

# BCT (MPF) PRO CHOICE NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS

# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Certain restructuring and changes of investment policies will take place in relation to the BCT (MPF) Pro Choice (the "Plan") and relevant details are set out in this notice. This notice contains important information including potential impacts and immediate actions required from you. We recommend you read it carefully and thoroughly. If you are in any doubt about the contents of this document, you should seek independent professional financial advice.

#### Affected Constituent Funds of the Plan

• Whilst all members of the Plan should read this notice as it contains information important to all of them, members with existing investments in the following constituent funds should pay particular attention: (a) BCT (Pro) International Equity Fund and BCT (Pro) Hong Kong Equity Fund (each, a "Terminating Constituent Fund"), as they will be terminated in the manner described below; and (b) BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) Asian Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) Global Equity Fund and BCT (Pro) Global Bond Fund (each a "Relevant Constituent Fund"), as they will be restructured in the manner described below.

#### The Restructuring

- The restructuring ("**Restructuring**"), which will commence on 23 April 2018 (the "**Effective Date**"), will serve the following purposes:
  - (a) To simplify the choice of the constituent funds of the Plan (each, a "Constituent Fund") by terminating, pursuant to Clause 11.3 of the Trust Deed, the Terminating Constituent Fund and consolidating their respective assets into respectively two other Constituent Funds, (namely, BCT (Pro) Global Equity Fund and BCT (Pro) China and Hong Kong Equity Fund (each a "Transferee Constituent Fund")) (please refer to Part I(iv) below on page 6 for details of such termination and consolidation).
  - (b) To appoint Amundi Hong Kong Limited ("Amundi HK") as the investment manager for Relevant Constituent Funds (please refer to Part II(i) below on page 9 for the details of the Relevant Constituent Funds).
  - (c) To change the structures of the Relevant Constituent Funds into portfolio management funds (i.e. funds of funds), whereby each of them will invest in a portfolio of funds) (please refer to Part II(ii) below on page 9 for the details of such change).
  - (d) To reduce the management fees of the Relevant Constituent Funds.
- Certain changes to the investment policies and strategies of the Relevant Constituent Funds as described in Part IV below (collectively, the "Investment Policy Change") will be made for the purposes of the Restructuring (please refer to Part II of Appendix B for the details of the reasons / possible impacts of such changes).

Benefits and Reasons for the Restructuring

• One of the purposes served by the Restructuring, as stated above, is to reduce the management fees of the Relevant Constituent Funds. Besides that, the reasons for the Restructuring are (a) extension of the adoption of the multi-manager approach, (b) benefits

of asset allocation, (c) benefits of areas of specialization of investment delegates, (d) ease with which investment delegates can be replaced and (e) better economies of scale (please refer to Part III below on page 10 for the details of such reasons). For those reasons, we believe that the Restructuring (together with the Investment Policy Change) is in the best interest of the members of the Plan.

#### Impacts of the Restructuring

- The Trustee believes that the termination of the Terminating Constituent Funds will not have any adverse impact on the members of the Plan as a whole because the respective investment objectives and policies of the Terminating Constituent Funds and those of the Transferee Constituent Funds are similar and the fees of the Transferee Constituent Funds will be lower than those of the Terminating Constituent Funds after the Restructuring. In terms of the impact the Restructuring may have on the risk level / expected return and performance of each Relevant Constituent Fund, there will be no change to its risk level and no change to its expected return and performance (please see Part II of **Appendix B** of this notice for details).
- As the expenses, costs, fees and charges incurred in connection with the termination of the Terminating Constituent Funds, the Restructuring and the Investment Policy Change will be borne by the BCT Financial Limited (the "**Sponsor**" of the Plan), no extra costs will be borne by the members in connection with the same.

Relevant Cut-off Deadlines and Immediate Actions Required

- As regards members who have existing units in the Terminating Constituent Funds and / or investment mandates to invest in the same, if no switching instructions (for the switching of existing accrued benefits) are received by the Trustee before the cutoff deadline of 4:00pm on 17 April 2018, then, instructions to redeem units in the Terminating Constituent Funds on the Effective Date and apply the redemption proceeds to subscribe for, on the same date, units in the Transferee Constituent Funds will be deemed (pursuant to Clause 11.4 of the Trust Deed) to have been given. The same deadline also applies to investment mandates (for investment of on-going contributions) in a similar manner (please refer to Part I (ii) and (iii) on page 5 below for the details of such arrangements). No fee or penalty will be charged or imposed on any fund switching or change of investment mandate.
- For the purposes of implementing the Restructuring and the Investment Policy Change, instructions that involve subscriptions for and redemptions from one or more of the Relevant Constituent Fund(s) will be suspended during the Suspension Period (as defined below (in Part V on page 13) to mean the period from 00:01am 23 April 2018 to 12:00 midnight, 25 April 2018 (please refer to Part VI below on page 16 for the "Key Risks Pertaining to Suspension of Instructions")). The following cut-off deadlines should be noted in connection with the Suspension Period (please refer to Part V below on page 13 for the details of such period):
  - (a) The cut-off deadline of 12:00 midnight, 13 April 2018 will apply to the following types of instructions relevant to any Terminating / Relevant Constituent Funds: (i) accrued benefits being transferred from another MPF scheme; (ii) contribution payment / transfer-in benefits; (iii) member enrolment; and (iv) claim, withdrawal and transfer-out of the benefits.
  - (b) The cut-off deadline of 4:00pm, 17 April 2018 will apply to the following types of instructions relevant to any Terminating / Relevant Constituent Funds: (i) switching instructions and (ii) change of investment mandate.
- As to how valid instructions received at or after the corresponding cut-off deadlines will be
  processed after the Suspension Period, please refer to Part V below on page 13 for the details of
  such arrangements.

### Project Governance

• The termination of the Terminating Constituent Funds, the Restructuring and the Investment Policy Change, which have been approved by the board of directors of the Trustee, are implemented pursuant to the governing rules of the Plan (including the Trust Deed) and the relevant laws and regulations.

Details of the above are set out in the sections below. Should you have any queries regarding this notice, please contact us at our Employer Hotline (2298 9388) or Member Hotline (2298 9333).

Bank Consortium Trust Company Limited (the "**Trustee**"), being the trustee of the Plan accepts responsibility for the information contained in this document as being accurate as at the date of this document.

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

20 December 2017

Dear Participating Employer / Member,

Thank you for your continued support of the Plan.

We are writing to inform you that the Restructuring will take place in relation to the Plan.

The Restructuring will serve the following purposes, as more particularly described below:

- (a) to simplify the choice of the Constituent Funds by terminating two Terminating Constituent Funds (namely, the BCT (Pro) International Equity Fund and the BCT (Pro) Hong Kong Equity Fund, being two of the current twenty-five Constituent Funds) and consolidating the assets of the two Terminating Constituent Funds respectively into the two Transferee Constituent Funds (namely, the BCT (Pro) Global Equity Fund and the BCT (Pro) China and Hong Kong Equity Fund, being another two of the current twenty-five Constituent Funds);
- (b) to appoint Amundi HK as the investment manager for nine Relevant Constituent Funds (namely,
  - BCT (Pro) E30 Mixed Asset Fund,
  - BCT (Pro) E50 Mixed Asset Fund,
  - BCT (Pro) E70 Mixed Asset Fund,
  - BCT (Pro) E90 Mixed Asset Fund,
  - BCT (Pro) China and Hong Kong Equity Fund,
  - BCT (Pro) Asian Equity Fund,
  - BCT (Pro) European Equity Fund,
  - BCT (Pro) Global Equity Fund and
  - BCT (Pro) Global Bond Fund);
- (c) to change the structures of the Relevant Constituent Funds into portfolio management funds; and
- (d) to reduce the management fees of the Relevant Constituent Funds.

In addition to the change of investment structure of the Relevant Constituent Funds, the investment policies and strategies of the Relevant Constituent Funds have also been reviewed and certain changes to the investment policies and strategies of the Relevant Constituent Funds as described in Part IV below will be made for, among others, the purposes of the Restructuring.

The Restructuring and the Investment Policy Change will commence on the Effective Date. Please refer to **Diagram 1** and **Diagram 2** of **Appendix A** which show the structure of the Constituent Funds of the Plan before and after the Restructuring.

For the avoidance of doubt, references in this notice to "12:00 midnight" of a day means the end of that day.

#### I Termination of BCT (Pro) International Equity Fund and BCT (Pro) Hong Kong Equity Fund

### (i) General

To simplify the choice of the Constituent Funds, the Terminating Constituent Funds, namely, BCT (Pro) International Equity Fund and BCT (Pro) Hong Kong Equity Fund will be terminated. The commencement of the termination process of the Terminating Constituent Funds will take place on the Effective Date and be effected pursuant to Clause 11.3 of the trust deed of the Plan dated 31 January 2000, as superseded by a Deed of Substitution and Adherence dated 1 June 2011 and as amended and supplemented by a first supplemental deed dated 24 November 2011, a second supplemental deed dated 29 May 2012, a third supplemental deed dated 1 November 2012, a fourth supplemental deed dated 19 March 2014, a fifth supplemental deed dated 21 December 2015 and a sixth supplemental deed dated 1 December 2016 (the "**Trust Deed**").

The investment policies of the BCT (Pro) International Equity Fund are similar to those of the BCT (Pro) Global Equity Fund as both Constituent Funds seek to invest primarily in the global equity markets and, in terms of their respective objectives, whilst that of the former is to provide members with long term capital appreciation and that of the latter is to provide members with capital growth over the medium to longer term, as the return profile of the latter focuses on the "long-term" (in that it is expected to achieve long-term return which exceeds the salary inflation in Hong Kong), we believe that their respective objectives are also similar.

Likewise, the investment objective and policies of the BCT (Pro) Hong Kong Equity Fund are similar to those of the BCT (Pro) China and Hong Kong Equity Fund. In terms of investment objective, they both seek to provide members with long term capital appreciation. In terms of investment policy, the BCT (Pro) Hong Kong Equity Fund invests (via its investment in an approved pooled investment fund ("**APIF**")) in equities of companies (including China companies) listed in Hong Kong or have a business connection with Hong Kong (including companies which are listed outside Hong Kong) and the BCT (Pro) China and Hong Kong Equity Fund invests (via its investment in an APIF) in Hong Kong and China-related securities which are listed on Hong Kong and other stock exchanges. Whilst the key difference between the two is that the latter may invest in China-related securities which are listed outside Hong Kong, the former may not if the requisite business connection of the relevant company with Hong Kong is lacking, as both policies cover equities of Hong Kong companies as well as China companies listed in Hong Kong, the two policies overlap significantly and their respective actual investment holdings are similar in nature.

Also, as the termination of the Terminating Constituent Funds (and the ancillary Termination Consolidation as defined in Part I (iv) below) can enhance economies of scale and help avoid a high fund expense ratio in the long run, we, after due consideration of the available options and arrangements, believe it is in the best interest of the members of the Terminating Constituent Funds and the Plan as a whole if the Terminating Constituent Funds are closed and the arrangements as set out in this Notice is adopted. Please refer to Part I of **Appendix B** for more details on the investment objectives and policies of the Terminating Constituent Funds and the Transferee Constituent Funds. It should, however, be noted that whilst the investment objectives and policies of the Terminating to those of

the Terminating Constituent Funds, there are differences in terms of actual asset allocation.

