket expenses incurred on a recurrent basis 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 imposed on the relevant fund in excess of that amount. Where the member of the Plan is an employer, such charges, fees and expenses may be paid out of the forfeitures account of the employer's participating plan.

(a) any costs incurred in registering or maintaining the registration of the participating plans of the members with the relevant authorities (including the costs of preparing any supporting documents and supplemental deeds);

(b) legal and other fees and expenses attributable to the relevant participating plan;

(c) audit fees, including fees of the employer's, self-employed person's, the personal account member's, the TVC member's or the SVC member's own auditor in giving any certificate in connection with its participation in the Plan, and fees of the auditors of the Plan in preparing audited accounts of the relevant participating plan;

(d) the costs of amending the participation agreement and / or the governing rules relating to the relevant participating plan; and

(e) any costs, fees and expenses expressed to be payable by the employer, self-employed person, the personal account member, TVC member or SVC member in the Trust Deed, the participation agreement and / or application form relating to the participating plan.

The Trustee and the Sponsor may waive or reduce any of the above fees, costs, charges or expenses payable by an employer, self-employed member, personal account member, TVC member or SVC member.

If the standard form of participation agreement is used and no amendment is required, no costs will be charged under (d) above.

No advertising expenses of the Plan incurred will be charged to the Plan or the members of the Plan.

In addition, the Trustee shall be entitled to levy a reasonable amount of fees in relation to the provision of any other administrative services to the employers or the members, which services may include, without limitation, issuance of any statements or reports which are not prescribed by the MPFS Ordinance or Regulation, re-issuance of any statements, reports, notices of participation, payment cheques, receipts or preparing copies of any documents relating to the Plan or the member's participation. Employers and members may contact the Trustee for further information regarding such administrative charges.

With the consent of the Trustee, the Investment Managers may purchase and sell investments for the account of a constituent fund as agent for the Trustee provided that the Investment Managers must account for all rebates of brokerage fees and commissions which may be derived from any such purchase or sale. No cash rebate may be retained by the Investment Managers.

Each Investment Manager or its connected persons may enter into contractual arrangements with other persons (including any connected person of the Investment Manager or the Trustee) under which such other persons agree to pay in whole or in part for the provision of goods to, and / or the supply of services to the Investment Manager or its connected persons in consideration of the Investment Manager or its connected person procuring that such other persons execute transactions to be entered into for the account of the Plan.

Each Investment Manager procures that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to members.

In addition to the above, the Trustee may also pay out of the assets of the Plan any transaction costs, charges and expenses (including tax, stamp duty, registration fee, custody and nominee charges), indemnity insurance, licence fee (applicable to BCT (Pro) Hang Seng Index Tracking Fund only), compensation fund levy (if any), audit fees and MPF annual fees, costs of preparing, publishing and distributing this Brochure, fees for providing valuation and accounting services, sub-custodian services and any other fees and charges incurred in respect of the establishment, management and administration of the Plan and the constituent funds thereunder.

5.1.3.3.2 Underlying Funds

For the underlying APIFs, in addition to the trustee fee, the trustee may deduct from the underlying APIFs any fees and charges in accordance with the provisions of the relevant trust deed, including without limitation those incurred in the administration and operation of the underlying APIFs.

No advertising expenses will be charged to the underlying APIFs.

In addition, each underlying APIFs may bear a due proportion of the costs and expenses incurred by the investment manager and the trustee in establishing the fund.

The above fees and charges shall be levied against the underlying APIFs only and shall not be deducted from the constituent funds of the Plan. As such, such fees and charges will be reflected in the unit prices of the underlying APIFs and borne by all the unitholders of the underlying APIFs.

Each underlying ITCIS will bear its costs and operating expenses which may include but not limited to the fees and expenses of custodians, sub-custodians, registrar, auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs incurred in the preparation and printing of any offering document and the license fee (if any).

5.1.3.4. Deduction from MPF Conservative Funds

Administrative Expenses: Notwithstanding the fees, charges and other expenses described above, administrative expenses (including the trustee, administration and custodian fee, sponsor fee and investment management fee) may only be deducted from the account of a member whose accrued benefits form part of the MPF Conservative Fund in the following circumstances:

(i) if the amount of income and profits derived from the investment of the funds of the MPF Conservative Fund for a particular month exceeds the amount of interest that would be earned if those funds had been placed on deposit in a Hong Kong dollar savings account at the prescribed saving rate (as defined in the Regulation and published by the Authority), an amount not exceeding the excess may be deducted from the MPF Conservative Fund as administrative expenses for that month; or

(ii) if in a particular month no amount is deducted under (i) above or the amount that is deducted is less than the actual administrative expenses for the month, the deficiency may be deducted from the amount of any excess that may remain in any of the following 12 months after deducting the administrative expenses applicable to that following month.

Compensation Fund Levy: Unless there is an exemption granted by the Authority and that exemption remains in force, the Trustee is also required to pay a compensation fund levy under section 17(3) of the MPFS Ordinance. Such amounts as may be necessary to enable the Trustee to pay the levy may be deducted from the account of each member whose accrued benefits form part of the MPF Conservative Fund. The amount so deducted will be calculated in accordance with the provisions in the Regulation.

Investment Expenses: All investment expenses such as stamp duties, other fiscal charges and taxes, transaction fees, brokerage fees and commissions will be deducted from the income and profits derived from the investments of the MPF Conservative Fund before such income and profits are credited to the members' accounts.

5.2 SIGNPOSTING OF ON-GOING COST ILLUSTRATIONS AND THE ILLUSTRATIVE EXAMPLE FOR THE MPF CONSERVATIVE FUND

A document that illustrates the on-going costs on contributions to constituent funds in the Plan and the illustrative example for the MPF Conservative Fund is available and distributed together with this Brochure. Before making any investment decisions concerning MPF investments, you should ensure that you have the latest version of this document which can be obtained from the Trustee, its servicing banks and agents.

6. ADMINISTRATIVE PROCEDURES

6.1 CONTRIBUTIONS AND WITHDRAWALS

6.1.1. Application for Membership

The Plan has been registered with the Authority as a registered scheme under the MPFS Ordinance. Under the governing rules of the Plan, the following persons are eligible to join the Plan by establishing a participating plan.

- Any employer or self-employed person may join the Plan by establishing a participating plan. In the case of an employer, its employees who wish to join the Plan must complete the enrolment form prescribed by the Trustee and agree in writing to comply with the provisions of the Trust Deed.
- The following persons may join the Plan as a personal account member:
  - (a) an employee under his employer's participating plan may, upon his cessation of employment with such employer, elects to or is taken to have elected to join the Plan as a personal account member by establishing his own participating plan and transferring his accrued benefits under his employer's participating plan to such new participating plan.
  - (b) any other eligible person who wishes to transfer his retirement benefits to the Plan, including without limitation:
    - (i) an employee who wishes to transfer accrued benefits derived from (i) mandatory contributions made by him in respect of his current employment, (ii) mandatory contributions paid by or in respect of such employee that are attributable to his former employments or former self- employments; or (iii) all or any one or more of his personal accounts with another master trust scheme or industry scheme; or
    - (ii) any person who has accrued benefits held in one or more than one personal account with another master trust scheme or industry scheme and elects to transfer such accrued benefits to the Plan.
- Any person who is eligible to participate in an MPF scheme and who wishes to make special voluntary contributions to the Plan, may also join the Plan as a special voluntary contribution account member (hereafter "SVC member").

  The Trustee may reject an application to become an SVC member or, with a prior notice in writing, refuse to accept a transfer or payment of special voluntary contributions to the Plan in the event of (i) having reason to know that information and documents provided to the Trustee are incorrect or incomplete; (ii) failure of an applicant or an SVC member to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering / tax reporting; and / or (iii) other circumstances which the Trustee and the Sponsor may consider appropriate.
- Any person who falls under any one of the following categories may open a TVC account (as defined below) by establishing a participating plan:
  - (i) an employee member of an MPF scheme (as defined below);
  - (ii) a self-employed person member of an MPF scheme;
  - (iii) a personal account holder of an MPF scheme;
  - (iv) a member of an MPF exempted ORSO scheme (i.e. an occupational retirement scheme (as defined in the MPFS Ordinance) exempted under section 5 of the MPFS Ordinance).

Each eligible person can only have one TVC account under the Plan.

The Trustee may reject an application to open a TVC account or refuse to accept a transfer or payment of TVC to the Plan in the event of (i) having reason to know that information and documents provided to the Trustee are incorrect or incomplete; (ii) failure of an applicant or a TVC member to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering / tax reporting; and / or (iii) other circumstances which the Trustee and the Sponsor may consider appropriate.

For further details about making TVC to the Plan, please refer to section 6.1.4.

In order for an employer to establish a participating plan, the employer must complete the application form prescribed by the Trustee, execute the relevant participation agreement and agree in writing to comply with the provisions of the Trust Deed. In respect of a participating employer, each of its employees participating in the Plan will be issued a notice of participation within the period prescribed by the Regulation. If a person wishes to join the Plan as a self-employed person, a personal account member, an employee member, a TVC member or an SVC member, he must either (i) complete the application form (in case of a self-employed person, a personal account member, a TVC member or an SVC member) or the enrolment form prescribed by the Trustee (in case of an employee member), or (ii) provide to the Trustee such information as may be required. If the applicant is a self-employed person, he must indicate in the application whether he will contribute to the Plan on a monthly or yearly basis. Under the MPFS Ordinance, it is mandatory for employees and self-employed persons to join an MPF plan and make mandatory contributions unless they are below the age of 18 or at or above the age of 65 or otherwise exempted under the MPFS Ordinance. Persons who are not required to make mandatory contributions may nevertheless join the Plan and make voluntary contributions and / or special voluntary contributions.

Any applicant whose application is accepted will be notified within 30 days from the time when all the information required for the application is submitted or the applicant has agreed to comply with and be subject to the provisions of the Trust Deed. All the applicants who are admitted to the Plan (including the employee members of the participating employer) are governed by the governing rules contained in the Trust Deed.

Each constituent fund under the Plan is a unitized fund and its units are valued at the close of business in the last relevant market to close (or such other time as the Trustee may from time to time determine) on each dealing day which is any day on which the banks in Hong Kong are open for business (excluding Saturdays) or such other day as the Trustee may from time to time determine. Units in each constituent fund may be subscribed or redeemed through the Trustee.

All contributions made by the members of the Plan should only be paid to the Trustee. Such payment may be made by telegraphic transfer, banker's draft, cheque or any other method as may be agreed by the Trustee. In making the contributions, the participating employers and self- employed persons must ensure that their names, contribution period and participating plan numbers are clearly stated. Amounts payable on the subscription and redemption of units under the Plan is in Hong Kong dollars.

