BCT
銀聯集團

BCT (MPF) Industry Choice (the "Plan")

DIS Pre-implementation Notice to Participating Employers and Members[1]

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

You should consider your own risk tolerance level and financial circumstances before making any investment choices. In the event that you do not make any investment choices, please be reminded that your contributions made and / or benefits transferred into the Plan may be invested in accordance with the Default Investment Strategy, which may not necessarily be suitable for you.

December 2016

Dear Participating Employers and Members,

We are writing to you because important changes to the Mandatory Provident Fund Schemes Ordinance will take effect on 1 April 2017 ("**Effective Date**"). From the Effective Date, the default investment arrangement of the Plan will be the Default Investment Strategy ("**DIS**") replacing the original default fund of the Plan.

You should read this notice carefully because the changes made to the MPF legislation may affect the investment of both your accrued benefits and future contributions. Capitalized terms used in this notice shall have the same meaning as those defined in the Plan's principal brochure dated 12 December 2016, as amended from time to time (the "**Principal Brochure**").

1. What is DIS?

- DIS is a default investment arrangement as stipulated in accordance with the Mandatory Provident Fund Schemes Ordinance. **For members who do not make a fund choice for their MPF account, their accrued benefits, and future investments (meaning future contributions and accrued benefits transferred from another MPF scheme) will be invested in the DIS.** The DIS is also available as an investment choice itself for members.
- The DIS is not a fund — it is a strategy that uses two constituent funds, namely the BCT (Industry) Core Accumulation Fund and BCT (Industry) Age 65 Plus Fund (collectively the "**DIS Funds**") to automatically reduce the risk exposure as the member approaches retirement age. The DIS Funds will invest in a globally diversified manner and invest in different assets (e.g. equities, bonds, money market instruments, etc.). The DIS Funds are subject to fee and expense caps as imposed by the legislation. For further information about the DIS Funds including their investment objective and policy, please refer to the Annex to this notice.

2. How does DIS affect you?

- If you have accounts in the Plan that are set up before the Effective Date ("**pre-existing account**"), depending on whether you have previously made any fund choices, it may affect you in different ways.
- If you have already given a valid investment instruction for the accrued benefits and future investments in your pre-existing account or you are 60 years old or above before the Effective Date, you will not be affected by the implementation of the DIS.
- If **all** your accrued benefits in a pre-existing account are invested in the original default fund (being "the BCT (Industry) MPF Conservative Fund" or "the BCT (Industry) E30 Mixed Asset Fund" of the Plan) as at the Effective Date and you have not given a valid investment instruction for the pre-existing account, you will receive a separate notice (i.e. the "**DIS Re-Investment Notice**") sent

[1] *Please note that references to "you" or "your" in this notice refer to, as the case may be in the relevant context, participating employers or members.*

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to you within 6 months from the Effective Date. The DIS Re-Investment Notice will explain that if you do not make an investment choice by replying within a specified period, your accrued benefits in the original default fund will be redeemed in whole and re-invested in accordance with the DIS. **Therefore, if you receive the DIS Re-Investment Notice, please pay special attention to the contents and make appropriate arrangement.** You should note that the risk of the original default fund may be different from that of the DIS and you may be exposed to market risks as a result of any reinvestment of your accrued benefits in the DIS.

- There are special circumstances. Where the accrued benefits in the pre-existing account are transferred from another account within the Plan (e.g. in the case of cessation of employment, where accrued benefits in your contribution account are transferred to a personal account within the Plan), your accrued benefits in the pre-existing account will be invested in the same manner as they were invested immediately before the transfer but your future investments may be invested in the DIS after the implementation of the DIS, unless otherwise instructed.

Please refer to the section headed "**C. Implications for New and Pre-existing Accounts on or after DIS Implementation**" below for further details.

3. Do you need to do anything?

- Apart from the above, there are other circumstances where your accrued benefits or future contributions may be affected by the implementation of the DIS. If you have any query on how it will affect you and what actions you need to take, you should call the Employer Hotline (2298 9388) or Member Hotline (2298 9333).
- If you receive the DIS Re-Investment Notice after the Effective Date, you are advised to pay special attention to the contents and make appropriate arrangement.