The Terminating Constituent Funds will cease having any investments and operations on the Effective Date (i.e. 23 April 2018, the date which can also be regarded as the "Closure Date" for the Terminating Constituent Funds).

After completion of the termination of the Terminating Constituent Funds, there will be twentythree Constituent Funds remaining in the Plan. Please refer to **Diagram 2** of **Appendix A** for details of such Constituent Funds.

#### (ii) Alternative arrangement available

In connection with the aforesaid termination, members who have existing units in the Terminating Constituent Funds and / or investment mandates to invest on-going contributions in the Terminating Constituent Funds (the "Affected Members") may give written instructions to the Trustee to switch their existing units (i.e. accrued benefits) in the Terminating Constituent Funds (the "Switching Instruction(s) re Fund Termination") and / or change their investment mandates (for investment of on-going contributions) from investing in the Terminating Constituent Fund(s) by submitting new investment mandate(s) (the "New Mandate(s) re Fund Termination") to any one or more of the remaining twenty-three Constituent Funds under the Plan by using a switching instruction form / new investment mandate instruction form as prescribed by the Trustee (the "Form") and returning a valid and duly completed Form by post to 18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong or by fax to 2992 0507.

Alternatively, Affected Members may also submit their instructions via our website (www. bcthk.com) ("**Website**") or the BCT Mobile App.

In each of the said cases, the deadline for the Trustee to receive valid and complete instructions is **4:00pm on 17 April 2018** (**"Switching / New Mandate Deadline for Fund Termination"**). No fees or penalty will be charged or imposed on any such fund switching or change of investment mandate.

Confirmation on the switch and / or change of investment mandates will be posted to the Affected Members within 5 Dealing Days after the completion of the switching and / or change of investment mandate.

"**Dealing Day**" is defined in the Principal Brochure as any day on which the banks in Hong Kong are open for business (excluding Saturdays).

# (iii) Impacts on Affected Members if their switching instructions and / or new investment mandates are not received by the Trustee before the Switching / New Mandate Deadline for Fund Termination

(a) <u>Switching</u>

If Affected Members do not give valid and complete Switching Instructions re Fund Termination in the manner described above in such a way as to allow receipt of the same by the Trustee before the Switching / New Mandate Deadline for Fund Termination, then, pursuant to Clause 11.4 of the Trust Deed, the Trustee shall treat the Affected Members as having given Switching Instructions re Fund Termination to redeem their units in the Terminating Constituent Funds on the Effective Date (the "**Default Switching Instructions**") and apply the redemption proceeds (equal to the full value of the Affected Member's account in the Terminating Constituent Funds) to subscribe for, on the same date, units in the following corresponding applicable funds with similar objectives and policies as set out in the diagram below (namely the "**Transferee Constituent Funds**"). The units of a Transferee Constituent Fund to be subscribed for by an Affected Member upon the carrying out of Default Switching Instructions in respect of a Terminating Constituent Fund will be calculated by dividing (a) the total value of holdings of the Terminating Constituent Fund attributable to the member as at the Effective Date by (b) the unit price of a unit in the corresponding Transferee Constituent Fund as at the Effective Date (provided that, in the event of the division giving rise to a non-integer, it will be rounded down in the usual manner (as units are generally calculated for switching purposes), the "**Conversion Formula**"). The total value of holdings of the Terminating Constituent Fund being switched out and the total value of the holdings of the Terminating Constituent Fund being switched into the Transferee Constituent Fund will be the same.

Terminating Constituent Fund	]	Transferee Constituent Fund
BCT (Pro) International Equity Fund	-	BCT (Pro) Global Equity Fund
BCT (Pro) Hong Kong Equity Fund	]-	BCT (Pro) China and Hong Kong Equity Fund

An Affected Member may at any time after the end of the Suspension Period (as defined in Part V below on page 13) give switching instructions in accordance with the Principal Brochure to switch all or part of his / her investment in the Transferee Constituent Fund(s) to other Constituent Fund(s) of the Plan free of any fee / penalty.

#### (b) Change of investment mandate

For those Affected Members who do not give valid and complete New Mandates re Fund Termination in the manner described above in such a way as to allow receipt of the same by the Trustee before Switching / New Mandate Deadline for Fund Termination, pursuant to Clause 11.4 of the Trust Deed, the Trustee shall treat the Affected Members as having given New Mandates re Fund Termination taking effect immediately after the Switching / New Mandate Deadline for Fund Termination in the same terms as their previous investment mandates, except that references to each of the Terminating Constituent Funds shall be construed as references to the corresponding Transferee Constituent Fund. Thus, contributions and transfers in of benefits processed after the Switching / New Mandate Deadlines for Fund Termination that would otherwise have been invested in the Terminating Constituent Funds will be invested in the Transferee Constituent Funds, until the time when the Trustee was instructed otherwise.

Where an invalid Switching Instruction re Fund Termination or New Mandate re Fund Termination is received before the Switching / New Mandate Deadline for Fund Termination, there will be follow-up actions conducted by phone and, thereafter, by letter. A member may, free of any fee or penalty, give revised Switching Instructions re Fund Termination or New Mandates re Fund Termination provided that the same must be received before the Switching / New Mandate Deadline for Fund Termination.

#### (iv) Termination Consolidation

On the Effective Date, the remaining assets of the Terminating Constituent Funds (i.e. the corresponding assets in the Terminating Constituent Funds of those Affected Members who did not exercise their right to switch out of the Terminating Constituent Funds) will be consolidated with the corresponding Transferee Constituent Funds (the "**Termination Consolidation**"). In order to achieve the Termination Consolidation, for each of the Terminating Constituent Funds and its corresponding Transferee Constituent Fund, the Trustee will redeem all the units in the Terminating Constituent Fund, and apply the redemption value to subscribe for units in the corresponding Transferee Constituent Fund on the Effective Date. No switching fee or bid-offer spread will be charged for such transfer.

The Termination Consolidation will be implemented on the basis that the said redemption will, as much as practically viable (taking into account the viability of the intended transfers under the local laws and regulations of relevant markets, the relevant costs / tax implications and the time required according to the applicable procedures), be carried out by way of "in-

specie" transfers (i.e. transfers of the relevant underlying assets of the APIFs directly or indirectly invested in by the Terminating Constituent Funds to the APIFs of the BCT Pooled Investment Fund Series ("**BCT APIF Series**") selected for investment by the corresponding Transferee Constituent Funds without the actual realization of such assets for cash). Such inspecie transfers, which will be done over the Suspension Period (as defined below (in Part V on page 13), can only be carried out as much as practically viable because some markets do not allow in-specie transfer at all and the viability of in-specie transfers in some other markets depends on certain costs, tax and / or timing considerations. To the extent that the Termination Consolidation cannot be carried out by way of in-specie transfers, the Transferee Constituent Funds may be exposed to out-of-market risks (please refer to Part VI below on page 16 for the details of each risks).

The value of holdings of the members investing in a Terminating Constituent Fund immediately before the Termination Consolidation will be the same as the value of holdings of the members transferred to the corresponding Transferee Constituent Fund immediately after the Termination Consolidation, thereby protecting the interest of such members. Members investing in a Terminating Constituent Fund immediately before the Termination Consolidation will be allocated units in the corresponding Transferee Constituent Fund, and the number of units to be allocated to such members will be calculated by the Conversion Formula.

Investments originally in the Terminating Constituent Funds will, following the allocation described in the preceding paragraphs, be subject to the investment objective, policy and management fee in relation to the corresponding Transferee Constituent Funds.

# (v) Changes to the investment policies and strategies and change of the investment structures of the Transferee Constituent Funds

On the Effective Date, each Transferee Constituent Fund (being a Relevant Constituent Fund) will be transformed into a portfolio management fund, an aspect of the Restructuring more particularly described in Part II **below**. As a result, the Transferee Constituent Funds will, after the Termination Consolidation (and, therefore, the Restructuring) invest in APIFs selected from the BCT APIF Series.

In addition, on the Effective Date, each Transferee Constituent Fund will be subject to further changes to their investment policies as described in Part IV below. Comparisons of investment policies between the Terminating Constituent Funds and the Transferee Constituent Funds are summarized in the tables set out in Part I of **Appendix B** and comparisons of investment policies between the Relevant Constituent Funds (two of which being the Transferee Constituent Funds) before the Restructuring and after are summarised in the tables set out in Part II of **Appendix B**. Please refer to Part IV below for further details.

#### (vi) Management fee of the Transferee Constituent Funds

The current levels of fees and charges in respect of the Terminating Constituent Funds and the Transferee Constituent Funds (as well as such fees and charge in respect of the Relevant Constituent Funds before the Restructuring and after) are set out in **Appendix C**. The fees of the Transferee Constituent Funds after the Restructuring will be reduced (so that, for the avoidance of doubt, the fees of the Transferee Constituent Funds will be lower than those of the Terminating Constituent Funds after the Restructuring). Please refer to **Appendix C** for details.

# (vii)Transition arrangement of the Termination Consolidation and impacts on members

Certain types of instructions that involve units in the Terminating Constituent Fund(s) will be affected by the Termination Consolidation, unless the relevant instructions are received before

the relevant cut-off deadlines listed in the table set out under Part V on page 13 below.

Upon the taking place of the Termination Consolidation on the Effective Date, the Suspension Period (as defined in Part V below on page 13) will apply to each Transferee Constituent Fund so that all instructions that involve subscription for and redemption from it will be suspended during that period. Please refer to Part V below on page 13 for more details on the Suspension Period.

#### (viii) Notification

Confirmation on the switch of accrued benefits in the Terminating Constituent Funds and / or change of investment mandates to invest on-going contributions in the Terminating Constituent Fund, to any one or more of the remaining twenty-three Constituent Funds under the Plan (confirming, in the case of a switch, the date of the switch, the units involved and the unit price as well as the relevant balance and, in the case of a change of investment mandate, the new allocation) will be posted to the Affected Members (including Affected Members in respect of whom (i) no valid and complete Switching Instructions re Fund Termination / New Mandate re Fund Termination has been received by the Trustee before the Switching / New Mandate Deadline for Fund Termination and (ii) the switch into the Transferee Constituent Funds and / or the change of investment mandate of their future contributions in the Transferee Constituent Funds will, as the case may be, be deemed on the basis as described in Part I (iii) above on page 5) within 5 Dealing Days after the completion of the switch and / or change of investment mandate.

#### (ix) New forms will be in place

After the Effective Date, a new set of forms (namely, forms which contain investment choices including the member enrolment form, form for giving switching instructions and / or change of investment mandate and form for making withdrawal claims) in relation to the Plan will be in place whereby all references to the Terminating Constituent Funds will be removed. The new set of forms will be available at the Website, and hard copies will also be available via distributors (such as brokers and agents) and at certain branch offices of our servicing banks. On request, the new forms can also be mailed to members.

#### (x) Cancellation of approval status and withdrawal of authorization

An application will be made to terminate the Terminating Constituent Funds and cancel the approval status of the Terminating Constituent Funds with the Mandatory Provident Fund Schemes Authority and to withdraw the authorisation of the Terminating Constituent Funds with the Securities and Futures Commission in anticipation of the Terminating Constituent Funds no longer having any members, assets and liabilities.

#### (xi) Impact of Termination

The Trustee is committed to ensuring that interests of the members of the Plan are adequately protected on the termination of the Terminating Constituent Funds.