6.1.2. Mandatory Contributions

The following mandatory contributions must be made by or in respect of the employee members and self-employed persons under the Plan, except to the extent where such payments are not required by the MPFS Ordinance.

6.1.2.1 Employer and Employee Members

Subject to the provisions in the MPFS Ordinance, every employer under the relevant participating plan must, in respect of each of its employee members, pay to the Trustee out of the employer's own funds a mandatory contribution of 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of each employee member's income for each period during which income is paid or should be paid to each employee member (the "contribution period"). The mandatory contribution will not exceed 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of the statutory maximum level of relevant income as prescribed by the MPFS Ordinance.

At the same time, unless the employee member's income falls below the statutory minimum level of relevant income as prescribed by the MPFS Ordinance, such employer must, for each contribution period, deduct from the employee member's income and pay to the Trustee a mandatory contribution of 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of such income, provided that the maximum contribution that would be so deducted should not exceed 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of the statutory maximum level of relevant income as prescribed by the MPFS Ordinance.

Contribution Day

For an employee member, both the employer's and employee's mandatory contributions should be made on or before the 10th day (or such other day as the Regulation may from time to time prescribe) after the last day of the calendar month within which the relevant contribution period ends.

6.1.2.2 Self-employed persons

Every self-employed person under the Plan must, from the commencement date of his participating plan, pay to the Trustee a mandatory contribution of 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of his income on a monthly or yearly basis as specified in his application form by the last day of the relevant contribution period unless his income falls below the statutory minimum level of relevant income as prescribed by the MPFS Ordinance. The amount that any self-employed person must contribute will not exceed 5% (or any other percentage as may be prescribed by the MPFS Ordinance) of the statutory maximum level of relevant income as prescribed by the MPFS Ordinance.

6.1.3. Voluntary Contributions

6.1.3.1 Standard voluntary contributions

Employers, employee members or self-employed persons under the Plan may choose to pay to the Trustee a voluntary contribution as a top-up contribution in addition to the mandatory contribution for each contribution period. Employers, employee members or self-employed persons who are not required to make mandatory contribution under the MPFS Ordinance may also join the Plan to make voluntary contributions only. If an employer chooses to make voluntary contributions on behalf of his employees, he should specify the amount of voluntary contribution (as a percentage of the income of the employee members or a defined formula set out by the employer) in the application form and the relevant participation agreement. If an employee member chooses to make voluntary contributions, he should notify the Trustee in writing the amount of such voluntary contribution (as a percentage of his income). However, if the employer of such employee member has chosen to make voluntary contributions on behalf of such employee member, the basis of voluntary contribution of the employer and the employee member must be the same. If a self-employed person chooses to make voluntary contributions, he should notify the Trustee in writing of the amount of such voluntary contribution (as a fixed amount or a percentage of his income).

The employer, employee member and self-employed person may also change the amount of their respective voluntary contributions by giving the Trustee 3 months' prior written notice (or such shorter period of notice as the Trustee may approve). However, employers and employee members are entitled to change the level of voluntary contribution twice only in each financial year unless otherwise agreed by the Trustee. The voluntary contributions so made by an employee member shall be referred to as "employee's standard voluntary contributions".

6.1.3.2 Special voluntary contributions

Subject to the prior approval of the Trustee, an eligible person may establish a participating plan to make "special voluntary contribution" as an SVC member. A request to establish such a participating plan to make "special voluntary contribution" shall be made by giving to the Trustee prior written notice (or such notice as the Trustee may from time to time agree) in a form prescribed by the Trustee.

The amount of an SVC member's special voluntary contribution must not be lower than or exceed the respective limits as may be determined by the Trustee from time to time. The current minimum amount of special voluntary contributions per transaction is HK$500 in the case of lump sum contribution and HK$300 in the case of monthly contribution through direct debit. However, the Trustee reserves the right not to accept any member's special voluntary contribution at any time by giving to the member a prior notice in writing, as described in section 6.1.1.

Accrued benefits in the voluntary contributions can be withdrawn by the members in accordance with sections 6.1.8 and 6.1.9.

6.1.4. Tax Deductible Voluntary Contributions (TVC)

Any person, who fulfils the eligibility requirements (as set out in section 6.1.1) can set up a TVC account and pay or transfer TVC into such account. TVC paid into the TVC account will be eligible for tax deduction, subject to a maximum tax deductible limit per year of assessment, in accordance with the Inland Revenue Ordinance. With effect from 1 April 2019, the Plan offers TVC account to eligible persons.

The characteristics of TVC are as follows:

- TVC can only be made directly by eligible persons into TVC account of an MPF scheme in order to enjoy tax concession, subject to relevant conditions. Please refer to the next section entitled "*Tax Concession Arrangement in TVC*" for details;
- Involvement of employers is not required;
- Though it is voluntary in nature, TVC is subject to the same vesting and preservation rules and withdrawal restrictions applicable to mandatory contributions. Accordingly, any accrued benefits derived from TVC (including any TVC made in excess of the maximum tax deductible limit per year of assessment (as discussed in the next section)) will be preserved and can only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation. Please refer to section 6.1.8 for details.

6.1.4.1 Tax concession arrangements in TVC

The maximum tax deductible limit per year of assessment for TVC is set out in the Inland Revenue Ordinance, and in the year of assessment 2019 / 2020, is HK$60,000. It should be noted that such maximum tax deductible limit is an aggregate limit for TVC and any premiums for qualifying deferred annuity policy ("**qualifying annuity premiums**") paid in a year of assessment, rather than for TVC only, and any claim for tax deductions will be applied to TVC before qualifying annuity premiums.

Same as the tax deduction for mandatory contributions and other tax concessions, each individual tax payer (not the Trustee, the Sponsor or other operators of the Plan) is responsible for the application for tax deduction and keeping track of how the maximum tax deductible limit is fully utilized. Investment involves risks and the TVC balance in a TVC account (which is tax incentivized retirement savings) may go up as well as down.

To facilitate the tax return filing by TVC members, the Trustee will provide a tax deductible voluntary contributions summary to each TVC member if TVC is made by the TVC member to the Plan during a year of assessment. Such contributions summary will be made available around the 10th of May after the end of the relevant year of assessment (i.e. before the end of a period of 40 days from the beginning of the next year of assessment commencing on 1 April).

6.1.4.2 Contribution to TVC Account

TVC can only be made into a TVC account, which is separate from a contribution account or a personal account. Any other form of contribution that is not made into the TVC account is not TVC (for example, voluntary contributions that are made by employee members through their participating employers will not be eligible for claiming TVC tax deduction).

TVC is subject to the same vesting and preservation rules and withdrawal restrictions applicable to mandatory contributions. This also applies to contributions that exceed the maximum tax deductible limit per year of assessment.

There is no maximum limit imposed on the amount or frequency of contribution made to the TVC account, unless otherwise specified in the relevant application form. A TVC member can choose to make regular monthly TVC (subject to a minimum of HK$300 per contribution). Regular TVC may only be effected by way of a direct debit arrangement on a specified business day debit date. Irregular lump sum TVC can be made at any time (subject to a minimum of HK$500 per irregular lump sum TVC). These contributions are vested immediately in the TVC member.

For the avoidance of doubt, the protection of accrued benefits under the MPFS Ordinance is not applicable to TVC account, which means TVC balances will generally be vested in the trustee-in-bankruptcy or official receiver as part of the property of the bankrupt member.

TVC members can make their own fund selection or choose to invest in accordance with the DIS (i.e. Default Investment Strategy) under the Plan according to their circumstances and risk appetite. If a TVC member fails to submit to the Trustee a specific investment instruction or does not make any investment choice at the time the TVC account is opened, his TVC will be invested in accordance with the DIS. Please refer to section 3.3 for details of the DIS arrangement.

TVC balances can be withdrawn by the TVC members in accordance with section 6.1.8.

For details on (i) the transfer of TVC balances to the Plan and (ii) the transfer of TVC balances from the Plan, please refer to section 6.1.6 and section 6.1.11, respectively.

6.1.5. Investment Mandate

At least 1 month (or such shorter period as the Trustee may agree) before the first contribution is made or the accrued benefits are transferred to the Plan, the relevant member should, by submitting to the Trustee a properly completed member enrolment form, forward to the Trustee an investment mandate in the prescribed form directing how his contributions and accrued benefits transferred from other schemes should be invested into one or more of the constituent funds and / or in accordance with the DIS.

Subject to the relevant participation agreement and any restrictions and limitations which may from time to time be imposed by the Trustee, each member may select his own investment combination in the investment mandate.

An investment mandate given in the manner and subject to such terms and conditions as set out in the prescribed forms will be valid and in such cases, a member will be regarded as having given specific investment instructions for the purpose of section 34DA of the MPFS Ordinance. When giving an investment mandate in the prescribed form, members should give valid instructions specifying the investment allocations (in percentage terms) of each of their accounts in respect of (i) mandatory contributions, (ii) voluntary contributions, (iii) special voluntary contributions (if any) and (iv) TVC (in each case including accrued benefits derived therefrom and accrued benefits transferred from other registered schemes in accordance with the rules of the Plan) (each a “category of contributions”).

An investment mandate, in respect of a category of contributions, will only be regarded as valid if it complies with the following:

- the percentage of investment allocation to a constituent fund and / or the DIS is specified as an integer, i.e. a whole number, of at least 1%; and
- all of the investment allocations to the selected constituent fund(s) and / or DIS add up to 100% in total.

If an investment mandate does not comply with the above, including but not limited to cases where the percentage of investment allocation to a constituent fund or the DIS is specified not as an integer of at least 1% or where all of the investment allocations to the selected constituent funds and / or DIS add up to more than 100% in total, the investment mandate will be regarded as invalid. In addition, if all of the investment allocations to the selected constituent fund(s) and / or DIS add up to less than 100% in total, then (a) where the investment mandate in question is given in respect of enrolment, then the relevant member will be regarded as not having given a valid investment mandate in respect of the shortfall, or (b) where the investment mandate in question is given in respect of a change of investment mandate, then the relevant member will be regarded as not having given any valid investment mandate in respect of the change.

If any member fails to submit to the Trustee a member enrolment form containing an investment mandate in the prescribed form or where all or part of the investment mandate given in respect of enrolment is regarded as invalid, the member will be considered to have elected to invest all or part (as the case may be) of his contributions in the manner as described in the section 3.3.2 headed “Circumstances for Accrued Benefits to be invested in the DIS”. If the investment mandate given is in respect of a change of investment mandate is regarded as invalid, the member will be regarded as not having given any valid investment mandate for the purpose of the change and all investments will be made in the same way as before until valid investment mandate to change investment mandate is received by the Trustee.