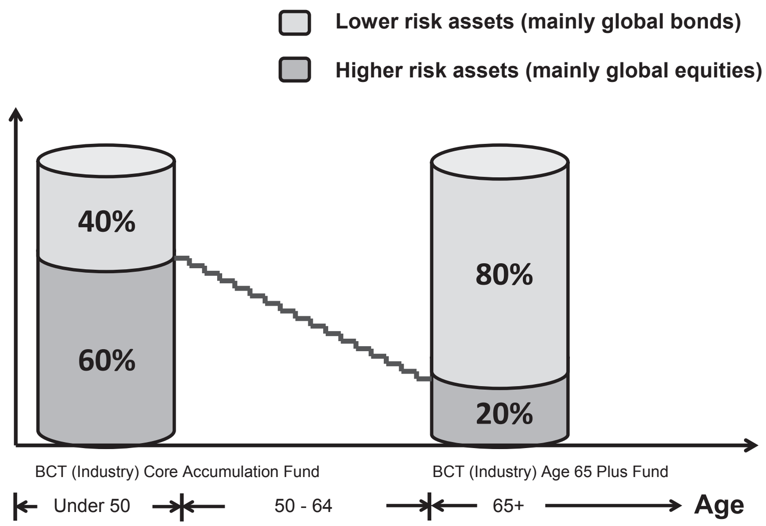
A. What is DIS?

DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make a fund 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 make an investment choice, their future investments 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 MPF schemes.

(a) Objective and Strategy

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the BCT (Industry) Core Accumulation Fund ("**CAF**") and the BCT (Industry) Age 65 Plus Fund ("**A65F**"), according to the pre-set allocation percentages at different ages. The CAF will invest 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 or similar investments) of its net asset value whereas the A65F will invest around 20% in higher risk assets and 80% in lower risk assets. The DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, global bonds, money market and cash, and other types of assets allowed under the MPF legislation. For further information about the CAF and A65F including their investment objective and policy, please refer to the Annex to this notice.

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

(b) Annual de-risking

Accrued benefits invested through the DIS will be invested in a way that adjusts 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 CAF and increasing the holding in the A65F 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.

In summary, under the DIS:

(1) When a member is below the age of 50, all accrued benefits and future investments will be invested in the CAF.

(2) When a member is between the ages of 50 and 64, all accrued benefits and future investments will be invested according to the allocation percentages between the CAF and A65F as shown in the DIS de-risking table (see Diagram 2 below). The de-risking of the existing accrued benefits and future investments will be automatically carried out as described above.

(3) When a member reaches the age of 64, all accrued benefits and future investments will be invested in the A65F.

Diagram 2: DIS De-risking Table

Age	BCT (Industry) Core Accumulation Fund ("CAF")	BCT (Industry) Age 65 Plus Fund ("A65F")
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 CAF and A65F is made at the point of annual de-risking and the proportion of the CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

The allocation percentages of each relevant Member between the CAF and the A65F will be rounded to one decimal place.

(c) Fees and out-of-pocket expenses of the CAF and A65F

The aggregate of the payments for services of the CAF and A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value ("**NAV**") of each of the DIS Funds divided by the number of days in the year. It includes, 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 investment fund(s) of the respective DIS Funds, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Funds and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying investment fund(s).

The total amount of all payments that are charged to or imposed on the DIS Funds or members who invest in DIS Funds, 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 Funds, shall not in a single year exceed 0.2% of the NAV of each of the DIS Funds. 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 NAV 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 investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS Fund and such out-of-pocket expenses are not subject to the above statutory limit.

(d) Key Risks Relating to the DIS

DIS is an investment strategy that is subject to various risks and limitations, including:

- Age as the sole factor in determining the asset allocation under the DIS. The DIS does not take into account other factors such as market and economic conditions nor a member's personal circumstances.

- Allocation to higher risk assets in the DIS Funds has to follow prescribed ratio and limits the Investment Manager's ability to respond to sudden market fluctuations.

- Annual de-risking between the DIS Funds operates automatically regardless of the wish of a member to adopt a strategy which might catch market upside or avoid market downside.

- Potential rebalancing within each DIS Fund – investments in each of the DIS Funds will need to be re-balanced continuously in accordance with prescribed allocation which may affect the performance of the DIS Funds.

- Additional transaction costs due to rebalancing of assets and annual de-risking may result in greater transaction costs.

- The DIS does not guarantee capital repayment nor positive investment returns, and the DIS Funds are subject to the general investment risks that apply to mixed asset funds.

- 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.

- The A65F holds around 20% of its assets in higher risk assets and may not be suitable for all members beyond the age of 64.

For further information about the risks associated with investing through DIS, please refer to the new section 3.6 entitled "Default Investment Strategy" of the Principal Brochure.

(e) Information on Performance of DIS Funds

The fund performance of the DIS Funds 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).