The expenses, costs, fees and charges incurred in connection with the termination of the Terminating Constituent Funds will be borne by the Sponsor. Further, there has been a wide range of constituent funds available for members under the Plan and, as explained above, (a) the Trustee is of the view that the investment objectives and policies of the Terminating Constituent Funds and the Transferee Constituent Funds are similar and (b) the fees of the Transferee Constituent Funds will be lower than those of the Terminating Constituent Funds will be lower than those of the Terminating Constituent Funds after the Restructuring. As such, the Trustee believes the termination would not have any adverse impact on the members of the Plan as a whole and would not create any adverse impact on the accrued benefits of the Affected Members.

#### II Appointment of Amundi HK as Investment Manager and Change of the Structures of the Relevant Constituent Funds

### (i) Relevant Constituent Funds

With the termination of Terminating Constituent Funds, being two of the current twenty-five Constituent Funds of the Plan as described in Part I above, the structures of the Relevant Constituent Funds (including the two Transferee Constituent Funds), namely

- (1) BCT (Pro) Asian Equity Fund, BCT (Pro) China and Hong Kong Equity Fund, BCT (Pro) European Equity Fund, BCT (Pro) E90 Mixed Asset Fund, BCT (Pro) Global Equity Fund and BCT (Pro) Global Bond Fund ("**Relevant Feeder CFs**", each of which is currently a feeder-fund investing in a single APIF); and
- (2) BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund and BCT (Pro) E70 Mixed Asset Fund ("Relevant Internal Portfolio CFs", each of which is currently an internal portfolio fund investing directly in portfolios of equities and / or fixed income securities respectively managed by four investment managers (on the basis that contributions into the fund are allocated between the four of them equally))

will be changed. The commencement of such change will take effect from the Effective Date.

#### (ii) Change of Structures of the Relevant Constituent Funds

The said change of structures will involve the following:

(a) The Relevant Constituent Funds will be, from the Effective Date, restructured into portfolio management funds (i.e. funds of funds), whereby each of them will invest in a portfolio of APIFs selected from the BCT APIF Series.

The BCT APIF Series will be an umbrella unit trust with BCT Financial Limited as sponsor and Bank Consortium Trust Company Limited as trustee. The BCT APIF Series will comprise 11 individual APIFs. Amundi HK will be the investment manager of five of such APIFs ("**Dynamic APIFs**" as set out in Part I of **Appendix D**) and Schroder Investment Management (Hong Kong) Limited ("**Schroders**") will be the investment manager of remaining six APIFs ("**Smart APIFs**", as set out in Part II of **Appendix D**). In respect of each of the Dynamic APIFs, a specialist approach will be adopted whereby Amundi HK will appoint, by reference to their respective areas of specialization in terms of asset class and / or geographical region, one or more of FIL Investments International, Invesco Asset Management Limited, Franklin Templeton Investment Management Limited, Invesco Hong Kong Limited, Schroder Investment Management Limited, FIL Investment Advisors and JPMorgan Asset Management (UK) Limited, as investment delegate (or delegates) for the discretionary management of the assets of the same.

Each of the remaining six APIFs, namely the Smart APIFs, is actively managed by reference to certain designated index through the 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) ("**Rule-based Investment Strategy**"). The Smart APIFs, therefore, do not invest by replicating a designated index and, as such, they are different from an index tracking fund with a passive investment strategy. Schroders, a specialist for this type of investment strategy will manage each of the Smart APIFs without delegation.

(b) Since the Relevant Constituent Funds will invest in the APIFs selected from the BCT APIF Series which, as described in the above paragraph, will be managed by various investment delegates of Amundi HK (in the case of such APIFs being Dynamic APIFs) or by Schroders (in the case of such APIFs being Smart APIFs), appointment of different investment managers at the level of the Relevant Constituent Funds will no longer be required after the Restructuring. Instead, a single investment manager, namely Amundi HK, will be appointed, as of the Effective Date as the investment manager of each of the Relevant Constituent Funds charged with the responsibilities of allocating the assets of each of them among the APIFs selected from the BCT APIF Series. All of the existing investment managers of the Relevant Constituent Funds will, therefore, retire from their roles as such immediately before such appointment.

Whilst Amundi HK will be both (i) the investment manager of each of the Relevant Constituent Funds and (ii) the investment manager of each of the Dynamic APIFs, as the Relevant Constituent Funds will only invest in the class of units of the Dynamic APIFs which does not charge any investment management fee, the new structure will not result in Amundi HK "double-charging" investment management fee at both the level of the Relevant Constituent Funds and the level of the Dynamic APIFs.

Amundi HK is a limited liability company incorporated under the laws of Hong Kong and is licensed under Securities and Futures Ordinance to carry out the following activities in Hong Kong: Dealing in Securities, Advising on Securities and Asset Management (Type 1, 4 and 9 Regulated Activities). It is a wholly-owned subsidiary of Amundi Asset Management which is 100% owned by Amundi, a company listed on the Euronext. Amundi is regulated by the Autorité des Marchés Financiers, the French regulatory authority.

With effect from the Effective Date, the structure as well as the investment managers of the Relevant Constituent Funds will be as set out in **Diagram 2** of **Appendix A**.

#### III Reasons for the Restructuring

We believe that the Restructuring is in the best interest of the members of the Plan for the following reasons:

#### (a) Extension of the adoption of the multi-manager approach

The multi-manager approach has been adopted for the Relevant Internal Portfolio CFs (namely the BCT (Pro) E30 Mixed Asset Fund, the BCT (Pro) E50 Mixed Asset Fund and the BCT (Pro) E70 Mixed Asset Fund) since the Plan was first launched, whereby each of such Relevant Internal Portfolio CFs is currently managed by more than one manager. As different managers have different strengths and investment style, the use of more than one manager diversifies risks and helps reduce the risk of a single manager not performing well. By way of contrast, the Relevant Feeder CFs, each of which invests in a single APIF managed by one manager, do not adopt the multi-manager approach.

By restructuring all of the Relevant Constituent Funds (i.e. the Relevant Internal Portfolio CFs as well as the Relevant Feeder CFs) into portfolio management funds whereby each of the Relevant Constituent Funds will invest in at least two APIFs selected from the BCT APIF Series and with each of the selected APIFs being managed by (i) either one or more investment delegate(s) of Amundi HK (in the case of the selected APIF being a Dynamic APIF) or (ii) Schroders (in the case of the selected APIF being a Smart APIF), the Restructuring will effectively extend the adoption (at the underlying APIF level despite there being a single manager (i.e. Amundi HK) at the Relevant Constituent Fund level) of the multi-manager approach to all of the Relevant Constituent Funds, thereby allowing all of them to benefit from such an approach.

#### (b) Benefits of asset allocation

The appointment of an investment manager charged with the responsibilities of allocating the assets of each of the Relevant Constituent Fund among the APIFs selected from the BCT APIF Series may help reduce fund price volatility and enhance investment return.

Amundi HK will be appointed to take up such a role because it is experienced in MPF operations and has established a team in asset allocation strategy with proven investment processes and track records; and also because it is independent of (i) all the investment delegates appointed to manage the Dynamic APIFs and (ii) Schroders, the investment manager of the Smart APIFs. Through allocating assets between the Dynamic APIFs and the Smart APIFs, diversification between the two different types of investment approach / strategy respectively adopted by the Dynamic APIFs and the Smart APIFs can be achieved in such a way that return may be enhanced and / or fund price volatility may be reduced. Also, for some of the Relevant Constituents Funds which invest in multiple-asset classes and / or multiple regions (namely, BCT (Pro) Global Equity Fund, BCT (Pro) E30 Mixed Asset Fund, BCT (Pro) E50 Mixed Asset Fund, BCT (Pro) E70 Mixed Asset Fund and BCT (Pro) E90 Mixed Asset Fund), allocation of assets by Amundi HK among the different APIFs of the BCT APIF Series by reference to asset classes and geographical locations may help enhance investment return.

For the purposes of allocation between the Dynamic APIFs and the Smart APIFs, target allocation percentages for respectively the Dynamic APIFs and the Smart APIFs ("**Target Dynamic / Smart Allocation Percentages**") are fixed for each Relevant Constituent Fund (and reviewed annually at least) by Amundi HK in consultation with the Sponsor. Amundi HK will seek to adhere to such Target Dynamic / Smart Allocation Percentages when allocating between Dynamic APIFs and Smart APIFs on the basis that whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.

#### (c) Benefits of areas of specialization of investment delegates

Each of the Relevant Constituent Funds will invest in a portfolio of APIFs selected from the BCT APIF Series including (i) the Dynamic APIFs which adopt a specialist approach in the selection of investment delegates namely, selection by reference to the delegates' respective areas of specialization in terms of asset class and geographical region, and (ii) the Smart APIFs which are managed by Schroders, a specialist in the Rule-based Investment Strategy adopted by each of the Smart APIFs. As such, the Restructuring will allow the Relevant Constituent Funds, particularly the Relevant Internal Portfolio CFs, which currently do not benefit from such specialization, to benefit from the specialists' respective strengths and experiences in the relevant asset class, geographical region and / or investment strategy adopted.

#### (d) Ease with which investment delegates can be replaced

With the Dynamic APIFs being managed by investment delegates of Amundi HK, the delegates which are managing the Dynamic APIFs well and those which are managing poorly can be identified and, as investment delegates of the Dynamic APIFs can (subject to relevant regulatory approvals) be replaced with relative ease in circumstances considered appropriate by Amundi HK and BCT Financial Limited (as sponsor of the BCT APIF Series), the Restructuring can allow the Relevant Constituent Funds to benefit from such ease of delegate replacement. It is easier to replace a non-performing investment delegate of an APIF of the BCT APIF Series (which share the same investment manager, trustee and sponsor as the Relevant Constituent Funds) under the new structure than to replace an investment manager of any Relevant Constituent Fund under the existing structure because the former (as opposed to the latter) will not require any transfer of assets and, as such, can be undertaken speedily and much more cost effectively.

#### (e) <u>Better economies of scale</u>

Besides the better economies of scale which can be achieved by the Termination Consolidation (whereby the Terminating Constituent Funds will be consolidated with their corresponding Transferee Constituent Funds), the Restructuring will also bring about better economies of scale through channelling the existing investments into the APIFs of the BCT APIF Series. There is currently, in respect of an asset class, a degree of overlap among the underlying investments of the Relevant Constituent Funds. As the Restructuring will be implemented by channelling and consolidating investments of the same asset class in such a way that the said overlap will be reduced, economies of scale will be enhanced. The fees charged in respect of all of the Relevant Constituent Funds will, therefore, be reduced.

#### IV Investment Policy Change

For the purposes of the Restructuring, the Investment Policy Change, will take effect from the Effective Date. It will include:

- (a) Changes of investment policies and strategies to reflect the portfolio management fund structure so that the investment policies of each Relevant Constituent Fund will be amended to reflect that both the Relevant Feeder CFs and the Relevant Internal Portfolio CFs will be restructured and become portfolio management funds investing in different APIFs selected from the BCT APIF Series.
- (b) Other changes to the investment policies of the Relevant Feeder CFs which we, further to our review of the investment policies and strategies of the Relevant Feeder CFs, consider appropriate.