In the event that an employee member has elected to transfer his accrued benefits in his contribution account to a personal account, if no new investment mandate is received by the Trustee at the time when such election is made and when the personal account is first set up, the accrued benefits so transferred to the personal account will remain invested in the same manner as they were invested immediately before the transfer. For the avoidance of doubt, the investment mandate applicable to the contribution account will not apply to future contributions or benefits transferred from another scheme that are made to the personal account, and the same will be invested in accordance with the DIS unless the member has given an investment mandate in respect of such contributions or benefits transferred from another scheme. For the avoidance of doubt, in such case, the member's existing accrued benefits held in the relevant constituent funds will remain so invested and will not be switched into the DIS.

As soon as the Trustee receives the subscription monies in cleared funds, the Trustee will apply the monies to invest in the respective constituent funds in accordance with the latest investment mandate submitted by the member. Units in a constituent fund will be acquired at their issue prices in accordance with section 7.3.6.

Unless otherwise specified in the relevant participation agreement or otherwise by the employer, an employee member shall be entitled to determine the investment mandate for all contributions made to his accounts.

6.1.6. Transfer into the Plan

If an employer already maintains an existing occupational retirement scheme under the Occupational Retirement Schemes Ordinance, the employer may transfer the funds in such existing retirement scheme to the Plan.

At a member's request, the Trustee may, to the extent permitted by the rules of the Trust Deed, also accept a transfer payment from any scheme or arrangement of which the member is also a member of that scheme or arrangement. Such transfer payment will be held by the Trustee as mandatory contributions, voluntary contributions or special voluntary contributions in accordance with the MPFS Ordinance and the governing rules of the Plan. In addition:

- an employee who was formerly a member of another scheme (whether it is an employer sponsored scheme, a master trust scheme or an industry scheme) may join the Plan as a personal account member by submitting a transfer notice and the prescribed application form to the Trustee and transferring his accrued benefits from the former scheme to the Plan; and
- a self-employed person who was formerly a member of another scheme (whether it is a master trust scheme or an industry scheme) may also join the Plan as a personal account member by submitting a transfer notice and the prescribed application form to the Trustee and transferring his accrued benefits from the former scheme to the Plan.

A TVC member who holds a TVC account in another registered scheme ("**transferor TVC account**") may request to transfer his accrued benefits in the transferor TVC account to his TVC account in the Plan. The Trustee may in its discretion refuse to allow or accept such accrued benefits to be transferred to the Plan. In any case, no fees will be charged by the Trustee other than an amount representing the necessary transaction costs as permitted under the Regulation. Such necessary transaction costs would include items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses, etc. Any amount of such necessary transaction costs imposed and received must be used to reimburse the relevant constituent fund. In the absence of a duly completed application form, the Trustee may also accept the application based on such information as the Trustee may require.

Before the Effective Date, a member may direct in the investment mandate how accrued benefits transferred from other schemes to the Plan ("transfer-in-assets") should be invested.

With effect from the Effective Date, (i) an employee member, a self-employed person, a personal account member or an SVC member may no longer direct in the investment mandate how the transfer-in-assets should be invested and all transfer-in-assets transferred on or after the Effective Date will be invested with reference to the allocation of mandatory contribution, voluntary contribution and / or special voluntary contribution (as applicable) as specified in the investment mandate given by the said member; and (ii) a TVC member may not specify the investment choice specifically for transfer-in-assets, and all transfer-in-assets will be invested with reference to the allocation of TVC as specified in the investment mandate given by the TVC member.

For the avoidance of doubt, the Trustee will continue to invest transfer-in-assets transferred into the Plan according to the investment mandate in respect of transfer-in-assets has been given by a member before the Effective Date, subject to any subsequent change of investment mandate.

6.1.7. Vesting of Benefits

6.1.7.1 Employee member

Except for any employer's voluntary contribution, all contributions made on behalf of any employee member will become fully vested immediately upon contribution.

All voluntary contributions made by the employer on behalf of an employee member will be vested in the employee member in accordance with the vesting scale relating to the voluntary contributions set out in an agreement between the Trustee and the employer. Notwithstanding that and subject to the provisions of the relevant participation agreement, voluntary contributions made by the employer will be fully vested in each employee member on the first of the following:

(i) attaining age of 65;

(ii) termination of employment due to total incapacity provided that a claim based on such ground is approved by the Trustee; and

(iii) death.

6.1.7.2 Self-employed persons, personal account member, TVC member and SVC member

All contributions made by or in respect of self-employed persons, personal account members, TVC members and SVC members will be fully vested at all times.

6.1.8. Withdrawal of Eligible Benefits

6.1.8.1 Withdrawal in a lump sum

Subject to the provisions in the MPFS Ordinance, the Regulation and the rules of the Trust Deed, an employee member, a self-employed person, a personal account member and a TVC member (or personal representative, as the case may be) will be entitled to receive a lump sum payment of all benefits accrued derived from mandatory contributions and, where applicable, standard voluntary contributions and TVC ("Eligible Benefits"), and any investment returns thereon under the Plan when:

(i) he attains the normal retirement age of 65;

(ii) he attains the early retirement age of 60 and certifies to the Trustee by statutory declaration that he has permanently ceased his employment or self-employment;

(iii) he dies, if his death is before his benefits has been paid;

(iv) he has departed or is about to depart from Hong Kong permanently;

(v) he becomes totally incapacitated; or

(vi) he has a terminal illness.

In the case of an employee member, depending on the terms of the relevant participation agreement, an employee member may or may not be entitled to withdraw his accrued benefits attributable to standard voluntary contributions without cessation of employment.

Those employee members and self-employed persons who have attained the normal retirement age of 65 without remaining in continuous employment or attained the retirement age of 60 and certify to the Trustee by statutory declaration that they have permanently ceased their respective employment or self-employment may also choose to remain in the Plan as personal account member and retain their Eligible Benefits in the Plan.

The accrued benefits payable will be valued as at the dealing day as soon as reasonably practicable after the date on which the Trustee receives and approves any necessary and duly completed documentation.

The rules of the Trust Deed also contain provisions which allow the employee member, self-employed person, personal account member or TVC member to receive accrued benefits in the Plan if:

(i) such benefits as at the date of the claim do not exceed HK$5,000 or such amount as prescribed by the Regulation from time to time;

(ii) as at the date of the claim, at least 12 months have elapsed since the contribution day in respect of the latest contribution period for which a mandatory contribution is required to be made to the Plan or to any other registered scheme, by or in respect of the member; and

(iii) the member does not have accrued benefits in any other mandatory provident fund scheme.

6.1.8.2 Withdrawal by instalment

Employee members, self-employed persons, personal account members and TVC members who have attained the normal retirement age of 65 or attained the retirement age of 60 and certify to the Trustee by statutory declaration that they have permanently ceased their respective employment or self-employment ("Eligible Members") may elect to receive his Eligible Benefits in one lump sum (as described in section 6.1.8.1), or elect to receive his Eligible Benefits by separate instalments (as described in this section 6.1.8.2) on such terms and conditions as specified in the claim form(s) (as prescribed by the Trustee and available at the Trustee's website at www.bcthk.com and through the Member Hotline at 2298 9333).

The accrued benefits payable will be valued as at the dealing day as soon as reasonably practicable after the date on which the Trustee receives and approves any necessary and duly completed documentation. To meet each instalment payment, the units in all of the constituent funds invested by the Eligible Member will be realised on a pro-rata basis, or in such other manner as the Trustee shall, in consultation with the Sponsor, deem appropriate and notify the relevant Eligible Member. Eligible Members should note that in the case of any partial withdrawal, any balance remaining in an Eligible Member's account will continue to be invested in the relevant constituent fund(s) and therefore subject to investment risks.

6.1.8.2.1 Withdrawal by instalment upon request

An Eligible Member may elect to receive his Eligible Benefits by separate instalments upon request by giving instructions for each instalment. Such Eligible Members may request withdrawals free of charge (other than any necessary transaction costs permitted under the Regulation).

6.1.8.2.2 Withdrawal by instalment according to standing instructions – for TVC members only

For TVC members only – a TVC member who is an Eligible Member may elect to receive his Eligible Benefits by instalment according to standing instructions, by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form.

> *With effect from 1 June 2022, the paragraph above shall be deleted and replaced with the following:*
>
> "For TVC members only – a TVC member who is an Eligible Member may elect to receive his Eligible Benefits by instalment according to standing instructions, by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form. Note that this withdrawal arrangement is not available to a TVC member who has already elected to withdraw benefits by instalment according to standing instructions in accordance with section 6.1.8A.2.2 (as an Eligible A65P Member)."

Based on standing instructions from the TVC member, Eligible Benefits will generally be paid out once every calendar month (around the 15th day of each month) free of charge (other than any necessary transaction costs permitted under the Regulation).

If following a withdrawal, the remaining account balance will become less than 130% of the monthly withdrawal amount (or other percentage or amount as determined by the Trustee), the TVC member's standing instructions are deemed to be terminated, and the TVC member is required to submit a separate withdrawal request to withdraw the remaining account balance. For the avoidance of doubt, the withdrawal arrangements as set out in this section 6.1.8 shall be without prejudice to the withdrawal arrangements for voluntary contributions as set out in section 6.1.9.

For further details on the payment period, please refer to section 6.1.10 entitled "Payment of Accrued Benefits".

With effect from 1 June 2022, the following sections 6.1.8A and 6.1.8B shall be inserted:

" 6.1.8A. Withdrawal of Benefits in Age 65 Plus Fund – for Members Who Have Reached Age of 65

The following withdrawal arrangements ("**A65P Arrangements**") apply only to personal account members, TVC members and SVC members who have reached the age of 65 and who hold accrued benefits in the Age 65 Plus Fund ("**Eligible A65P Members**"). Under the A65P Arrangements, an Eligible A65P Member may elect to receive his holdings in the Age 65 Plus Fund ("**A65P Benefits**") by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form.

To meet each withdrawal request for the purpose of this section, only units in the Age 65 Plus Fund (and not any other constituent funds) held by the Eligible A65P Member will be realised. If the Eligible A65P Member holds more than one sub-account with A65P Benefits, the units in all of such sub-accounts will be realised on a pro-rata basis, or in such other manner as the Trustee shall, in consultation with the Sponsor, deem appropriate and notify the relevant Eligible Member.

Payment of A65P Benefits shall be subject to the Trustee having received, reconciled and validated the written request for withdrawal submitted by the member. Members should note that in the case of any partial withdrawal, any balance remaining in a Member's account will continue to be invested in the relevant constituent fund(s) and therefore subject to investment risks.

The A65P Arrangements shall operate without prejudice to the withdrawal arrangements set out in sections 6.1.8 and 6.1.9, except as provided in sections 6.1.8.2.2, 6.1.8A.2.2 and 6.1.9.2 in relation to withdrawal according to standing instructions.