B. Key Features of Original Default Fund and the DIS

Please find below the key features of the original default fund and the DIS for reference:

	Original Default Fund (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 (Industry) E30 Mixed Asset Fund and, for the versions of the form(s) issued before 1 August 2005, the BCT (Industry) MPF Conservative Fund[#])		The DIS
Name and description (if applicable)	BCT (Industry) MPF Conservative Fund	BCT (Industry) E30 Mixed Asset Fund	The DIS is comprised of two Constituent Funds, namely BCT (Industry) Core Accumulation Fund ("**CAF**") and BCT (Industry) Age 65 Plus Fund ("**A65F**"), with de-risking mechanism in accordance with pre-set allocation percentages based on member's age
Fund Type	Money market	Mixed assets	For both CAF and A65F: Mixed assets
De-risking feature	No	No	Yes
Total management fees for constituent fund and approved pooled investment fund(s)	0.88% p.a. of NAV	1.55% p.a. of NAV	For both CAF and A65F: 0.75% p.a. of NAV
Daily fees cap	No (while no daily cap applies, fees, charges and expenses of the BCT (Industry) MPF Conservative Fund are only payable out of the assets of the fund to the extent permitted by the MPFS Ordinance)	No	Yes (for details, please refer to section A(c))
Risk profile*	Low	Low to medium	CAF: Medium A65F: Low to Medium
Guarantee feature	No	No	No

* *The risk profile stated 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.*

\# *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 (Industry) E30 Mixed Asset Fund or the BCT (Industry) MPF Conservative Fund.*

For details of the key features of the original default fund and the DIS, please refer to the offering document (or contact the Trustee).

C. Implications for New and Pre-existing Accounts on or after DIS Implementation

(a) Implications on accounts opened on or after Effective Date

When members join the Plan or set up a new account in the Plan on or after Effective Date, they have the opportunity to give an investment instruction for their future investments. If members fail to or do not want to submit to the Trustee an investment instruction at the time of their requests to join / set up a new account in the Plan, the Trustee shall invest any of their future investments into the DIS.

(b) Implications on accounts opened before Effective Date

There are special rules to be applied for pre-existing accounts and these rules only apply to members who are under or becoming 60 years of age on Effective Date.

(1) Generally, for a member's pre-existing account with all accrued benefits being invested into the original default fund but no investment instruction being given on accrued benefits (known as "**DIA account**"):

There are special rules and arrangements to be applied to determine whether accrued benefits in a DIA account will be transferred to the DIS. If your pre-existing account is considered as a DIA account, you will receive a notice called the DIS Re-investment Notice explaining the impacts on your pre-existing account and giving you an opportunity to give a specified investment instruction to the Trustee before the accrued benefits are invested into the DIS.

For further information, members should refer to section 3.6 entitled "Default Investment Strategy" of the Principal Brochure, and the DIS Re-investment Notice.

(2) For a member's pre-existing account with part of the accrued benefits invested in the original default fund:

If part of the accrued benefits of your pre-existing account was invested in the original default fund, unless the Trustee has received any investment instructions, your accrued benefits will be invested in the same manner as accrued benefits were invested immediately before the Effective Date. Future contribution and accrued benefits transferred from another scheme will be invested in the DIS unless the Trustee has received any investment mandate.

Members should note that the implementation of the DIS legislation may have impact on their MPF investments or accrued benefits. Please call the Employer Hotline (2298 9388) or Member Hotline (2298 9333) if you have any doubts or questions on how your MPF investments or accrued benefits are being affected.

D. Rules and Procedures Applicable to Investment through the DIS

(a) Fund Choice Combination

From the Effective Date, members may choose to invest their future investments into:

(1) the DIS; and / or

(2) one or more constituent funds of their own choice from the list under section 3.1 entitled "Investment Policy" of the Principal Brochure, (including the CAF and the A65F as standalone investments) 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 CAF or the A65F 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 CAF and / or the A65F according to the DIS (whether as a default arrangement or by choice) ("**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) Switching / transfer 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 risk and return attributes that has been built into the DIS as a long-term strategy.

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

E. Rules and Procedures of Annual De-Risking

(a) Dealing day of annual de-risking

The annual de-risking will be carried out on a member's birthday. Subject as further described in Section E(b) below, 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 event, 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.

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 A65F 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.

(b) De-risking process when there is one or more specified instructions

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.**

F. Rules and Procedures relating to Investment Instructions

Members should give valid instructions specifying the investment allocations (in percentage terms) of each of their accounts in respect of (i) mandatory contributions (and accrued benefits transferred from other schemes) and (ii) voluntary contributions (and accrued benefits transferred from other schemes) and / or special voluntary contribution (if any) (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 sub-section headed “Circumstances for Accrued Benefits to be invested in DIS” in section 3.6 entitled “Default Investment Strategy” of the Principal Brochure. 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.