Accordingly, with effect from the Effective Date, certain changes will be made to some of the Relevant Constituent Funds' investment policies and strategies. Please refer to Part II of **Appendix B** which sets out the key changes and enhancements to the investment policies and strategies of the Relevant Constituent Funds together with the impacts of and reasons for the changes.

The Investment Policy Change, in our view, will enhance investment flexibility of Relevant Feeder CFs as, with the change from the feeder-fund structure of the Relevant Feeder CFs to a portfolio management fund structure, Amundi HK will, in performing its asset allocation role, have the choice of a number of APIFs from the BCT APIF Series to select from, which choice is not available before the Restructuring. Where a Relevant Internal Portfolio CF changes, after the Restructuring, from an internal portfolio fund to a portfolio management fund, the Investment Policy Change can also help enhance economies of scale through the pooling of investments at the level of the APIFs to be selected from the BCT APIF Series as enabled by Investment Policy Change.

Members who are investing in the Relevant Constituent Funds the investment policies and strategies of which will be subject to change and who do not wish to continue to invest in the Relevant Constituent Funds following the Investment Policy Change may switch out of them free of any switching fee by submitting a new investment mandate and / or fund switching instruction ("**Switching Instructions / New Mandates re Restructuring**"). Such Switching Instructions / New Mandates re Restructuring can be submitted by using the Form and returning a valid and duly completed Form by post to 18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong or by fax to 2992 0507. Alternatively, they can be submitted via the Website or the BCT Mobile App. In each of the said cases, the deadline for the Trustee to receive valid and complete instructions is 4:00p.m. on 17 April 2018 and any such valid instructions received at or after such deadline will be processed after the Suspension Period (please refer to Part V below on page 13 for more details on the Suspension Period). No fees or penalty will be charged or imposed on any such fund switching or change of investment.

For the avoidance of doubt, neither the Termination Consolidation nor the Restructuring as a whole will, after the end of the Suspension Period, lead to any change to the Trustee's services / support to employers and members or the variety of fund types currently provided under the Plan. Furthermore, the right of employers to make a transfer election pursuant to the governing rules of the Plan and relevant laws and regulations will not be prejudiced in any way and employers can, therefore, make any election for the transfer-out of the Plan in the usual manner provided that the duly completed transfer form is received by the Trustee before 12:00 midnight, 6 April 2018. Transfer forms received by the Trustee thereafter cannot be processed until after the end of

Suspension Period. No fees or penalty will be charged or imposed on such transfer.

Notwithstanding the changes to the investment policies and strategies of the Relevant Constituent Funds set out above, there will not be any changes to the investment objectives of the Relevant Constituent Funds. Also, as can be noted from Part II of **Appendix B**, we expect, in terms of the impact the Restructuring may have on the risk level / expected return and performance of each Relevant Constituent Fund, there will be no change to its risk level and no change to its expected return and performance. As such, we are of the view that the changes to the investment policies and strategies of the Constituent Funds described above will be in the interest of the members.

#### V Restructuring Transition, Termination Consolidation, Suspension Period and Impact on Members

The transition from a feeder fund or an internal portfolio fund to a portfolio management fund with underlying APIFs selected from the BCT APIF Series (the "**Restructuring Transition**") will take place from the Effective Date. It will, for each of the Relevant Constituent Fund, involve redemption of existing investments (which, as much as practically viable (taking into account the viability of the intended transfers under the local laws and regulations of relevant markets, the relevant costs / tax implications and the time required according to the applicable procedures), will be effected by in-specie redemption of APIF units or direct investment holdings (without the actual realization of the same for cash)) and subscription of units of APIFs selected from the BCT APIF Series. The Restructuring Transition will take three Dealing Days from 00:01am 23 April 2018 to 12:00 midnight, 25 April 2018 (the "**Suspension Period**", during which the carrying out of instructions which involve subscription for and redemption from one or more of the Relevant Constituent Fund(s) will be suspended) to complete.

For the purpose of ensuring that the Restructuring Transition (and the Termination Consolidation (as referred to under Part I(iv) and (vii) above)) are properly and accurately carried out in such a manner that the interests of the members are protected (so that the net asset value of each relevant member account immediately before and after the Suspension Period will be the same), the Suspension Period cannot practically be shorter than three Dealing Days because three Dealing Days is required for the settlement of the in-specie transfers to be carried out on a "T+3" basis, a basis for settlement of some of such transfers in certain relevant markets. In order to avoid a period of suspension longer than three Dealing Days, the placing and execution of orders for redemption of the underlying investments of the Relevant Constituent Funds will commence on 19 April 2018, two Dealing Days before the commencement of the Suspension Period. However, notwithstanding such commencement of the placing and execution of redemption orders (and as opposed to the Suspension Period during which there will be no valuation of the Relevant Constituent Funds and no publication of fund prices), the valuation of the Relevant Constituent Funds will be done during those two Dealing Days (namely 19 and 20 April 2018) by reference to the values of the receivables attributable to them following the placing and execution of the redemption orders and fund prices will be published accordingly for members' reference.

As is stated (and for the reasons given) respectively in Part I(i) and Part III above, we believe that the Restructuring (including the termination of the two Terminating Constituent Funds) are in the best interest of the members of the Plan. As having two suspension periods, one for Termination Consolidation and the other for the Restructuring Transition will be unnecessary and wasteful of time and resources, it will also be in the best interest of the members that the Termination Consolidation and the Restructuring Transition take place at the same time and be subject to the same Suspension Period. As such a period must at least last for three Dealing Days as stated above, we believe that the Suspension Period of three Dealing Days is reasonable and in the best interest of the members of the Plan.

Given that the same Suspension Period will apply to both the Termination Consolidation and the Restructuring Transition, the following types of instructions that involve units in either the Terminating Constituent Fund(s) or the Relevant Constituent Fund(s) will be affected, unless the

relevant instructions are received before the relevant cut-off deadlines listed below:

Types of instructions that involve units in the Terminating Constituent Fund(s) / Relevant Constituent Fund(s) (received through paper, fax, Website or Mobile App)	Cut-off deadlines
Contribution payment / transfer-in benefits to be processed and allocated to any Terminating Constituent Fund(s) / Relevant Constituent Fund according to the latest investment mandate	12:00 midnight (end of day), 13 April 2018
Accrued benefit being transferred from other MPF scheme to be processed and allocated to any Terminating Constituent Fund(s) / Relevant Constituent Fund according to the latest investment mandate	
Member enrolment which requires acquisition of units of the Terminating Constituent Fund(s) / Relevant Constituent Fund(s)	
Claim, withdrawal and transfer-out of benefits instructions which involve redemption of units in the Terminating Constituent Fund(s) / Relevant Constituent Fund(s)*	
Switching instructions requiring acquisition or redemption of units of the Terminating Constituent Fund(s) / Relevant Constituent Fund(s)	4:00pm, 17 April 2018
Change of investment mandate which includes an instruction requiring acquisition of units in the Terminating Constituent Fund(s) / Relevant Constituent Fund(s)	
* No fees or penalty will be charged or imposed on claim, withdra benefits instructions.	awal and transfer-out of

Whilst the carrying out of instructions from members that involve subscriptions for and redemptions from one or more of the Terminating Constituent Fund(s) / Relevant Constituent Fund(s) will be suspended during the Suspension Period, please also note that

(a) Valid instructions with regard to any of the transactions in the above table (involving subscription for or redemption from one or more of the Terminating Constituent Fund(s) / Relevant Constituent Fund(s)) which are duly completed and received (including receipt of cleared funds, if applicable) by the Trustee before the respective cut-off deadlines (per the above table) will be processed in the usual manner before the commencement of the Suspension Period. In the event that invalid instructions are received before the respective cut-off deadlines, we will follow up according to our normal procedures by phone or by issuing letters. If invalid instructions subsequently become valid before the said cut-off deadlines, such valid instructions will be processed in the usual manner before the commencement of the Suspension Period.

As regards the cut-off deadline of 12:00 midnight, 13 April 2018 for claim, withdrawal and transfer-out of benefits instructions which involve redemption of units in the Terminating Constituent Fund(s) / Relevant Constituent Fund(s), it should be noted, for the avoidance of doubt, that this cut-off deadline will apply to those personal account members and members who are self-employed persons wanting to transfer out of the Plan before the commencement of the Suspension Period in such a way that, each of such members will need to give transfer-out of benefit instructions to the trustee of the other plan to which the transfer is to be made and the valid instructions from that trustee will need to

be received before the said deadline of 12:00 midnight, 13 April 2018 if it is be processed before the Suspension Period. Also, the same cut-off deadline will apply to an employee member's election to transfer out of the Plan, before the commencement of the Suspension Period, his / her accrued benefits derived from the employee mandatory contributions pursuant to the governing rules of the Plan and the relevant laws and regulations, as such a member will also, in the same manner as described above, need to give transfer-out of benefit instructions to the trustee of the other plan to which the transfer is to be made.

(b) Valid instructions with regard to any of the transactions in the above table (involving subscription for or redemption from one or more of Terminating Constituent Fund(s) / Relevant Constituent Fund(s)) received at or after the corresponding cut-off deadlines will be processed after the Suspension Period. In the case of instructions with respect to any Terminating Constituent Fund received at or after the said cut-off deadlines, they will be deemed as instructions with respect to the corresponding Transferee Constituent Fund (instead of the Terminating Constituent Fund) and be processed after the Suspension Period. Such processing of valid instructions (referred to in the above table) received at or after the corresponding cut-off deadlines will generally be processed on 26 April 2018 (the business day immediately after the end of the Suspension Period, which will also be the dealing day for the relevant transaction), except that if there are, as of 26 April 2018, pending transaction(s) / issue(s) pertaining to the instructions (such as (i), in the case of instructions for claim, withdrawal or transfer out of benefits, there are contribution payments which require processing on 26 April 2018 first or (ii) in the case of switching instructions involving sequential switching, there are certain switching transactions which will have to be processed on 26 April 2018 first before the other switching transactions pertaining to the same instructions can be processed thereafter), such instructions will be fully processed (and their dealing day will occur) only as soon as practicable after 26 April 2018.

By way of examples:

- (x) if an instruction for the making of contribution payment involving allocation to a Relevant Constituent Fund is received on 16 April 2018 (i.e. at or after the relevant cut-off deadline of 12:00 midnight, 13 April 2018), the instruction will be processed on 26 April 2018 which will also be the dealing day for the allocation into the Relevant Constituent Fund; and
- (y) if a switching instruction requiring acquisition or redemption of units of a Terminating Constituent Fund is received on 18 April 2018 (i.e. at or after the relevant cut-off deadline of 4:00pm, 17 April 2018) and certain switching transactions will have to be processed on 26 April 2018 first before the other switching transactions pertaining to the same instructions can be processed thereafter (due to the fact that the instruction involves sequential switching), the instruction can be fully processed only as soon as practicable after 26 April 2018 (on the basis that the instruction will be deemed to require the acquisition or redemption of units of, instead of the Terminating Constituent Fund, its corresponding Transferee Constituent Fund).

It should also be noted that as regards instructions involving redemption of units in a Terminating Constituent Fund received at or after the relevant cut-off deadline the redemption value will be calculated by multiplying (a) the number of units in the corresponding Transferee Constituent Fund allocated according to the Conversion Formula by (b) the unit price of its corresponding Transferee Constituent Fund on the day of redemption after the end of the Suspension Period (which day will, in the absence of any pending transaction(s) or issue(s) relevant to the instruction, be 26 April 2018).