6.1.8A.1 Withdrawal in a lump sum

An Eligible A65P Member may elect to receive his A65P Benefits in a lump sum. The A65P Benefits payable will be valued as at the dealing day as soon as reasonably practicable after the date on which the Trustee receives and approves any necessary and duly completed documentation.

6.1.8A.2 Withdrawal by instalment

6.1.8A.2.1 Withdrawal by instalment upon request

An Eligible A65P Member may elect to receive his A65P Benefits by separate instalments upon request by giving instructions for each instalment, free of charge (other than any necessary transaction costs permitted under the Regulation). The A65P Benefits payable will be valued as at the dealing day as soon as reasonably practicable after the date on which the Trustee receives and approves any necessary and duly completed documentation.

6.1.8A.2.2 Withdrawal by instalment according to standing instructions

An Eligible A65P Member may elect to receive his A65P Benefits by separate instalments according to standing instructions (e.g. monthly or quarterly at the choice of the Eligible A65P Member), by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form. Such terms and conditions may include without limitation, the minimum balance of A65P Benefits required to be held by the Member, and the minimum withdrawal amount for each withdrawal. Note that this withdrawal arrangement is not available to an Eligible A65P Member who has already elected to withdraw benefits by instalment according to standing instructions, in accordance with section 6.1.8.2.2 (as a TVC member) or section 6.1.9.2 (as an SVC member).

Based on standing instructions from the Eligible A65P Member, A65P Benefits will generally be paid out, in the case of monthly withdrawal, around the 15th day of each month, and in the case of quarterly withdrawal, around the 15th day of January, April, July and October of each year, free of charge (other than any necessary transaction costs permitted under the Regulation).

If following a withdrawal, the aggregate remaining account balance in all sub-accounts with A65P Benefits will become less than 130% of the monthly or quarterly (as applicable) withdrawal amount (or other percentage or amount as determined by the Trustee), the Eligible A65P Member's standing instructions are deemed to be terminated, and the Eligible A65P Member is required to submit a separate withdrawal request to withdraw the remaining account balance.

6.1.8B. Other Withdrawal Arrangements

Without prejudice to sections 6.1.8, 6.1.8A and 6.1.9, to the extent permitted by applicable laws and subject to the terms of the Trust Deed, the Trustee, in consultation with the Sponsor, may from time to time offer to eligible members the option to withdraw accrued benefits from one or more specified sub-accounts, or from one or more specified constituent funds, in such manner and upon such terms and conditions as the Trustee shall deem appropriate."

6.1.9. Withdrawal of Voluntary Contributions

6.1.9.1 Standard Voluntary Contributions

Voluntary contributions made in respect of an employee member can also be withdrawn in the following situations:

(i) when he ceases to be employed by the employer; or

(ii) when his employer fails to make a voluntary contribution in accordance with the participation agreement within 6 months after:

(a) if the amount of voluntary contribution is determined by reference to the employee member's income, the end of the period covered by such income; or

(b) if the amount of voluntary contribution is determined by reference to the period of the employee member's employment, the end of such period.

In either case, the amount of benefits payable will be equal to the aggregate of the vested balance of his employer's voluntary contributions and the total balance of his own voluntary contributions. The benefits in both cases will be valued as at the dealing day as soon as reasonably practicable after the date on which the Trustee receives and approves the relevant claim form and any other necessary documentation. In case of (ii), any such claim request should only be submitted after the expiry of the 6 months' period.

Similarly, a self-employed person or a personal account member is also entitled to withdraw the entire or part of his voluntary contributions at any time in each financial year of the Plan by giving 30 days' prior written notice to the Trustee.

6.1.9.2 Special Voluntary Contributions

Subject to the prior approval of the Trustee and the provisions of the relevant participation agreement and / or application form, an SVC member may redeem any or all units representing his special voluntary contributions contributed (or other special voluntary contributions contributed by the member while employed by a former employer and transferred to the Plan) at any time by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form. Unless otherwise agreed by the Trustee, the number of redemptions in each financial year of the Plan and the amount of each such redemption or the number of units of each constituent fund to be redeemed in each withdrawal shall not exceed such limits as may generally be determined by the Trustee from time to time. There are currently no limits as to the permitted redemptions in each financial year and redemption is free of charge (other than any necessary transaction costs within the meaning of the Regulation), except that a withdrawal fee ("**Withdrawal Fee**") may apply if the withdrawal amount is less than HK$5,000 or the number of withdrawal exceeds 4 times in a financial year (withdrawal by standing instructions described below is not counted towards this limit). The Trustee will charge a Withdrawal Fee in respect of all constituent funds other than DIS Funds as set out in section 5 for each withdrawal (this Withdrawal Fee does not apply to the redemption of units in the DIS Funds. No apportionment will be made if only part of the redeemed units is in relation to any one of the DIS Funds). Such Withdrawal Fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.

In addition, an SVC member may at any time elect to withdraw his accrued benefits derived from special voluntary contributions by instalments according to standing instructions, by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form. Based on standing instructions from the SVC member, accrued benefits will generally be paid out once every calendar month (around the 15th day of each month) free of charge (other than any necessary transaction costs within the meaning of the Regulation), except that a Withdrawal Fee (as described in the preceding paragraph) may apply if the amount per withdrawal is less than HK$2,000. In addition, if following a withdrawal, the remaining account balance will become less than 130% of the monthly withdrawal amount (or other percentage or amount as determined by the Trustee), the SVC member's standing instructions are deemed to be terminated, and the SVC member is required to submit a separate withdrawal request to withdraw the remaining account balance.

With effect from 1 June 2022, the paragraph above shall be deleted and replaced with the following:

"In addition, an SVC member may at any time elect to withdraw his accrued benefits derived from special voluntary contributions by instalments according to standing instructions, by giving to the Trustee prior written notice in a form acceptable to the Trustee, subject to such terms and conditions as specified in the form. Note that this withdrawal arrangement is not available to an SVC member who has already elected to withdraw benefits by instalment according to standing instructions in accordance with section 6.1.8A.2.2 (as an Eligible A65P Member). Based on standing instructions from the SVC member, accrued benefits will generally be paid out once every calendar month (around the 15th day of each month) free of charge (other than any necessary transaction costs within the meaning of the Regulation), except that a Withdrawal Fee (as described in the preceding paragraph) may apply if the amount per withdrawal is less than HK$2,000. In addition, if following a withdrawal, the remaining account balance will become less than 130% of the monthly withdrawal amount (or other percentage or amount as determined by the Trustee), the SVC member's standing instructions are deemed to be terminated, and the SVC member is required to submit a separate withdrawal request to withdraw the remaining account balance."

To meet each redemption request, the units in all of the constituent funds invested by the SVC member will be realised on a pro-rata basis, or in such other manner as the Trustee shall, in consultation with the Sponsor, deem appropriate and notify the relevant SVC member. An SVC member should note that in the case of any partial withdrawal, any balance remaining in his SVC account will continue to be invested in the relevant constituent fund(s) and therefore subject to investment risks.

The redemption shall be effected on the dealing day as soon as reasonably practicable after the Trustee has received, reconciled and validated the written request for redemption submitted by the member. Any such withdrawal request must be made in a form as may be prescribed by the Trustee from time to time.

6.1.10. Payment of accrued Benefits

Subject to the provisions in the Regulation, a member who is entitled to receive his benefits under the Plan, may lodge with the Trustee a claim for the relevant benefits by submitting a form and such information or document as prescribed by the Trustee.

If Eligible Benefits and benefits derived from special voluntary contributions (as the case may be) are paid out in one lump sum, subject as otherwise provided by the Regulation, the maximum period between the date of receipt of a request for payment and the date of payment of accrued benefits will be the later of (i) 30 days of receipt of a valid request for payment and (ii) 30 days after the contribution day in respect of the last contribution period that ends before the receipt of the request (or such other period as may be prescribed by the Regulation).

If Eligible Benefits and benefits derived from special voluntary contributions (as the case may be) are paid out by instalment upon request (as described in section 6.1.8.2 and section 6.1.9.2 respectively), subject as otherwise provided by the Regulation, unless otherwise agreed between the Trustee and the relevant member, each instalment shall be paid no later than 30 days (or such other period as may be prescribed by the Regulation) after the date on which the Eligible Member instructs the Trustee to pay that instalment in accordance with the specified form.

If accrued benefits derived from TVC or special voluntary contributions (as the case may be) are paid out by instalment according standing instructions, each instalment shall be paid out at such time as set out in section 6.1.8.2.2 (in the case of TVC) and section 6.1.9.2 (in the case of special voluntary contributions) (subject as may be prescribed by the Regulation).

With effect from 1 June 2022, the above 2nd, 3rd and 4th paragraphs under this section 6.1.10 shall be deleted and replaced with the following:

"If Eligible Benefits, A65P Benefits and benefits derived from special voluntary contributions (as the case may be) are paid out in one lump sum, subject as otherwise provided by the Regulation, the maximum period between the date of receipt of a request for payment and the date of payment of accrued benefits will be the later of (i) 30 days of receipt of a valid request for payment and (ii) 30 days after the contribution day in respect of the last contribution period that ends before the receipt of the request (or such other period as may be prescribed by the Regulation).

If Eligible Benefits, A65P Benefits and benefits derived from special voluntary contributions (as the case may be) are paid out by instalment upon request (as described in section 6.1.8.2 and section 6.1.9.2 respectively), subject as otherwise provided by the Regulation, unless otherwise agreed between the Trustee and the relevant member, each instalment shall be paid no later than 30 days (or such other period as may be prescribed by the Regulation) after the date on which the Eligible Member instructs the Trustee to pay that instalment in accordance with the specified form.

For accrued benefits paid out by instalment according standing instructions, each instalment shall be paid out at such time as set out in section 6.1.8.2.2 (in the case of TVC), section 6.1.8A.2.2 (in the case of A65P Benefits) and section 6.1.9.2 (in the case of special voluntary contributions) (subject as may be prescribed by the Regulation)."

The Trustee may deduct from the benefits paid any amount which the Trustee is required or entitled by law to deduct. Such amount may include (i) any income taxes or duties; or (ii) any other charges, pledges, liens, mortgages or assignment made by or on behalf of the member concerned in respect of the member's standard voluntary contribution.

When the Trustee pays the accrued benefits to a member, the Trustee will provide the member with a benefit statement containing information such as the total amount paid and the details of any expenses relating to the payment made.

Payment of benefits under the Plan will be made in Hong Kong, in Hong Kong dollars, unless otherwise agreed between the Trustee and the member. If the payment is made in a currency other than Hong Kong dollars or in a place outside Hong Kong, the Trustee may deduct the cost of conversion and transmission (as the case may be) from the sum payable. The Trustee may make the payment by cheque or telegraphic transfer or by other means as determined by the Trustee from time to time. Costs of payment by telegraphic transfer, or by other means as determined by the Trustee at the election of the recipient, may be deducted from the sum payable.