G. Other Changes

(a) Investment Mandate in respect of transfer-in-assets

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, a 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 and voluntary contribution as specified in the investment mandate given by the relevant 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 that has been given by a member before the Effective Date, subject to any subsequent change of investment mandate.

(b) Transfers from one account to another within the Plan

In relation to a transfer from one account to another account (“**new account**”) within the Plan in circumstances set out in section 4.10 entitled “Portability of Benefits” of the Principal Brochure (e.g. from a contribution account to a personal account following the cessation of employment), unless 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.

If no new investment mandate is received by the Trustee at the time when such election to transfer is made and when the new account is first set up, the accrued benefits so transferred to the new account will 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 original 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 DIS Re-Investment Notice as described above will not apply. For the avoidance of doubt, the investment instructions 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).

(c) Rounding of units

With effect from the Effective Date, the number of units of all existing constituent funds and the DIS Funds issued will be rounded down to 5 decimal places. This is to facilitate the calculation of the allocation percentages applicable to the two DIS Funds in the de-risking process.

H. Amendments to the Principal Brochure and Trust Deed

The Principal Brochure will be revised by way of a first addendum ("**First Addendum**") to reflect inter alia the above changes.

The Principal Brochure as amended by the First Addendum will be available at our website from 12 December 2016 onwards. Copies of the revised Principal Brochure may also be obtained by calling the Member Hotline at 2298 9333.

The Trust Deed will also be amended by a sixth supplemental deed (the "**Sixth Supplemental Deed**") to reflect the changes discussed above (where applicable). Please refer to the Sixth Supplemental Deed which will be available from 12 December 2016 for further details of the changes.

Copies of the Trust Deed together with its supplemental deeds may be obtained from the Trustee at a reasonable cost or may be inspected free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Trustee at 18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong and the same are expected to be available from 12 December 2016.

I. Means to obtain further Information

Members may obtain information about the DIS through the Employer Hotline (2298 9388) or Member Hotline (2298 9333).

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

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

Annex – Further information on CAF and A65F

BCT (Industry) Core Accumulation Fund – ("CAF")

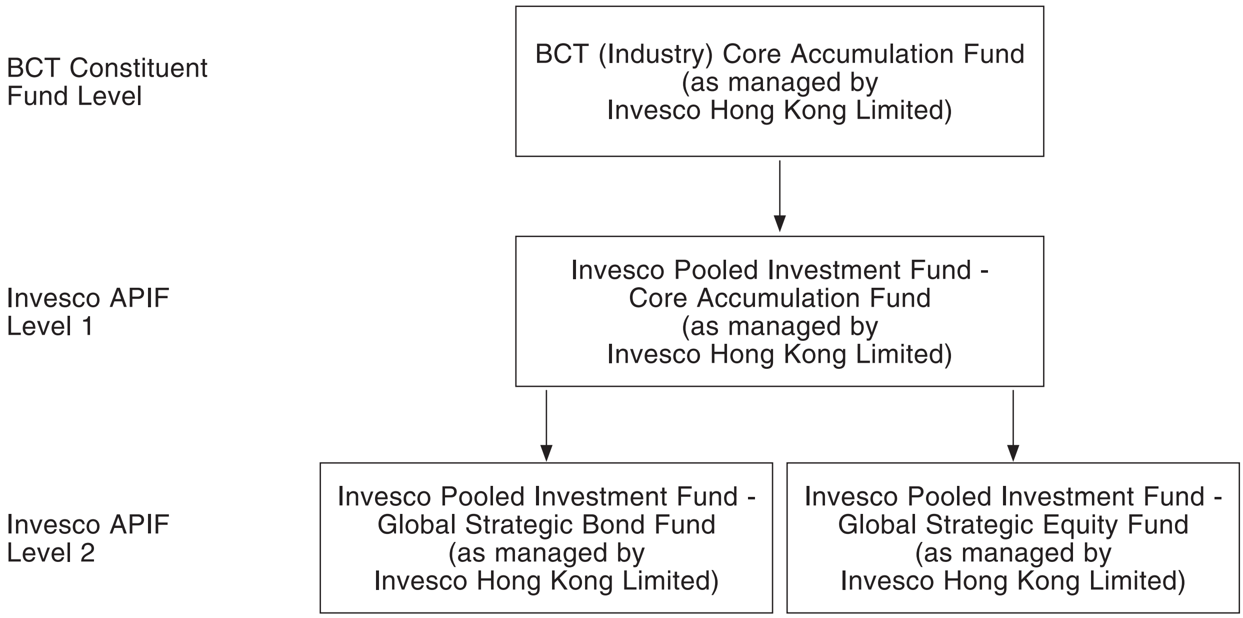
Investment objective

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

Investment policy

The CAF 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 Citi MPF World Government Bond Index, as allowed under the Regulation.