Please note, as is pointed out under Part IV above, a different cut-off deadline of 12:00 midnight, 6 April 2018 will apply to the election by an employer to transfer out of the Plan so that valid transfer forms (from the trustee of the other plan to which the transfer is to be made) received at or after such deadline will not be processed until after the end of the Suspension Period.

The normal operation of the Constituent Funds of the Plan other than the Terminating Constituent Funds and the Relevant Constituent Funds ("**Other Constituent Funds**") will not be affected by the Restructuring during Suspension Period save for the following:

- (aa) As switching instructions involving any of the Other Constituent Funds as well as any of the Terminating Constituent Funds / Relevant Constituent Funds will be subject to the cut-off deadline set out in the above table (namely, 4:00pm, 17 April 2018), any such instructions received at or after that cut-off deadline will be processed after the Suspension Period on the basis that the aspects of the instructions which relate to any Terminating Constituent Fund will be deemed to relate to the corresponding Transferee Constituent Fund; and
- (bb)As claim, withdrawal and transfer-out of benefits instructions involving redemption of units in Terminating Constituent Funds / Relevant Constituent Funds will be subject to the cut-off deadline set out in the above table (namely, 12:00 midnight, 13 April 2018), account termination instructions at or received after the said cut-off deadline involving redemption of units in both the Other Constituent Funds as well as Terminating Constituent Funds / Relevant Constituent Funds can only be completely processed after the end of the Suspension Period on the basis that the aspects of the instructions which relate to any Terminating Constituent Fund will be deemed to relate to the corresponding Transferee Constituent Fund.

Save as described above, services available on our website and the BCT Mobile App will not be affected by the said cut-off deadlines or the Suspension Period.

#### VI Key Risks Pertaining to Suspension of Instructions

The above-mentioned suspension of instructions involving subscriptions for and redemption from one or more of the Terminating Constituent Funds / Relevant Constituent Funds may result in exposure to market volatility risks which can be caused by recessions, political turmoil, changes in interest rates, terrorist attacks and other factors. In addition, during the period from redemption of existing investments to the end of the Suspension Period, to the extent that transfers cannot be carried out on an in-specie basis but must, instead, be done by way of actual realization of the underlying investments for cash, as such cash proceeds will not be invested until the end of the Suspension Period, the Relevant Constituent Funds may be exposed to outof-market risks (i.e. the risks pertaining to holding cash as opposed to having such cash invested in the market). To minimize such out-of-market risks, in-specie transfers involving redemptions of units from APIFs currently invested into directly or indirectly by the Terminating Constituent Funds / Relevant Constituent Funds and / or investment assets directly held by the same (without the actual realization of such holdings for cash) will be carried out as much as practically viable for the purposes of the Restructuring (including the Termination Consolidation) and the resulting redemption value (or proceeds in kind as opposed to cash) will be used to subscribe for units of the APIFs selected from the BCT APIF Series. Such In-specie transfers can only be carried out as much as practically viable because some markets do not allow in-specie transfer at all and the viability of in-specie transfers in some other markets is subject to the obtaining of certain exception which, in turn, is subject to the undertaking of certain processes (which may be timeconsuming and / or costly) to prove that the transfer in question does not involve an eventual 16

change of beneficial ownership.

Please note that the imposition of the cut-off deadlines and the Suspension Period will give rise to suspension of the application of our service pledges as stated in our website in relation to certain services (including those relating to the processing of contribution payment, transfer-in benefits, withdrawal of benefits, switching instructions and change of investment mandate during the period from those cut-off times to the end of the Suspension Period) during the period from, in respect of a relevant service, the cut-off deadline applicable to that service to the end of the Suspension Period.

# VII Management Fee of the Relevant Constituent Funds

The management fees of the Relevant Constituent Funds after the Restructuring will be reduced. Please refer to **Appendix C** for details of the levels of fees and charges in respect of the Relevant Constituent Funds before and after the Restructuring.

# VIII Costs and Expenses of Restructuring and Investment Policy Change

The expenses, costs, fees and charges incurred in connection with the Restructuring and the Investment Policy Change will be borne by the Sponsor. No extra costs in connection with the termination of the Terminating Constituent Funds, the Restructuring and the Investment Policy Change will be borne by members.

Please note that no bid / offer spread at both the Constituent Fund and APIF level will be applied to the asset transfers made in relation to Restructuring (including the termination of the Terminating Constituent Funds).

# IX Changes to the Trust Deed

The Trust Deed will be amended, by way of a seventh supplemental deed to

- (i) include a new phrase: "(or such other period as the Trustee may think fit)" after the words "at least fourteen (14) Business Day" in Clause 11.3.2 of the Trust Deed, and a new phrase: "(or such other longer period as the Trustee may think fit)" after the words "within 30 days" in Clause 11.4 of the Trust Deed;
- (ii) amend the valuation method as stated in Clause 14.6(a) of the Trust Deed in respect of the value of quoted investments (including an interest in a listed collective investment scheme and a listed ITCIS) so that the reference to "bid price" in the following phrase of the said clause 14.6(a):

"by reference to the price appearing to the Trustee to be the last bid price or midway between the latest available market offered price and the latest available market bid price on the market on which the investment is quoted"

will be removed and replaced with "last traded price", and;

(iii) include a new ground of suspension of dealing of units of any Constituent Fund and determination of net asset value of any Constituent Fund such that suspension may be declared 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 of the Plan.

The amendment as referred to under (ii) above is to align with what the Trustee understands to be the general market practice of schemes of similar nature of the Plan primarily using the last traded price for valuation purposes. There will not have any implication on the features and risks applicable to the constituent funds of the Plan and there will not be any impact on the members and constituent funds of the Plan as a result of the amendment. This amendment will be effective

from 26 April 2018.

The amendments to the Trust Deed as described in (i) and (iii) above will be effective from 1 March 2018.

# X Other Updates to the Principal Brochure

In addition to the above, the Principal Brochure will be amended to reflect the following:

- (i) In view of the changes to the Trust Deed to amend the valuation method in respect of the value of quoted investments (including an interest in a listed collective investment scheme and a listed ITCIS), the Principal Brochure will be updated accordingly to reflect that the value of quoted investments (including an interest in a listed collective investment scheme and a listed ITCIS) will be calculated by reference to the price appearing to the Trustee to be its last traded price or midway between the latest available market offered price and the latest available market bid price on the market on which such investment is quoted. This change will take effect from 26 April 2018.
- (ii) In view of the changes to the Trust Deed to introduce a new ground for suspension of dealings of the Constituent Funds, the Principal Brochure will be updated accordingly to reflect that the Trustee may declare suspension of dealing of units of any Constituent Fund and determination of net asset value of any Constituent Fund 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. This change will take effect from 1 March 2018.
- (iii) The incorporation of the 1st Addendum dated 12 December 2016.
- (iv) The information in relation to the Trustee will be updated by reflecting the latest figures of the aggregate of the assets and the shareholders' fund of the shareholder group of the Trustee.
- (v) In respect of the BCT (Pro) Hang Seng Index Tracking Fund, the information on the top ten constituents of the Hang Seng Index will be updated. There will also be enhancement of disclosures on the risks relating to the BCT (Pro) Hang Seng Index Tracking Fund.
- (vi) The updating (to 1 April 2017) of certain fee rates to reflect, in respect of each of the following two Constituent Funds, (a) change in the "current" trustee fee payable out of the assets of the underlying APIF invested into by that Constituent Fund and (b) change in the management fee of the Constituent Fund given rise to by the said change under (a) above:

Name of Constituent Fund	Change in th trustee fee p out of the as the underlyi invested int Constituent	bayable ssets of ng APIF o by the	Change in the management fee of the Constituent Fund (inclusive of fees payable out of the assets of the underlying APIF)	
	Before the change	After the change	Before the change	After the change
BCT (Pro) Absolute Return Fund	0.07%	Up to 0.07%	1.32%	Up to 1.32%
BCT (Pro) RMB Bond Fund	0.12%	0.10%	1.195%	1.175%

(vii) The disclosure of the management fee for BCT (Pro) SaveEasy 2020 Fund (which is a Target Date Mixed Asset Fund (i.e. a funds which links the investment portfolio to a target date in such a way that its asset mix changes as the target date approaches) will be updated for clarification. According to current disclosure, the management fee of this Constituent Fund is 1.45%, and it is to be reduced to 1.2% five years prior to reaching the beginning (i.e. 1) January) of the applicable target year. As the target year of the Constituent Fund is 2020, the underlying fund has reached the period of five year prior to reaching the beginning (i.e. 1 January) of the applicable target year and the applicable management fee is, accordingly, 1.2% now as per the clarification.

(viii) Updates and stylistic changes relating to disclosures on the trustee, administration, sponsor and investment management fee payable out of the assets of the Constituent Funds will be made with effect from the Effective Date. Currently, the fees are presented in a summary form whereby Constituent Funds of the same fee level are grouped together in the table. After the amendment, the fees applicable to each Constituent Fund will be listed individually for members' easy reference.

#### XI Seminar for Affected Members

To enable Affected Members to understand the entire Restructuring, all members are invited to attend a seminar, details of which are as follows:—

Date	Time	Location	Language
17 March 2018 (Saturday)	2:00pm	18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong (or as may be otherwise further notified)	Chinese
22 March 2018 (Thursday)	7:00pm	18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong (or as may be otherwise further notified)	English
12 April 2018 (Thursday)	7:00pm	18/F, Cosco Tower, 183 Queen's Road Central, Hong Kong (or as may be otherwise further notified)	Chinese

For Affected Members and / or their employers who would like to join the above seminar, please register with us in our website **www.bcthk.com** or by calling our Employer Hotline (2298 9388) or Member Hotline (2298 9333).

We will closely monitor the Restructuring and the Investment Policy Change to ensure that the interest of the members are adequately protected in the Restructuring and the Investment Policy Change and that the Restructuring and the Investment Policy Change will be in the interest of the members.

The Principal Brochure will be revised to reflect the changes set out above. Please refer to the revised Principal Brochure for further details of the changes. Copies of the revised Principal Brochure may be obtained by calling the customer hotlines as stated below and will also be available at our website (www.bcthk.com) from 23 April 2018.

Copies of the Trust Deed together with its supplemental deeds may be obtained from the Trustee at HK\$450 per copy 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 1 March 2018.

Please note that the above changes do not and will not have any adverse impact to members of the Plan.