The above provisions relating to payment of benefits are applicable to the payment of accrued benefits derived from contributions to the Plan.

6.1.11. Portability of Benefits

The rules of the Trust Deed also contain provisions relating to the portability of accrued benefits of a member.

If an employee member ceases to be employed by his employer, the employee member may elect to have his accrued benefits under the Plan transferred to a personal account of the Plan, to an industry scheme or to another registered scheme. If the employee member is subsequently employed by a new employer, he may elect to have his accrued benefits under the Plan transferred to the contribution account in the registered scheme in which his new employer participates.

In addition, an employee member may at any time:

(i) transfer all accrued benefits attributable to the employee member's mandatory contributions in respect of the employee member's current employment to a personal account within the Plan or another registered scheme, which is a master trust scheme or an industry scheme, nominated by such employee member;

(ii) transfer all accrued benefits derived from mandatory contributions attributable to the employee member's former employments or former self-employments to another contribution account or a personal account within the Plan or a contribution account within another registered scheme or a personal account within another registered scheme, which is a master trust scheme or an industry scheme, nominated by such employee member;

(iii) transfer all accrued benefits in the employee member's personal account within the Plan to a contribution account or another personal account within the Plan or a contribution account within another registered scheme or a personal account within another registered scheme, which is a master trust scheme or an industry scheme, nominated by such employee member; and

(iv) transfer all accrued benefits derived from voluntary contributions attributable to the employee member's former employments or former self-employments, to another account within the Plan or another registered scheme nominated by such employee member.

An election to transfer under paragraph (i) above can only be made once in every calendar year (or such other number of times as the Trustee may, at its discretion determines and notifies to the members).

In the case of a self-employed person, he may at any time elect to transfer his accrued benefits under the Plan to another registered scheme or an industry scheme. If the self-employed person is subsequently employed by an employer, the self-employed person may also transfer his accrued benefits to the contribution account in the registered scheme in which the employer participates.

In the case of a personal account member, he may also at any time elect to transfer all his accrued benefits in his personal account to another personal account or a contribution account within the Plan or a contribution account within another registered scheme or a personal account within another registered scheme, which is a master trust scheme or an industry scheme, nominated by the relevant personal account member.

TVC is portable and TVC members should note that:

(i) TVC member may at any time choose to transfer his entire TVC balances to his TVC account in another MPF scheme. Requests to transfer TVC balances to an account other than a TVC account will not be accepted.

(ii) The transfer must be in a lump sum (full account balance). Requests to transfer TVC balances in part will not be accepted.

(iii) The TVC account in the original scheme from which the accrued benefits are transferred (resulting in zero balance) may be terminated upon such transfer. (For further details on termination of participating plans, please refer to section 6.1.12.)

(iv) For the avoidance of doubt, transfer of accrued benefits derived from a TVC account in one MPF scheme to a TVC account of another MPF scheme cannot be claimed as deductions for taxation purpose.

(v) Accrued benefits derived from TVC transferred to another MPF scheme will also be subject to the same vesting and preservation rules and withdrawal restrictions applicable to mandatory contributions in the MPF legislation.

An employee member, a self-employed person, a personal account member or a TVC member who wishes to make the transfer should notify the trustee of the scheme to which the accrued benefits are transferred of his election in accordance with the provisions of the Regulation. The Trustee will upon notification of the election by the transferee trustee take all practicable steps to ensure that all the accrued benefits concerned will be transferred in accordance with the election within 30 days after being notified of the election or if an election is made by an employee member who ceases to be employed by the relevant employer, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is the later.

An SVC member may give a transfer instruction to the Trustee and / or the trustee of the scheme in which the SVC member is entitled to participate (as applicable) to elect to transfer the accrued benefits in his SVC account to the transferee scheme. If the new transferee scheme does not have provisions for dealing with special voluntary contributions, the member's accrued benefits derived from special voluntary contributions (if any) will be retained in the Plan.

If the employee member fails to make an election within 3 months from the date of receipt of termination notice by the Trustee, he will be taken to have elected to transfer his accrued benefits concerned to a personal account of the Plan, in which case, all the benefits will be so transferred within 30 days after the end of the 3 months' period. For the purposes of such a transfer, the Trustee shall have the absolute discretion to effect such transfer in such manner as the Trustee think fit including, but not limited to, transferring any units in specie from one contribution account concerned directly to the relevant personal account (which, in turn, includes the transfer of any units in the employee's special voluntary sub-account of the contribution account in specie to the personal account member's special voluntary sub-account of the relevant personal account).

Similarly, if the self-employed person fails to make an election within 3 months of the date of receipt of notice of cessation of self-employment by the Trustee, he will be taken to have elected not to have his accrued benefits transferred but to retain them in the Plan.

No fees shall be charged and no financial penalties shall be imposed for transfer of accrued benefits (i) from an account within the Plan to another account within the Plan, (ii) in the same account within the Plan, from a constituent fund to another constituent fund, or (iii) from a registered scheme to another registered scheme as set out in this section 6.1.11, other than an amount representing the necessary transaction costs as permitted under the Regulation. Such necessary transaction costs would include items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses, etc. Any amount of such necessary transaction costs imposed and received must be used to reimburse the relevant constituent fund.

In relation to a transfer from one account to another account ("new account") within the Plan in circumstances set out above, the transferred benefits shall remain invested in the same manner as they were invested immediately before the transfer, unless the member otherwise instructs as permitted under the governing rules. Unless a valid investment mandate is received by the Trustee, future contributions and accrued benefits transferred from other schemes will be invested according to the DIS; and for the avoidance of doubt, in such case, the member's existing accrued benefits held in the relevant constituent funds will remain so invested and will not be switched into the DIS.

6.1.12. Termination of Participating Plan

Any employer, self-employed person, personal account member or an SVC member may at any time cease to participate in the Plan by giving a written notice to the Trustee.

Furthermore, the Trustee may terminate the participation of an employer or membership of an employee member or a self-employed person (who is 18 years of age or over or below the age of 65) with the written agreement of the employer or the member, (as the case may be) given not earlier than 60 days before the termination.

The Trustee may at any time by immediate notice terminate the participation of an SVC member (other than a member who has become an SVC member with respect to a special voluntary contribution sub-account pursuant to Rule 2.1.1(ea) of the Trust Deed and who continues to hold such special voluntary contribution sub-account in the Plan).

In respect of any member who is below age 18 or at or above age 65, the Trustee reserves the right to terminate his membership at any time by giving an immediate notice to him or, in the case of an employee member, to this employer. However, any such termination effected by the Trustee shall not affect the Trustee's rights and duties provided by the Regulation in respect of any unclaimed benefits of the member who has reached the age of 65.

Upon termination of the participating plan, an employer or a member (as the case may be) may transfer the accrued benefits under the Plan to another registered scheme in accordance with the prevailing laws and regulations. For the avoidance of doubt, for an employee member who is also an SVC member who has made special voluntary contributions, if his employer ceases to participate in the Plan, his accrued benefits held in his account as an employee member will be treated separately from his accrued benefits held in his account as an SVC member. Such member's accrued benefits derived from the special voluntary contributions and held in his SVC account will be retained in the SVC account in the Plan unless otherwise instructed by that SVC member in accordance with the rules of the Plan.

The membership of a TVC member may be terminated by the Trustee (i) with the written agreement of the TVC member given not earlier than 60 days before the termination, or (ii) if at termination, the TVC account has no accrued benefits, and has had no activity for 365 days. In the case of termination according to (ii), the requirement for a written agreement of the TVC member (as described in (i)) does not apply.

6.1.13. No assignment of Benefits

Employee members should note that if any attempt is made to alienate any benefit derived from his vested portion of employer's voluntary contribution or it becomes payable to any person other than the person entitled to it under the Plan, it shall be forfeited to the Trustee unless:

(i) otherwise provided for in the relevant participation agreement; or

(ii) such benefit has been charged to the employer against any debts owed to the employer in accordance with the rules of the Plan; or

(iii) such benefit has been charged to the employer as an amount paid by the employer to the employee member as severance payment or long service payment under the Employment Ordinance; or

(iv) the Trustee in its discretion decides to pay it in case of hardship to the employee member or to his spouse or dependant.

Members should also note that if he is adjudged bankrupt by a court of competent jurisdiction in Hong Kong, his benefits derived from the employer's voluntary contributions shall be forfeited to the Trustee as at the date of the bankruptcy order unless (i) otherwise provided for in the relevant participation agreement; or (ii) such benefit has been charged to the employer against any debts owed to the employer in accordance with the rules of the Plan; or (iii) such benefit has been charged to the employer as an amount paid by the employer to the employee member as severance payment or long service payment under the Employment Ordinance; or (iv) the Trustee in its discretion decides to pay it in case of hardship to the employee member or to his spouse or dependant.

Also, benefits deriving from the employer's voluntary contributions may be forfeited if the member is dismissed by the employer because of fraud, dishonesty or gross misconduct against the employer.

6.1.14. Long Service Payments / Severance Payments Offsetting arrangements or Sequence

According to MPF legislation, accrued benefits derived from the employer's contributions made to the Plan for an employee (who is entitled to long service payments ("LSP") or severance payments ("SP") under the Employment Ordinance) can be used to offset the LSP or SP. Participating employers and members should note that, unless otherwise specified by the employer in the relevant participation agreement, the LSP or SP amount will first be paid out of the vested balance of the employer's voluntary contributions (if any) and, if it is insufficient to cover the full amount, out of the employer's mandatory contributions in respect of the member. Participating employers who have revised the relevant participation agreements in relation to the LSP / SP offsetting arrangement shall communicate such amendments to their employees.

Where applicable, participating employers are encouraged to communicate their intention with regard to LSP / SP set-off to employees before making the application to trustee.

6.2 CHANGES, REBALANCING AND SWITCHING

6.2.1. Change of Investment Instructions

A member may, subject to the limitations discussed below, change his investment instructions by submitting a new investment mandate or a rebalancing / switching instruction form to the Trustee.

Unless otherwise specified by the Trustee, there is no limit on the number of requests (whether for a change of investment mandate or rebalancing / switching of units between constituent funds) which can be made by a member during a year. In respect of a rebalancing / switching request, if dealing in either the original constituent fund or new constituent fund is suspended, the Trustee shall implement the rebalancing / switching instruction as soon as reasonably practicable after the dealing is resumed. In such case, any deposit interest which may be derived from the redemption proceeds of the units of the original constituent fund shall, to the extent required by the MPFS Ordinance and / or Regulation, be retained by the Trustee for the payment of any administrative expenses of the Plan or as income of the Plan.