The investment structure of the CAF and its underlying APIFs are illustrated as follows:



Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Core Accumulation Fund, invested by the CAF 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 CAF. 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.

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 Citi 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.

Geographical allocation

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

Use of financial futures and options contracts

The CAF 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.

Securities lending

The CAF, the underlying APIF, Invesco Pooled Investment Fund – Core Accumulation Fund, and the DIS Underlying APIFs will not engage in securities lending.

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 CAF.

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

The risk profile designated for the CAF 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.

BCT (Industry) Age 65 Plus Fund – (“A65F”)

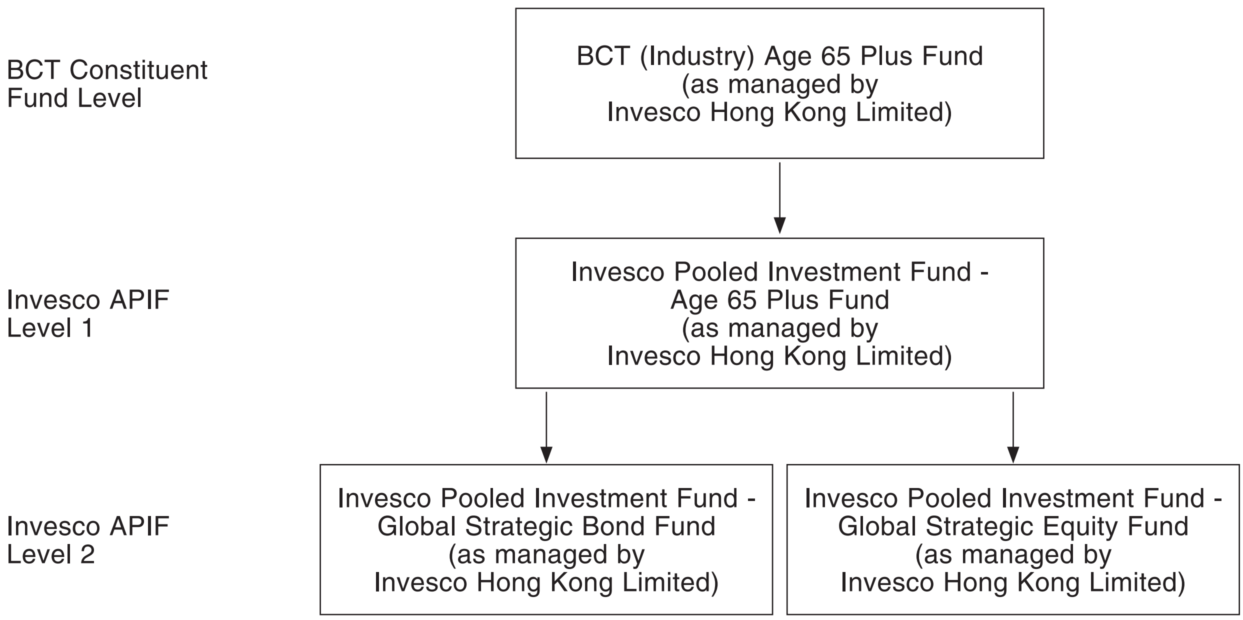
Investment objective

The objective of the A65F is to provide stable growth to members by investing in a globally diversified manner.

Investment policy

The A65F 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 Citi MPF World Government Bond Index, as allowed under the Regulation.

The investment structure of the A65F and its underlying APIFs are illustrated as follows:



Through the DIS Underlying APIFs, the Invesco Pooled Investment Fund – Age 65 Plus Fund invested by the A65F 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 A65F. 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.

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 seek to achieve returns above that of the Citi 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.

Geographical allocation

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

Use of financial futures and options contract

The A65F 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.

Securities lending

The A65F and the underlying APIF, Invesco Pooled Investment Fund – Age 65 Plus Fund, and the DIS Underlying APIFs will not engage in securities lending.

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 A65F.

The A65F is designated as a low to medium risk investment option. It is expected that the return of the A65F over the long term will be at least similar to the return of the Reference Portfolio of the A65F.

The risk profile designated for the A65F is determined by the Sponsor (and accepted by the Trustee) based on various factors including volatility, the investment objective and policy and asset allocations 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.

Note:

Reference Portfolio — To provide a common reference point for the performance and asset allocation of the CAF and A65F, a reference portfolio developed by the MPF industry and its performance published by the Hong Kong Investment Funds Association, which may be changed from time to time, is adopted for the purpose of each of CAF and A65F.