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

Yours faithfully,

Bank Consortium Trust Company Limited

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

Appendix A

Diagram 1 - BCT (MPF) Pro Choice -- Structure of the Constituent Funds before the Restructuring

	c		1		
	JPMorgan Funds (Asia) Limited	BCT BCT (Pro) Hong Kong Bond Fund*	<b>├</b> →	JPMorgan SAR HK\$ Bond Fund	
	Allianz Global Investors Asia Pacific Limited	BCT (Pro) Absolute Return Fund*	<b>├</b> →	Allianz Choice Absolute Return Fund	ing
	mited	BCT (Pro) Age 65 Plus Fund*	$\rightarrow$	Invesco Pooled Investment Fund - Age 65 Plus Fund	Constituent Funds Not Affected by the Restructuring
	Invesco Hong Kong Limited	BCT (Pro) Core Accumulation Fund*		Invesco Pooled Investment Fund- Core Accumutation Fund	Restr
	sco Hon	BCT (Pro) RMB Bond Fund*	<b>├</b> →	Invesco Pooled Investment Fund - Fund	the
	Inve	BCT (Pro) MPF Fund		Direct Investments	yd by
	obal ia	BCT (Pro) World Fund^	$\square_{-}$	FA Dved ISS	fecte
	State Street Global Advisors Asia Limitied	BCT BCT (Pro) Greater China Equity Fund^		MPFA Approved ITCISs	ot Afi
	State Adv	BCT (Pro) Hang Seng Index Fund*	<b>├</b> →	Tracker Fund of Hong Kong	ds Nc
	fong	BCT BCT (Pro) (Pro) (Pro) SaveEasy SaveEasy 2026 Fund* Fund*	<b>├</b> →	Fidelity Freisiny Freisiny Global Global Global Investment Investment Investment Fund - Fund - Fund - Fidelity Freisiny Freisiny Svefasy Svefasy Svefasy 2005 Fund 2020 Fund	Fun
Funds	lement (F	BCT (Pro) SaveEasy 2025 Fund*	<b></b>	Fidelity Global Investment Fund - Fidelity SaveEasy 2025 Fund 3	lent
tituent	ment Managerr Kong) Limited	BCT (Pro) aveEasy 2030 Fund*		Fidelity Global Investment I Fidelity SaveEasy 2030 Fund 3	nstitu
- Cons	FIL Investment Management (Hong Kong) Limited	BCT (Pro) SaveEasy 2 2035 Fund*		Fidelity Global Nestment Fund - Fidelity SaveEasy 035 Fund	Col
Choice	EIL II	BCT (Pro) SaveEasy 2040 Fund*	$\rightarrow$	Fide lity Global Investment I Fund - Fide lity SaveEasy 2040 Fund 2	
PF) Pro					
BCT (MPF) Pro Choice - Constituent Funds	ors Asia co Hong an Funds rroder nt (Hong	BCT (Pro) E30 Mixed Asset Fund		lents	
	Alliarz Global Investors Asia Pacific Limited / Investor Hong Kong Limited / JPMorgan Funds (Asia) Limited / Schroder Asia) Limited / Schroder Investment (Hong Kong) Limited	BCT (Pro) E50 Mixed Asset Fund	]	Direct Investments	_
	Allianz G Pacific Lin Kong Limit (Asia) L Investment K	BCT (Pro) E70 Mixed Asset Fund		Direc	tured
	nt long id	BCT BCT BCT (Pro) (Pro) (Pro) ( E90 E70 E50 Mixed Mixed Mixe	<b>`</b>	Fidelity Global Fund - Growth Fund	struc
	FIL Investment Management (Hong Kong) Limited	TERNINATED ERNINATED BCT (Pro) Equity Fund*		Fidelity Global nvestment Fund - Global Equity Fund	be Re
	FIL Mana Ko	TORE BRAINING BCT (Pro) Hong Kong Equity Fund *		Fidelity Global Investment Fund - Hong Kong Equity Fund	is to
	Hong	BCT BCT (Pro) European Equity   Fund*		Invesco Pooled Fund - Fund -	Func
	Invesco Hong Kong Limited	BCT (Pro) China & F Hong Kong Fund*		Invesco Pooled Fund - Hong Kong and China	tuent
	Schroder Investment Management (Hong Kong) Limited	BCT (Pro) Asian Equity Fund*	<b>├</b> →	Schroder MPF Asian Fund	Constituent Funds to be Restructured
	Franklin Templeton Investments (Asia) Limited	BCT (Pro) Global Equity Fund*	>	Templeton MPF Global Fund	-
	Fran Temp Investr (Asia) L	BCT (Pro) Global Bond Fund*	$\rightarrow$	Templeton MPF Global Bond Fund	
	Investment Managers	Funds	-	Approved Pooled Investment Funds	

\*Feeder fund ^Portfolio management fund

\_ -

Diagram 2 - BCT (MPF) Pro Choice -- Structure of the Constituent Funds after the Restructuring

	JPMorgan S Funds (Asia)	e Kong BCT (Pro) Hong Boular Fund*		JPMorgan SAR HK\$ Bond Fund		
	Allianz Global Investors Asia Pacific Limited	BCT (Pro) Return Fund*		Allianz Choice Absolute Return Fund	Ð	
	mited	BCT (Pro) Age 65 Plus Fund*		Invesco Pooled Investment Fund - Age 65 Plus Fund	cturin	
	Kong Li	BCT (Pro) Core Acomutation Fund*		Invesco Pooled Fund - Core Acomutation	estruc	
	Invesco Hong Kong Limited	BCT (Pro) RMB Bond Fund*		Irrvesco Pooled Investment Fund - RMB Bond Fund	he R(	
	Inves	BCT (Pro) MPF Consentitive Fund	<b>&gt;</b>	Direct	by tl	
	lobal	BCT (Pro) World Equity Fund^		MPFA Approved ITCISS	Constituent Funds Not Affected by the Restructuring	
	State Street Global Advisors Asia Limitied	BCT (Pro) Greater China Equity Fund <sup>A</sup>		Appr ITC	t Affe	
spur	State Advisor	BCT (Pro) Hang Seng Index Fund*		Tracker Fund of Hong Kong	Is No	
lent Fi	ent	BCT (Pro) SaveEasy 2020 Fund*		Fidelity Global Investment Fund - Fidelity SaveEasy 2020 Fund	Fund	
onstitu	FIL Investment Management (Hong Kong) Limited	BCT (Pro) SaveEasy 2025 Fund*		Fidelity Global Investment Fund - Fidelity SaveEasy 2025 Fund	uent	
ice - C	Investment Managem (Hong Kong) Limited	BCT (Pro) SaveEasy 2030 Fund*		Fidelity Global Investment Fund - Fidelity SaveEasy 2030 Fund	onstit	
ro Cho	FIL Inves (Hon	BCT (Pro) SaveEasy 2035 Fund*		Fidelity Global Investment Fund - Fidelity SaveEasy 2035 Fund	ŭ	
PF) PI		BCT (Pro) SaveEasy 2040 Fund*		Fidelity Global Investment Fund - Fidelity SaveEasy 2040 Fund		
BCT (MPF) Pro Choice - Constituent Funds						
		BCT (Pro) E30 Mixed Asset Fund^				
		BCT (Pro) E50 Mixed Asset Fund^			tured	
	9	BCT (Pro) E70 Mixed Asset Fund^			struc	
	ig Limite	BCT (Pro) E90 Mixed Asset Fund^		APIFs fferent nagers	be Re	
	long Kor	BCT (Pro) Global Equity Fund^		Multiple BCT APIFs Managed by Different Investment Managers	ds to	
	Amundi Hong Kong Limited	BCT (Pro) European Equity Fund^		Multir Manag Investn	Constituent Funds to be Restructured	
	4	BCT BCT Asian Fund^			tituen	q
						É
		BCT (Pro) China & Rong Fund^ Fund^			Cons	nent fu
		Constituent Global Hong Equity			<b>Cons</b> Feeder fund	Portfolio management fund

21

# Appendix [B]

#### Comparisons of investment objectives and policies

- I. Comparison of existing investment objectives and policies of Terminating Constituent Funds and the Transferee Constituent Funds
- \* Please note that the below reflects the existing investment objectives and policies of the Transferee Constituent Funds, which will change as part of the Restructuring. Please refer to Part II below for the revised investment objectives and policies of the Transferee Constituent Funds after the Restructuring.

Terminating Constituent Fund	Transferee Constituent Fund *
BCT (Pro) International Equity Fund	BCT (Pro) Global Equity Fund
<b>Objective:</b> To provide members with <u>long</u> term capital appreciation.	<b>Objective:</b> To provide members with <u>capital</u> growth over the medium to longer term.
Investment Policies:	Investment Policies:
<ul> <li>Investment Policies:</li> <li>Invests solely in "Fidelity Global Investment Fund – Global Equity Fund" an underlying APIF which, in turn (through its investment in other APIFs managed by FIL Investment Management (Hong Kong) Limited) invests mainly into global equity markets.</li> <li>The underlying APIF will normally invest 98% of its net assets in equities and 2% in cash, although actual portfolios may vary as market, political, structural, economic and other conditions change.</li> <li>Policies regarding (i) securities lending (ii) use of financial futures and options contracts and (iii) HKD currency exposure requirements at APIF level</li> <li>The underlying APIF may engage in securities lending. Futures and options will be used for hedging purposes only. The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.</li> <li>Risk and Return Profile</li> <li>It is expected to achieve a long term return which follows the trend of major world stock markets. (Note: short term performance of the fund may be higher or lower than the long term expected return.)</li> </ul>	<ul> <li>Investment Poricies:</li> <li>Invests solely in the "Templeton MPF Global Equity Fund" which is an APIF and in turn invests primarily in securities of companies listed on the global stock markets.</li> <li>The underlying APIF has no prescribed allocations for investments in any specific countries or currencies. As the underlying APIF is an equity fund, the investment adviser intends to invest, under normal conditions, a majority of the underlying APIF's assets in equity securities.</li> <li>The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.</li> <li>Policies regarding (i) securities lending (ii) use of financial tutures and options contracts and (iii) HKD currency exposure requirements at APIF level</li> <li>The underlying APIFs will not engage in any securities lending and futures and option will be used for hedging purposes. The underlying APIFs will have a minimum of 30% of its net assets in Hong Kong dollar currency investments.</li> <li>Risk and Return Profile</li> <li>It is expected to 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.)</li> </ul>

BCT (Pro) Hong Kong Equity Fund	BCT (Pro) China and Hong Kong Equity Fund
<b>Objective:</b> To provide members with <u>long</u> term capital appreciation.	<b>Objective:</b> To provide members with <u>long</u> term capital appreciation.
Investment Policies:	Investment Policies:
<ul> <li>Investment Policies:</li> <li>Invests solely in "Fidelity Global Investment Fund – Hong Kong Equity Fund" which is an APIF and in turn invests in equity market of Hong Kong, namely equities of companies listed in Hong Kong (including Greater China companies that are listed in Hong Kong) or companies which have a business connection with Hong Kong (including companies which are listed outside Hong Kong). Companies which have a business connection with Hong Kong include but are not limited to companies that are domiciled or incorporated in Hong Kong.</li> <li>Up to 10% of the underlying APIF's net asset value may be invested in shares listed on a stock exchange that is not an approved stock exchange as defined in the Regulation.</li> <li>The underlying APIF will normally invest 95% of its net assets in equities and 5% in cash, although actual portfolios may vary as market, political, structural, economic and other conditions change. The underlying APIF will also have the flexibility to invest in bonds in a limited manner.</li> <li>Policies regarding (i) securities lending (ii) use of financial futures and options contracts and (iii) HKD currency exposure requirements at APIF level</li> <li>The underlying APIF may engage in securities lending and repurchase transactions. Futures and options will be used for hedging purposes only. The underlying APIF will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.</li> <li>Risk and Return Profile</li> <li>It is expected to achieve a long term return which follows the trend of major stock market indices of Hong Kong. (Note: short term performance of the fund may be higher or lower than the long term expected return.)</li> </ul>	<ul> <li>Investment Policies:</li> <li>Invests solely in "Invesco Pooled Investment Fund – Hong Kong and China Fund" which is an APIF and in turn invests in a portfolio of Hong Kong and China-related securities.</li> <li>In normal circumstances, the underlying APIF will invest up to 100% of its net assets in Hong Kong and China-related securities, which are listed on Hong Kong or other stock exchanges. China-related securities are defined as securities 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).</li> <li>Up to 10% of the net assets of the underlying APIF may be invested in Hong Kong and China-related securities listed on a stock exchange as defined in the Regulation.</li> <li>As the underlying APIF 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.</li> <li>Policies regarding (i) securities lending (ii) use of financial futures and options contracts and (iii) HKD currency exposure requirements at APIF level</li> <li>The underlying APIFs <u>will not</u> engage in any securities lending and futures and option will be used for hedging purposes. The underlying APIFs will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.</li> <li>Risk and Return Profile</li> <li>It is expected to achieve a long term return which follows the trend of the Hong Kong and China-related equity markets. (Note: short term performance of the fund may be higher or lower than the long term expected return.)</li> </ul>