6.2.2. Change of Investment Mandate

Subject to any limitation which may be imposed by the Trustee, a member may submit a new investment mandate instruction form as prescribed by the Trustee from time to time and request the Trustee to apply any future contributions which are paid to his account in accordance with the new investment mandate. The Trustee shall as soon as reasonably practicable implement the new investment mandate after the receipt thereof. Any new investment mandate given to the Trustee by or on behalf of a member (or employer) other than in accordance with this section 6.2.2 shall be regarded as invalid unless the Trustee determines otherwise in its sole discretion. Notwithstanding any limitation which may be imposed by the Trustee, each member is entitled to apply his entire contribution after the specific date to subscribe for units in any one constituent fund.

The Trustee shall implement the new mandate as soon as reasonably practicable after the receipt thereof. If dealing of units of the constituent fund(s) to which the new investment mandate relates is suspended at the date on which the new mandate should be implemented, the Trustee shall implement the new mandate as soon as reasonably practicable after dealing is resumed.

6.2.3. Fund Rebalancing / Switching

Subject to any limitation which may be imposed by the Trustee, a 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.

If a part of a constituent fund is pending for switching out, new instructions for switching out the remaining balance of that constituent fund will not be processed until the pending instruction has been completed.

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 section 3.3.1.3 entitled "Dealing day of annual de-risking".

The number of units of the new constituent fund to be issued will be calculated as follows:

$$N = \frac{K \times L}{M}$$

where:

N = the number of units of the new constituent fund to be issued (rounded down to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time);

K = the number of units of the original constituent fund to be rebalanced or switched, as the case may be;

L = the redemption price per unit of the original constituent fund as at the relevant dealing day;

M = the issue price per unit of the new constituent fund as at the relevant dealing day.

As discussed above, the Trustee may limit the total number of units in a constituent fund to be redeemed on any dealing day to 10% of the total number of units in issue. This limitation will be applied pro rata to all redemption requests to be effected on such dealing day. Any units not redeemed will be redeemed on the next dealing day subject to the same 10% limitation.

7. OTHER INFORMATION

7.1 INVESTMENT MANAGEMENT

Amundi Hong Kong Limited has been appointed by the Trustee as the investment manager for the Asian Equity Fund, China and Hong Kong Equity Fund, European Equity Fund, Global Equity Fund, E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, E90 Mixed Asset Fund, Global Bond Fund and U.S. Equity Fund.

Allianz Global Investors Asia Pacific Limited** has been appointed as the investment manager of the Flexi Mixed Asset Fund.

Invesco Hong Kong Limited has been appointed as the investment manager of the RMB Bond Fund, the Core Accumulation Fund, the Age 65 Plus Fund and MPF Conservative Fund.

FIL Investment Management (Hong Kong) Limited has been appointed as the investment manager of the SaveEasy Funds.

State Street Global Advisors Asia Limited*** has been appointed as the investment manager of the Hang Seng Index Tracking Fund, World Equity Fund and Greater China Equity Fund.

JPMorgan Funds (Asia) Limited has been appointed as the investment manager of the Hong Kong Dollar Bond Fund.

Taikang Asset Management (Hong Kong) Company Limited has been appointed as the investment manager of the Asian Income Retirement Fund.

Amundi Hong Kong Limited, Allianz Global Investors Asia Pacific Limited, Invesco Hong Kong Limited, FIL Investment Management (Hong Kong) Limited, State Street Global Advisors Asia Limited, JPMorgan Funds (Asia) Limited and Taikang Asset Management (Hong Kong) Company Limited are collectively referred to as “Investment Managers”. The Investment Managers are independent of and unconnected to the Trustee.

The Investment Managers are responsible for the investment management of the respective constituent funds.

The following constituent funds are portfolio management funds: E30 Mixed Asset Fund, E50 Mixed Asset Fund, E70 Mixed Asset Fund, E90 Mixed Asset Fund, Global Bond Fund, Asian Equity Fund, China and Hong Kong Equity Fund, European Equity Fund, Global Equity Fund, World Equity Fund, Greater China Equity Fund and U.S. Equity Fund.

The MPF Conservative Fund is a direct investment fund.

The following Constituent Funds are feeder funds: Flexi Mixed Asset Fund, RMB Bond Fund, Core Accumulation Fund, Age 65 Plus Fund, each of the SaveEasy Funds, Hang Seng Index Tracking Fund, Hong Kong Dollar Bond Fund and Asian Income Retirement Fund.

The investment policies of the APIFs / ITCIS in which the relevant constituent funds invest are set out in section 3.2.

** Allianz Global Investors Asia Pacific Limited is a subsidiary within the Allianz Group. As a result of group restructuring within the Allianz Group, Allianz Global Investors Asia Pacific Limited assumed and performed all the obligations and liabilities of RCM Asia Pacific Limited.

*** State Street Global Advisors Asia Limited has appointed its affiliate namely State Street Global Advisors, Australia, Limited, to provide currency management services (pertaining to the currency hedging) in respect of the World Equity Fund.

7.2 MANDATORY PROVIDENT FUND SCHEMES ORDINANCE

The Mandatory Provident Fund Schemes Ordinance, as amended from time to time, ("MPFS Ordinance") was enacted in August 1995. The legislation sets out the framework for the compulsory provision of retirement protection for the workforce in Hong Kong. Under the MPFS Ordinance, employers are required to establish their own mandatory provident fund arrangement for their employees starting from 1 December 2000. In addition, self-employed persons are required to establish mandatory provident fund plans for themselves.

The BCT (MPF) Pro Choice (the "Plan") is a master trust scheme registered with the Authority and authorised by the SFC*. The trustee of the Plan, Bank Consortium Trust Company Limited (the "Trustee"), is a company incorporated in Hong Kong and registered as a trust company under the Trustee Ordinance. The Trustee has also been approved as an approved trustee under the MPFS Ordinance in October 1999. The Trustee is a wholly owned subsidiary of Bank Consortium Holding Limited ("BCH") which was initially founded by a shareholder group of seven banks, namely, Asia Commercial Bank Limited**, Chekiang First Bank, Limited***, Chong Hing Bank Limited (formerly known as Liu Chong Hing Bank Limited), CMB Wing Lung Bank Limited (formerly known as Wing Lung Bank Limited), Dah Sing Bank, Limited, OCBC Wing Hang Bank Limited (formerly known as Wing Hang Bank, Limited) and Shanghai Commercial Bank Limited. Changes to the shareholder group have, since then, taken place and such changes include, among others, (a) the addition of Fubon Bank (Hong Kong) Limited (formerly known as International Bank of Asia Limited), Industrial and Commercial Bank of China (Asia) Limited (formerly known as Union Bank of Hong Kong Limited) and Asia Financial Holdings Limited** and (b) the removal of Asia Commercial Bank Limited** and Chekiang First Bank, Limited***.

The majority of the members of this shareholder group are licenced banks in Hong Kong with a long history in Hong Kong. The aggregate of their assets and their shareholders' fund were respectively in excess of HK$2,261 billion and HK$292 billion as at December 2018. The servicing banks**** had an aggregate of over 310 branches in Hong Kong. In terms of the number of branches, the banks collectively have one of the largest banking networks in Hong Kong. Whilst the Trustee is supported by members of the said shareholder group, no single member of the group may exercise management control over the Trustee. The shareholding structure has been designed to ensure that the Trustee is completely autonomous and independent in serving the interest of the Plan members.

BCT Financial Limited (the "Sponsor") is a company fully committed to providing the following activities:

(i) the distribution of investment products relating to retirement scheme and / or retirement / investment funds and the engagement in activities ancillary thereto; and

(ii) the promotion and sponsoring of retirement schemes and / or retirement / investment funds (and their related products) and the engagement in ancillary activities such as business development and marketing.

The Sponsor is a MPF corporate intermediary registered with the Mandatory Provident Fund Schemes Authority and is licensed under the Securities and Futures Ordinance for Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities. The Sponsor is also a wholly owned subsidiary of BCH.

The Plan offers the choices of the Default Investment Strategy and twenty-seven constituent funds which provide members of the Plan with a wide range of investment choices (please refer to section 3.1 for the fund options). Members may select their investments under the Plan in accordance with their respective preferences. Subject to the approval of the Authority and the SFC, the Trustee may establish new constituent funds for the Plan in the future.

Important: If you are in doubt about the meaning or effect of the contents of this Brochure, you should seek independent professional advice.

Bank Consortium Trust Company Limited accepts responsibility for the information contained in this Brochure as being accurate at the date hereof.

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* Such approval does not imply official recommendation by the Authority or the SFC.

** Asia Commercial Bank Limited subsequently transferred its shareholdings in BCH to Asia Financial Holdings Limited.

*** Chekiang First Bank, Limited subsequently transferred its shareholdings in BCH to OCBC Wing Hang Bank Limited.

**** Chong Hing Bank Limited / CMB Wing Lung Bank Limited / Dah Sing Bank, Limited / Fubon Bank (Hong Kong) Limited / Industrial and Commercial Bank of China (Asia) Limited / OCBC Wing Hang Bank Limited / Public Bank (Hong Kong) Limited / Shanghai Commercial Bank Limited.

7.3 VALUATION AND PRICING

7.3.1. Dealing Day

Units will be valued, issued and redeemed on every dealing day which will be any day on which the banks in Hong Kong are open for business (excluding Saturdays) or such other day(s) as the Trustee may determine.

7.3.2. Dealing

Any subscription application will be dealt with by the Trustee as soon as reasonably practicable after the subscription money is received in cleared funds and has been reconciled and validated by the Trustee. In respect of redemption, any redemption request will be dealt with by the Trustee as soon as practicable after it has been reconciled and validated.

7.3.3. Class of Units

One class of units will be issued for each constituent fund. All the units are denominated in Hong Kong dollars.

7.3.4. Valuation of Units

In order to determine the net asset value per unit of a constituent fund for use in a dealing day, the Trustee shall ascertain the net asset value per unit of such constituent fund as at the close of business in the last relevant market to close on the relevant dealing day or such other time as the Trustee may from time to time determine. The net asset value per unit of a constituent fund will be determined by dividing the net asset value of the constituent fund by the number of units in issue. The net asset value of the constituent fund will be calculated by valuing the assets of such constituent fund and deducting the liabilities attributable to such constituent fund in accordance with the provisions of the Trust Deed. In general:

(i) quoted investments (including any collective investment schemes listed on stock exchanges and listed ITCIS) are valued at their last bid price; with effect from 26 April 2018, quoted investments (including any collective investment schemes listed on stock exchanges and listed ITCIS) will be valued at their last traded price;

(ii) unquoted investments are assessed on the latest revaluation made;

(iii) collective investment schemes (other than collective investment schemes listed on stock exchanges and listed ITCIS) are valued at their last published net asset values per share or unit;

(iv) current and fixed deposits are valued at face value;

(v) futures contracts are valued at their contract values, taking into account any amount as would be required to close the contracts and any expenses that may be incurred; and

(vi) if investments have been agreed to be purchased, such investments will be included and the purchase price will be excluded; if investments have been agreed to be sold, such investments will be excluded and the sales proceeds will be included.