II. Changes of Investment Policies and Strategies of the Relevant Constituent Funds

Ref	Name of Relevant Constituent	Changes o a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
<del></del>	BCT (Pro) E30 Mixed Asset Fund <sup>2, 3</sup>	Structure • Structured as an internal portfolio fund	<ul> <li>Structure</li> <li>Structured as a portfolio</li> <li>management fund.</li> </ul>	Updates to reflect the new structure of the fund	Changes     necessary to     enable change to     the new nortfolio
		Objective	• To provide members with capital	management fund.	management structure, thereby
		members with capital growth over	grown over the full with a view to minimizing the risk of capital loss.	Specify that the fund will invest	economies of scale achieved
		ure roug term with a view to minimizing the risk of capital loss.	<ul> <li>Investment Policies</li> <li>Invests primarily in fixed income securities and maintaining</li> </ul>	APIFs selected from the BCT APIF Series,	via une pooning of investments at the level of the APIFs
		Investment Policies <ul> <li>Invests primarily <ul> <li>in fixed income</li> </ul> </li> </ul>	a limited exposure to global equities through investments in a portfolio of APIFs selected from the BCT APIF	with an active investment strategy or a Rule-based	selected from the BCT APIF Series and (ii) diversification of
		securities and maintaining a limited exposure to global equities.	Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a	<ul> <li>Investment</li> <li>Strategy.</li> <li>Updates to</li> </ul>	investment styles achieved via the two different investment
		<ul> <li>The underlying investments primarily include bank deposits, global bonds and</li> </ul>	Rule-Dased Investment Strategy" ("Smart APIFs"). Target allocation percentages for respectively the Dynamic APIFs and the Smart APIFs ("Target	renect that the fund may enter into currency for hedging purposes.	strategres provided by the BCT APIF Series and asset allocation in accordance

The benchmark The benchmark weightings of tund (and reviewed annually the underlying the underlying investments of the tund are expected to be, but not to be, but not firsed income securities and 30% a Smart APIF which adopts	a % of ated		% of s ated of ards es.
a soft a soft ated		s ards	es ng trads
The ber weightli the und the und the und arr the be, b to be, b to be, b the arr the arr the du the fun minimu	dollar t	nn noung dollar th direct h of inves globally with a t Wong K	In Hong dollar th dollar th the fun globally globally globally globally globally globally globally globally globally globally hong K

an (before and a	before and after the Restructuring)	Description of the Key Changes	Keasons of the key changes / Possible Impacts
Before	After		expected return and performance
	<ul> <li>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.)</li> <li>The underlying investments of the fund are expected to be, but not restricted to, 70% in equities (with 40% being the maximum exposure to equities). The fund size towards Hong Kong on the equity portion.</li> <li>The fund is globally diversified with a bias towards Hong Kong on the equity portion.</li> <li>The fund will maintain an effective currency exposure to Hong Kong on the equity portion.</li> <li>The fund will maintain an effective currency exposure to Hong Kong on the equity portion.</li> <li>The fund will maintain an effective currency exposure to Hong Kong on the equity portion.</li> </ul>		

Changes necessary to enable change to the new portfolio management structure, thereby enhancing (i) economies of scale achieved via the pooling of investments at the level of the APIFs selected from the BCT APIF Series and (ii) diversification of investment styles achieved via the two different investment strategies provided by the BCT APIF Fund Series and asset allocation in accordance with the Target Dynamic / Smart Allocation for the fund.
<ul> <li>Updates to reflect the new structure of the fund being a portfolio management fund.</li> <li>Specify that the fund will invest in a portfolio of APIF's selected from the BCT APIF Series, with an active investment strategy or a Rule-based Investment Strategy.</li> <li>Updates to reflect that the fund may enter into currency forward contracts for hedging purposes.</li> </ul>
Structure Structure Structured as a portfolio management fund. Objective • To provide members with capital appreciation and a stable level of income over the long term. Invests primarily in bank deposits, global bonds and global equities through investments in a portfolio of APEs selected from the BCT APIF Series, which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a Rule-based Investment Strategy ("Smart APIFs"). Target Dynamic / Smart APIFs and Smart APIFs"). by the investment manager (in consultation with the Sponsor); and whilst deviations from such target deviations from such target deviations and out expected to exceed plus / minus 10%.
<ul> <li>Structure</li> <li>Structured as an internal portfolio</li> <li>Dbjective</li> <li>To provide members with capital appreciation and a stable level of income over the long term.</li> <li>Invest ment Policies</li> <li>The benchmark weightings of the investments of the fund are expected to be, but not restricted to, 50% in fixed income securities and 50% in equities.</li> </ul>
2. BCT (Pro) E50 Mixed Asset Fund <sup>2, 3</sup> 3set

Ref	Name of Relevant Constituent	Changes o al (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impact
	Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
		<ul> <li>The fund holds a minimum of 30% of assets denominated in Hong Kong dollar through direct holdings of investments. The fund is thus globally diversified with a bias towards Hong Kong.</li> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>	<ul> <li>A Smart APIF which adopts         <ul> <li>A Smart APIF which adopts</li> <li>Rule-based Investment</li> <li>Strategy makes use of proprietary rule-based quantitative screening of securities in the selection of constituents (or proxies of reginated index (taking into account the characteve valuation, high quality, and low return volatility of such a strategy does not invest by replicating a designated index (i.e. it is not a index the portfolio will also seek to maintain a relatively low performance variation between it and the reference index. The portfolio will also seek to maintain a relatively low performance variation between it and the reference index with a view.</li> </ul> </li> </ul>		<ul> <li>The fund will continue to invest globally with a bias towards Hong Kong on the equity portion according to the existing expected asset allocation: 50% in fixed income securities.</li> <li>50% in fixed asset allocation: income securities.</li> <li>Impact on risk level of the fund is expected after the restructuring exercise.</li> <li>No change to the fund is expected after the restructuring exercise.</li> <li>No change to the fund is expected after the restructuring exercise.</li> </ul>

return profile which is similar to that of the reference index. While the Rule-based Investment Strategy will be adhered to will be adhered said selection process, those rules will be subject to reviews and may be changed from time to time.	• The benchmark weightings of the <b>underlying</b> 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).	<ul> <li>The fund is globally diversified with a bias towards Hong Kong on the equity portion.</li> </ul>	<ul> <li>The 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.</li> </ul>	<ul> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>

ſ

	Name of Relevant	Changes o al	Changes of Investment Policies and Strategies (hefore and after the Restructuring)	Descrintion of the	Reasons of the key changes / Possible Impacts
Ket.	Constituent Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
r.	BCT (Pro) E70 Mixed Asset Fund <sup>2, 3</sup>	Structure • Structured as an internal portfolio fund.	<ul> <li>Structure</li> <li>Structured as a portfolio</li> <li>management fund.</li> </ul>	Updates to reflect the new structure of the fund being a portfolio	Changes     necessary to     enable change to     the new portfolio
		<ul> <li>Dbjective</li> <li>To provide</li> </ul>	<ul> <li>Ubjective</li> <li>To provide members with capital appreciation over the long term.</li> </ul>	management fund.	management structure, thereby enhancing (i)
		members with capital appreciation over the long term.	<ul> <li>Investment Policies</li> <li>Invests diversely in global</li> </ul>	Specify that the fund will invest in a portfolio of	economies of scale achieved via the pooling
		<ul> <li>Investment Policies</li> <li>Invests diversely</li> </ul>	equities where higher rates of returns are usually available and maintains a limited exposure to	APIFs selected from the BCT APIF Series,	of investments at the level of the APIFs selected
		in global equitles where higher rates of returns are usually available	global fixed income securities through investments in a portfolio of APIFs selected from the BCT APIF Series	with an active investment strategy or a Bule-based	APIF Series and APIF Series and (ii) diversification of investment
		and maintains a limited exposure to global fixed income securities.	which comprises APIFs managed either by an active investment strategy ("Dynamic APIFs") or a	<ul> <li>Updates to</li> </ul>	styles achieved via the two different investment strategies provided
		<ul> <li>Maintains a limited exposure to global fixed income securities.</li> </ul>	"Rule-based Investment Strategy" ("Smart APIFs"). Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed	reflect that the fund may enter into currency forward contracts for hedging purposes.	by the BCT APIF Series and asset allocation in accordance with the Target Dynamic /

-+		
	tor the tung (and reviewed	Smart Allocation
 primarily include	annually at least) by the	Percentages fixed
bank deposits.	investment manager (in	for the fund.
alobal bonds and	consultation with the	
alobal equities.	Sponsor): and whilst	<ul> <li>The fund will</li> </ul>
The benchmark	deviations from such target	continue to
weightings of the	percentages may occur,	invest globally
investments of the	such deviations are not	with a bias
fund are expected to	expected to exceed plus /	towards Hong
be, but not restricted	minus 10%.	Kong on the
to, 30% in fixed		equity portion
income securities	<ul> <li>A Smart APIF which adopts</li> </ul>	according to
and 70% in equities.	a "Rule-based Investment	the existing
	Strategy" makes use of	indicative asset
<ul> <li>The fund holds a</li> </ul>	proprietary rule-based	allocation: 70%
minimum of 30% of	quantitative screening	in equities / 30%
assets denominated	of securities in the	in fixed income
in Hong Kong	selection of constituents	securities.
dollar through	(or proxies of the same)	
direct holdings of	from the designated	Impact on risk
investments. The	index (taking into account	level / expected
fund is thus globally	the characteristics such	return and
diversified with a	as attractive valuation,	performance
bias towards Hong	high quality, and low	
Kong.	return volatility of such	No change to
- - - -	<u>constituents). Such a</u>	
Ihe tund will not	strategy does not invest by	of the tund is
engage in any	replicating a designated	expected after
securities lending	INDEX (I.E. IT IS NOT a	the restructuring
and rutures and	typical index tracking tund	exercise.
options will be used	WILLI & PASSIVE IIIVESUIIEIL	
UIIIY IUI IIBUUIIIY	strategy). The weighting ut the constituent securities	
	of the nortfolio may he	and nerformance
	different from those of the	as disclosed.