Liabilities attributable to a constituent fund will include any taxation related to the income of the constituent fund; expenses of the Plan (e.g. trustee's fee, sponsor's fee, legal and auditor's fee, valuation and other professional fees and the cost of setting up the Plan) which are attributable to the constituent fund and any outstanding borrowing.

For the purpose of valuation, subscription money received which has not been validated or reconciled for acquiring units of the constituent fund on the dealing day will not be included in the valuation and no deduction will be made in respect of units of the constituent fund to be redeemed on that dealing day.

Subject to the approval of the Authority, the Trustee may change the valuation methodology of any constituent fund by giving to the members a 3 months' prior notice (or such shorter period of notice as the SFC may approve).

7.3.5. Suspension of Valuation and Pricing

The Trustee may, having regard to the interests of the members, suspend the dealing of the units of any constituent fund and the determination of the net asset value of any constituent fund in the following circumstances:

(i) there is a closure of or restriction or suspension of trading on any securities markets on which a substantial part of the investments of the relevant constituent fund is normally traded or a breakdown in any of the means normally employed by the Trustee in determining the net asset value of a constituent fund or ascertaining the value of any investments comprised in a constituent fund;

(ii) for any other reason, the prices of investments in the constituent fund cannot, in the opinion of the Trustee, be reasonably ascertained;

(iii) in the opinion of the Trustee, it is not reasonably practicable or is prejudicial to the interest of the members to realize any investments held in the constituent fund;

(iv) the remittance or repatriation of funds which may be involved in the redemption of or in the payment for the investments in any constituent fund or the subscription for or redemption of any units is delayed or cannot, in the opinion of the Trustee, be effected at reasonable prices or reasonable rates of exchange, or

(v) where such suspension would be appropriate for the purpose of implementing any termination, merger and / or change of investment structure of one or more constituent funds,

provided that the suspension shall not cause the Trustee to be unable to comply with its obligations under the MPFS Ordinance and any rules, guidelines, codes or regulations made thereunder.

Whenever the Trustee declares a suspension of dealing and determination of the net asset value of any constituent fund, the Trustee shall notify the Authority as soon as practicable after any such declaration. The Trustee will also publish immediately after such declaration and at least once a month during the period of suspension, a notice in the newspaper(s) in which the constituent fund's prices are normally published.

7.3.6. Dealing of Units

7.3.6.1 Subscription and Subscription Price

Units will normally be issued on every dealing day. As soon as practicable after the contribution or subscription monies in cleared funds has been received, reconciled and validated by the Trustee, the Trustee will issue to the relevant member the appropriate number of units of the relevant constituent funds in accordance with the member's investment mandate.

The price at which units will be issued on a dealing day will be calculated as follows:

$$I = NAV \times (1 + C)$$

where:

I = issue price;
NAV = net asset value per unit on that dealing day;
C = offer spread expressed as a percentage.

The offer spread will be retained by the Trustee for its own use and benefit. Different amounts of offer spread may be levied upon the issue of units of different constituent funds. The maximum amount of offer spread that the Trustee may levy is set out in section 5. Such maximum amount may also be increased with the approval of the Authority and the SFC. The Trustee may reduce the offer spread for any member as the Trustee may consider appropriate. For the avoidance of doubt, the offer spread for a transfer of benefits can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer and are payable to a party other than the trustee.

No offer spread will be levied in respect of issue of units in the MPF Conservative Fund.

The issue price will be rounded to the nearest 4 decimal places or such other number of decimal places as the Trustee may from time to time determine.

The number of units issued will be determined by dividing the subscription money by the issue price of the unit of the relevant constituent fund in which the subscription money will be invested, and the resulting number in units will be rounded down to 5 decimal places or such other number of decimal places as the Trustee may determine.

No unit of any constituent fund will be issued at a price higher than the issue price of the unit of the constituent fund on the relevant dealing day.

Units may not be issued by the Trustee during any period when the valuation and dealing of the units in the relevant constituent fund is suspended.

The first issue of the units will be made at a price of HK$1.00 for each constituent fund.

Subject to the approval of the SFC and the authority, the Trustee may change the methodology of determining the issue price of the constituent funds by giving a 3 months' prior notice (or such shorter period of notice as the SFC may approve) to the members and participating employers.

7.3.6.2 Redemption of Units and Redemption Price

Upon the withdrawal of accrued benefits from the Plan, members will be required to redeem their units under the respective constituent funds.

The price at which units will be redeemed on a dealing day will be calculated as follows:

$$R = NAV \times (1 - D)$$

where:

R = redemption price;
NAV = net asset value per unit on that dealing day;
D = bid spread expressed as a percentage.

The redemption price will be rounded to the nearest 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time. The total redemption monies will be the redemption price multiplied by the number of units redeemed, rounded down to 2 decimal places or such other number of decimal places as the Trustee may determine.

No unit of any constituent fund will be redeemed at a price lower than the redemption price per unit of the constituent fund on the relevant dealing day.

The bid spread will be retained by the Trustee for its own use and benefit. Different amounts of bid spread may be levied upon the issue of units of different constituent funds. The maximum amount of bid spread that the Trustee may levy is set out in section 5. Such maximum amount may also be increased with the approval of the Authority and the SFC. The Trustee may reduce the bid spread for any member as the Trustee may consider appropriate. For the avoidance of doubt, the bid spread for a transfer of benefits, withdrawal of benefits in a lump sum, or by instalments can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer or withdrawal and are payable to a party other than the trustee.

No bid spread will be levied in respect of redemption of units in the MPF Conservative Fund.

The Trustee may also limit the total number of units in a constituent fund to be redeemed on any dealing day to 10% of the total number of units in issue. This limitation shall apply pro-rata to all members who require redemption to be effected on the relevant dealing day. Any units not redeemed will be carried forward for redemption on the next following dealing day subject to the same 10% limitation.

Subject to the approval of the SFC and the authority, the Trustee may change the methodology of determining the redemption price of the constituent funds by giving a 3 months' prior notice (or such shorter period of notice which the SFC may approve) to the members and participating employers.

7.4 GENERAL INFORMATION

7.4.1. Reports and accounts

The financial year end of the Plan is 31 December each year. The Trustee will provide to each member of the Plan an annual benefit statement within 3 months of the end of the financial period of the Plan. The annual benefit statement will provide the member with the following information:

(i) the names of the member, the Plan and the Trustee;

(ii) the total contributions paid to the Plan during the financial period specifying any unpaid contributions;

(iii) the value of the accrued benefits as at the beginning and the end of the financial period;

(iv) if the member is a self-employed person, the total contributions made by the member;

(v) if the member is an employer, the total contributions made by the employer;

(vi) particulars of any amount transferred to or from the Plan during the financial period;

(vii) if voluntary contributions are made by the member, the amount of mandatory and voluntary contributions made and the accrued benefits derived from each of the contributions; and

(viii) such other information as may be specified by the Authority.

If special voluntary contributions are made by the members, an annual benefit statement will be provided in respect of the special voluntary contributions made within 3 months of the end of the financial period of the Plan.

A TVC member who has paid TVC into his TVC account in the Plan during a year of assessment will receive a tax deductible voluntary contributions summary in respect of such TVC paid. For details, please refer to section 6.1.4.

The annual benefit statement of a TVC member with a TVC account will provide separate information with respect to (a) TVC paid by the TVC member into his TVC account and (b) all accrued benefits (i) derived from those TVC and (ii) transferred to the TVC account, in accordance with the MPF legislation.

7.4.2. Publication of net asset Value and Prices

The net asset value per unit, the issue price and the redemption price for each constituent fund are published at least weekly in The Standard and Sing Tao Daily. The net asset value per unit is expressed exclusive of any offer spread or bid spread which may be payable on subscription or redemption.

7.4.3. Trust Deed and Investment Management agreements

Members of the Plan are advised to review the terms of the Trust Deed and the investment management agreements. Copies of the Trust Deed and the investment management agreements may be obtained from the Trustee at a reasonable cost or may be inspected free of charge during normal working hours at the office of the Trustee.

Subject to the prior approval of the relevant authorities and the provisions in the Trust Deed, the Trustee may modify the Trust Deed by supplemental deed, provided that no such modification may change the main purpose of the Plan to be other than the provision of retirement and other benefits for members of the Plan.

No modification may be made to the Trust Deed unless the Authority has approved such modification and the notification and other procedures (if any) required by the Authority and (if applicable) the SFC have been complied with.

7.4.4. Termination of the Plan

Unless terminated in accordance with the terms of the Trust Deed, the Plan will continue indefinitely.

If there is no member, asset or liability in relation to the Plan, the Trustee may apply to the Authority for cancellation of registration of the Plan and notify the SFC for withdrawal of authorisation of the Plan. Otherwise, the Plan may be wound up only by the Court on application made by the MPF Authority in accordance with the MPFS Ordinance.

The winding up of the Plan will be conducted in accordance with the winding up rules provided in the MPFS Ordinance.

7.4.5. Responsibility of the Trustee

The Trust Deed contains provisions governing the responsibilities and obligations of the Trustee and providing for its indemnification in certain circumstances. With the prior approval of the Authority and the SFC (where necessary) and subject to other conditions contained in the Trust Deed, the Trustee may retire voluntarily upon the appointment of a successor. If the Trustee proposes to retire, the Trustee should notify the members and participating employers of its retirement by giving not less than 1 month's written notice.

7.4.6. Taxation

MEMBERS INTENDING TO PARTICIPATE UNDER THIS PLAN SHOULD SEEK INDEPENDENT PROFESSIONAL TAX ADVICE REGARDING THEIR OWN PARTICULAR TAX CIRCUMSTANCES.

7.4.6.1 Prospective participants

Prospective participants under the Plan (including, without limitation, employers, employee members, self-employed persons, personal account members, TVC members and SVC members) should inform themselves of and, where appropriate, take their own advice on the taxes applicable to contributions to, withdrawals from and investments in the Plan. The following notes are intended as a general guide only and are not intended to be and do not necessarily describe the tax consequences for all types of members under this Plan.

(i) An employer will be able to deduct his mandatory and voluntary contribution from his taxable income up to 15% of total yearly emoluments of the employees.

(ii) Employees will be able to deduct their mandatory contributions for salaries tax purposes.

(iii) Benefits from mandatory contributions are tax exempt. Benefits received from voluntary contributions made by employers may be subject to tax, depending on when and how they are paid.

(iv) The amount of TVC made by a TVC member, subject to a maximum tax deductible limit per year of assessment, is tax deductible in accordance with the Inland Revenue Ordinance. For further details, please refer to section 6.1.4.

7.4.6.2 Automatic exchange of financial account information

The Inland Revenue Ordinance ("**IRO**") provides the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (also referred to as the Common Reporting Standard ("**CRS**")) in Hong Kong. The CRS requires financial institutions ("**FI**") in Hong Kong to collect information relating to account holders (including, but not limited to, tax residency and tax identification number), and report such information as relates to reportable account holders who are tax resident in Reportable Jurisdictions (as defined below) to the Inland Revenue Department of Hong Kong ("**IRD**"). The information will be further exchanged with the competent authorities of jurisdiction(s) in which such account holders are tax resident under the Automatic Exchange of Financial Account Information ("**AEOI**") regime. For those purposes, account holders include members and participating employers participating in the Plan.

Pursuant to the enactment of the Inland Revenue (Amendment) (No. 2) Ordinance 2019, and with effect from 1 January 2020 ("**CRS Effective Date**"), the Plan will be required to comply with the requirements of CRS as implemented by Hong Kong to collect relevant information (including but not limited to the name, date of birth, address, jurisdiction of tax residence, tax identification number, account details, account balance / value, and certain income or sale or redemption proceeds), relating to participants and prospective participants of the Plan, and to provide such information to the IRD on an annual basis (for exchange with the competent authority of the relevant Reportable Jurisdictions).

If the Plan participant is not a tax resident in any jurisdiction outside Hong Kong, the information will not be reported to IRD for transmission to any tax authority outside Hong Kong.

The CRS rules as enacted in Hong Kong require the Plan to, amongst other things: (i) register the Plan's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on accounts held in respect of Plan participants to identify whether any such accounts are reportable for CRS purposes; and (iii) report certain information relating to such accounts to the IRD. The IRD will transmit such information reported to it to the competent authority of the jurisdictions with which Hong Kong has activated exchange relationships under AEOI (the "**Reportable Jurisdictions**"). Broadly, CRS contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a Reportable Jurisdiction; and (ii) certain individuals who are tax resident in a Reportable Jurisdiction and who participate in the Plan through interposed entities (i.e., Controlling Persons as defined in section 50A of the IRO). Under the IRO, details of Plan participants, or where such Plan participants are not natural persons, details of the Controlling Persons of such Plan participants (including the relevant information of the same as referred to above) may be reported to the IRD, and by extension exchanged with the competent authority of the relevant Reportable Jurisdiction(s).

If a Plan participant does not provide the required documentation or information (including a self-certificate) or fails to take action as is required by the Trustee and / or the Sponsor within the time period specified, the Trustee and / or the Sponsor (i) for current Plan participant, may report the relevant account information based on indicia identified pursuant to the due diligence it has conducted in accordance with the requirements of the CRS regime and, for applicant applying to become a Plan participant, may not be able to have the application processed or (ii) take such other action as permitted under applicable laws and / or the governing rules of the Plan.

From the CRS Effective Date, each applicant applying to become a Plan participant and each current Plan participant will be required to, as and when requested by the Trustee and / or the Sponsor, provide in a format acceptable to the Trustee and / or the Sponsor any such documentation or other information as is reasonably requested by the Trustee and / or the Sponsor and as is necessary for the Trustee and / or the Sponsor to discharge its due diligence, reporting or other obligations under any law or regulation applicable to the Plan in any jurisdiction (including but not limited to any law or regulation relating to AEOI). Failure to do so by an applicant applying to become a Plan participant may result in the processing of the application being delayed and / or even rejection of the application. Further, each Plan participant is under an obligation to: (i) inform the Trustee of any change in circumstances which affects his / her tax residency status or causes the information contained in a self-certificate to be incorrect and provide the Trustee with a suitably updated self-certificate within 30 days of such change in circumstances; and (ii) otherwise comply with any registration, due diligence and reporting obligations imposed from time to time by the laws of Hong Kong or any other jurisdiction (including but not limited to any law, rule and requirement relating to AEOI), including such obligations that may be imposed by future legislation.

In accordance with the applicable laws and regulations in Hong Kong, the Trustee, the Sponsor and / or their agents may report or disclose the Plan participant's information (and / or information pertaining to Controlling Person(s) of a Plan participant) to the IRD, which will as a matter of course exchange the same with the competent authority of the relevant Reportable Jurisdiction(s).

The information provided herein in relation to CRS is of a general nature only and is not intended to serve as a basis for decision making. It is for information purposes and does not constitute legal advice. Each participant and prospective participant of the Plan should consult its own professional advisor(s) on the administrative and substantive implications of the CRS / AEOI on its current or proposed investment in the Plan and the relevant constituent fund.

8. GLOSSARY

The defined terms used in this Brochure have the following meanings:

"MPF scheme" or "registered scheme"	means a registered scheme as defined in the MPFS Ordinance;
"TVC" or "tax deductible voluntary contributions"	means "tax deductible voluntary contributions" as defined in the MPFS Ordinance;
"TVC account"	has the meaning ascribed to it in the MPFS Ordinance;
"TVC balance"	means the accrued benefits derived from TVC;
"TVC member"	means a person who is eligible to open a TVC account in the Plan in accordance with the MPFS Ordinance and who participates in the Plan for the purpose of making or transferring TVC to the Plan. For the avoidance of doubt, references to "member" or "members" in this Brochure include a reference to TVC member(s), unless otherwise specified;
"year of assessment"	means the period from 1 April in any year to 31 March in the immediately succeeding year, both days inclusive.

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PB-MTE-04/2022

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On-Going Cost Illustrations for BCT (MPF) Pro Choice

Issued on: 30 June 2022

About this Illustration

This is an illustration of the total effect of fees, expenses and charges on each HK$1,000 contributed in the funds named below. The fees, expenses and charges of a fund are one of the factors that you should consider in making investment decisions across funds. You should however also consider other important information such as the risks of the fund, the nature of the fund, the attributes of relevant parties, the range and quality of services being offered and, most importantly, your own personal circumstances and expectations. The information about fees, expenses and charges set out in this table is intended to help you compare the cost of investing in one constituent fund with the cost of investing in other constituent funds.

The illustration has been prepared based on some assumptions that are the same for all funds. The illustration assumes the following:

(a) a gross contribution of HK$1,000 is made in the respective constituent fund now and, being eligible to do so, you withdraw all of your accrued benefits arising from this contribution at the end of each time period indicated;

(b) for the purpose of this illustration only, the contribution has a 5% gross return each year [It is important that you note that the assumed rate of return used in this document for illustrative and comparative purposes only. The return is neither guaranteed nor based on past performance. The actual return may be different.]; and

(c) the expenses of the funds (expressed as a percentage called the "fund expense ratio" below) remain the same for each fund for all the periods shown in this illustration.

Based on the above assumptions, your costs on each HK$1,000 contributed are illustrated in the following table. Please note that the actual costs will depend on various factors and may be different from the numbers shown below.

Name of constituent fund	Fund expense ratio for financial period ended 12/2021	Cost on each HK$1,000 contributed		
		After 1 year (HK$)	After 3 years (HK$)	After 5 years (HK$)
BCT (Pro) China and Hong Kong Equity Fund	1.49%	16	49	84
BCT (Pro) Asian Equity Fund	1.59%	17	52	89
BCT (Pro) European Equity Fund	1.56%	16	51	88
BCT (Pro) Global Equity Fund	1.49%	16	49	84
BCT (Pro) Hang Seng Index Tracking Fund	0.85%	9	28	48
BCT (Pro) Greater China Equity Fund	1.15%	12	38	65
BCT (Pro) World Equity Fund	0.99%	10	32	56
BCT (Pro) SaveEasy 2040 Fund	1.49%	16	49	84
BCT (Pro) SaveEasy 2035 Fund	1.50%	16	49	84
BCT (Pro) SaveEasy 2030 Fund	1.50%	16	49	84
BCT (Pro) SaveEasy 2025 Fund	1.24%	13	41	70
BCT (Pro) SaveEasy 2020 Fund	1.24%	13	41	70
BCT (Pro) E90 Mixed Asset Fund	1.51%	16	49	85
BCT (Pro) E70 Mixed Asset Fund	1.51%	16	49	85
BCT (Pro) E50 Mixed Asset Fund	1.50%	16	49	84
BCT (Pro) E30 Mixed Asset Fund	1.50%	16	49	84
BCT (Pro) Flexi Mixed Asset Fund	1.35%	14	44	76
BCT (Pro) Core Accumulation Fund	0.80%	8	26	46
BCT (Pro) Age 65 Plus Fund	0.79%	8	26	45
BCT (Pro) RMB Bond Fund	1.23%	13	40	70
BCT (Pro) Global Bond Fund	1.45%	15	47	82
BCT (Pro) Hong Kong Dollar Bond Fund	1.06%	11	35	60

The following funds were launched in November 2021 and no illustration figures will be available until June 2023.

Name of constituent fund	Launch date
BCT (Pro) U.S. Equity Fund	23 November 2021
BCT (Pro) SaveEasy 2050 Fund	23 November 2021
BCT (Pro) SaveEasy 2045 Fund	23 November 2021

Note: The example does not take into account any fee rebates that may be offered to certain members of the scheme.

Illustrative Example for
BCT (Pro) MPF Conservative Fund of BCT (MPF) Pro Choice

Issued on: 30 June 2022

Purpose of the Example

This example is intended to help you compare the total amounts of annual fees and charges payable under this Scheme with those under other registered schemes.

This Example Assumes that:

Your MPF Account Activities

(a) your monthly relevant income is HK$8,000

(b) you have put all your accrued benefits into the MPF Conservative Fund; you have not switched your accrued benefits to other constituent funds during the financial period

(c) you have not transferred any accrued benefits into or out of this Scheme during the financial period

Your Company Profile

(d) 5 employees (including yourself) of your employer participate in this Scheme

(e) the monthly relevant income of each employee is HK$8,000

(f) no voluntary contribution is made

(g) each of the other 4 employees has the same MPF account activities as yours

Investment Return and Savings Rate

(h) the monthly rate of investment return is 0.5% on total assets

(i) the prescribed savings rate is 3.25% per annum throughout the financial period

Based on these assumptions, the ***total amounts of annual fees*** you need to pay under this Scheme in one financial period would be: HK$39

Warning: This is just an illustrative example. The actual amounts of fees you need to pay may be ***higher*** or ***lower***, depending on your choice of investments and activities taken during the financial period.

MT-IEE-30062022

Plan Sponsor: BCT Financial Limited

Trustee & Administrator: Bank Consortium Trust Company Limited