Ref	Name of Relevant Constituent	Changes a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
			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, those rules will be subject to reviews and may be changed from time to time.		
			<ul> <li>Maintains a limited exposure to global fixed income securities through investments in the aforementioned relevant APIFs.</li> </ul>		
			• The <b>underlying</b> investments primarily include bank deposits, global bonds and global equities. The benchmark weightings of the <b>underlying</b> investments of the fund are expected to be, but not		

					Updates to reflect • Changes the new structure necessary to of the fund enable change to being a portfolio	
					Upda the ne of the	fund.
restricted to, 30% in fixed income securities and 70% in equities (with 80% being the maximum exposure to equities).	<ul> <li>The fund is globally diversified with a bias towards Hong Kong on the equity portion.</li> </ul>	<ul> <li>The 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 hedding</li> </ul>	purposes.	<ul> <li>The lumb will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>	<ul> <li>Structure</li> <li>Structured as a portfolio</li> <li>management fund.</li> </ul>	<ul> <li>Objective</li> <li>To provide members with capital appreciation over the long term.</li> </ul>
					<i>Structure</i> • Structured as a <u>feeder fund</u> .	<ul> <li>Objective</li> <li>To provide members with capital appreciation over the long term.</li> </ul>
					BCT (Pro) E90 Mixed Asset Fund <sup>1, 2, 3</sup>	
					4.	

Ref.	Name of Relevant Constituent	Changes o a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	key Gnanges	on risk level / expected return and performance
		<ul> <li>Investment Policies</li> <li>Invests solely in Invests solely in Fidelity Global Invests solely in Eund         Krineugh in turn (through in turn (through tidelity) in global equities with the fidelity in global equities with the fidelity in novest n fixed income securities. The underlying APIF will normally invest 90% of its net assets in equities and 10% in bonds and cash, although actual portfolios may vary as market, political, structural, economic and other conditions change.     </li> </ul>	Investment Policies Invests primarily in global equities with the flexibility to invest in fixed income securities, through investments in a portfolio of APIFS selected from the BCT APIFS.") or a "Rule-based Investment Strategy." ("Smart APIFs"). Target Dynamic / Smart AIIocation Percentages for respectively Dynamic APIFs and Smart APIFs"). 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%.	<ul> <li>Specify that the fund will invest in a portfolio of APIF selected from the BCT APIF selected from the BCT APIF Series, with an active investment strategy or a Rule-based Investment Strategy.</li> <li>Updates to reflect that the fund will not engage in any securities lending.</li> <li>Updates to reflect that the fund will not engage in any securities for ward contracts for hedging purposes.</li> </ul>	<ul> <li>flexibility of the fund and (ii) diversification of investment styles achieved via the two different investment strategies provided by the BCT APIF Series and asset allocation in accordance with the Target Dynamic / Smart Allocation Percentages fixed for the fund.</li> <li>Through the underlying APIF, the fund will continue to maintain a broad geographical diversification with a bias towards Hong</li> </ul>

	The underlying	<ul> <li>A Smart APIF which adouts</li> </ul>	Kong on the
	APIF will	a "Rule-based Investment	equity portion
	maintain a broad	Strategy" makes use of	according to the
	geographical	proprietary rule-based	normal asset
	diversification with	quantitative screening of	allocation: 90%
	a blas towards Hong	securities in the selection	in equities / 10%
	Kong.	of constituents (or proxies	In bonds and
•	The underling	designated index (taking into	.11000
	APIF may engage	account the characteristics	Impact on risk
	in security lending.	such as attractive valuation,	level / expected
	Futures and options	rign quality, and 10W return volatility of such	return and nerformance
	hedding purposes	constituents). Such a	
	only.	strategy does not invest by	<ul> <li>No change to</li> </ul>
	-	replicating a designated	the risk level
•	• The underlying APIF	index (i.e. it is not a	of the fund is
	offoctive currency	typical inuex tracking juitu	expected aller
	ellective currency	will a passive investment strateauv) The weighting of	
	Kong dollars of not	the constituent securities of	0001010C
	less than 30%.	the portfolio may be different	<ul> <li>No change to</li> </ul>
		from those of the reference	expected return
		index. The portfolio will also	and performance
		seek to maintain a relatively	as disclosed.
		hetween it and the reference	
		index with a view to	
		delivering a risk-and-return	
		profile which is similar to	
		that of the reference index.	
		Wille tile Kule-Daseu Invectment Stratenv will he	
		adhered to without discretion	
		in the said selection process,	

Ref	Name of Relevant Constituent	Changes (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	key Gnanges	on risk level / expected return and performance
			those rules will be subject to reviews and may be changed from time to time.		
			The underlying investments will normally consist of 90% of the fund's net assets in equities (with 100% being the maximum events to construct t		
			exposure to equities/ and 10% in bonds and cash, although actual portfolios may vary as market, political, structural, economic and other conditions change.		
			<ul> <li>The fund will maintain a broad geographical diversification with a bias towards Hong Kong.</li> </ul>		
			<ul> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>		
			<ul> <li>The 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.</li> </ul>		

2	BCT (Pro)	Structure	Structure	Undates to reflect	Changes
	China and Hong		<ul> <li>Structured as a portfolio</li> </ul>	the new structure	necessary to
	Kong Equity		management fund.	of the tund	enable change to
	Fund <sup>1, 2, 3</sup>			being a portfolio	the new portfolio
		Objective	90	management	management
		To provide members	•	fund.	structure, thereby
		with long term	term capital appreciation.		enhancing (i)
		capital appreciation.		Specify that the	the investment
				inna will invest	TIEXIDIIITY OT THE
		Investment Policies	<ul> <li>Invests in a portfolio of APIFs</li> </ul>	in a portfolio of	tund and (ii)
		<ul> <li>Invests solely in</li> </ul>	selected from the BCT APIF	APIFs selected	diversification of
		"Invesco Pooled	Series which in turn invests in	from the BCT	investment styles
		Investment Fund	(a) Hong Kong and China-	APIF Series,	achieved via the
		– Hong Kong	related equity securities	with an active	two different
		and China Fund"	(including common /	investment	investment
		which in turn	preferred stocks, depository	strategy or a	strategies
		invests in a portfolio	receipts / certificates and	Rule-based	provided by
		of Hong Kong and	China A-shares via the Stock	Investment	the BCT APIF
		China-related	<b>Connect) and (b) other Hong</b>	Strategy.	Series and
		Securities.	Kong and China-related		asset allocation
			listed instruments (namely	<ul> <li>Specify that the</li> </ul>	in accordance
		In normal	equities related ITCIS,	underlying APIFs	with the Target
		circumstances, the	equity REITs and other	may invest in	Dynamic /
		underlying APIF will	equity stapled securities /	Hong Kong and	Smart Allocation
		invest up to 100%	investment units) provided	China-related	Percentages fixed
		of its net assets	that such securities and listed	equity securities	tor the tund.
		in Hong Kong	instruments are permitted for the	(including	ī
		and China-related	purposes of Mandatory Provident		<ul> <li>The existing</li> </ul>
		securities, which	Fund Schemes Urdinance. The	preterred stocks,	reterence to
		are listed on Hong	<b>BCT APIF Series comprises</b>	depository	"Hong Kong and
		Kong or other stock	APIFs managed either by an	receipts /	China-related
		exchanges. China-	active investment strategy	certificates and	securities" is
		related securities	("Uynamic APIFS") or a	China A-shares	expanded tor
		are defined as	"Rule-based Investment	VIA the Stock	clarity.
		the Hond Kond	Strategy" ("Smart APIFS").	other Hond Kond	

	home of	Changes o	Changes of Investment Policies		Reasons of the
Ref.	Relevant Constituent	a (before and	and Strategies (before and after the Restructuring)	Description of the	key changes / Possible Impacts
	Fund (the "fund")	Before	After	key unanges	on risk level / expected return and performance
		Stock Exchange or other exchanges, of issuers generating a substantial portion of their revenues and / or profits in the People's Republic of China A shares). Up to 10% of the underlying APIF may be invested in Hong Kong and China- related securities listed on a stock exchange that is not an approved stock exchange as defined in the Regulation.	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         of securities in the         selection of constituents         for provies of the same)         for provies of the same)	<ul> <li>and China- and China- instruments</li> <li>The existing related listed instruments</li> <li>The existing disclosure states that as: (namely equities related ITCIS, equity REITs allocation is clarified to be clarified to be clarified to be "up to 100% to 100% in 100%</li> <li>Updates to reflect invest 70% to 100% in Hong Kong and China- related securities.</li> <li>Updates to reflect invest 70% to 100% in Hong Kong and China- related securities.</li> <li>Despite the additional equivalent.</li> <li>Updates to reflect that the reflect after</li> </ul>	<ul> <li>The existing disclosure states that asset allocation is clarified to be "up to 100%". The disclosure is re-stated to be "70% to 100%" for clarity.</li> <li><i>The disclosure is re-stated to be performance</i></li> <li>Despite the additional disclosures in the Principal Brochure, no change to the risk level of the tund is expected after the restructuring exercise.</li> </ul>
			volatility of such	purposes.	

<ul> <li>The underlying</li> <li>The underlying</li> <li>APIF will not engage in any securities lending.</li> <li>APIF will not set factor invest by replicating a dessinated rutures and purposes only. The underlying APIF will maintain an purposes only. The purposes only and purposes only. The purposes only. The purposes only. The purposes only. The provident from those of the reference index. The portfollo will also seek to maintain an purpose of the reference and thong kong the reference pased intered to without the hong kong and thong kong equity markets.</li> <li>Hong kong and China-related equity markets.</li> <li>Hong kong and China-related equity markets.</li> <li>Hong kong and China-related equity securities / listed on the hong kong securities on the content as a equity securities on the proversion of the exchanges of issuers generating a substantial portion</li> </ul>	<ul> <li>No change to expected return and performance as disclosed.</li> </ul>	
The <b>underlying</b> <b>APIF</b> will not engage in any securities lending. Futures and hold options will be underlying APIF will maintain an effective currency exposure to Hong kong dollars of not less than 30%. As the <b>underlying</b> APIF will be mainly invested in the Hong Kong and China-related securities, the in the Hong Kong and China-related equity Fund will be associated with the Hong Kong and China-related equity markets. equity markets.		
The <b>underlying</b> <b>APIF</b> will not engage in any securities lendin Futures and options will be urboses only. underlying APIF will maintain an effective currenc exposure to Hon Kong dollars of less than 30%. APIF will be in the Hong Kon and China-relate securities, the inherent risk and return of the Chi and China-relate equity Fund will be associated will	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, those rules will be subject to from time to time.	<ul> <li>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</li> </ul>
	The <b>underlying</b> <b>APIF</b> will not engage in any securities lendin Futures and options will be urboses only, underlying APIF will maintain an effective currenc exposure to Hon Kong dollars of less than 30%. As the <b>underlyi</b> APIF will be mainly invested in the Hong Kong Equity Fund will be associated will be associate	and China-related equity markets.

Name of Relevant Constituent	Changes c a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
Fund (the "fund")	Before	After	key unanges	on risk level / expected return and performance
		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.		
		<ul> <li>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.</li> </ul>		
		<ul> <li>The fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, for that purpose, the fund may also purpose, the fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>		

			<ul> <li>As the <b>fund</b> 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.</li> </ul>		
.9	BCT (Pro) Asian Equity Fund <sup>1, 2, 3</sup>	Structure • Structured as a feeder fund.	<ul> <li>Structure</li> <li>Structured as a portfolio</li> <li>management fund.</li> </ul>	Updates to reflect the new structure of the fund heim a nontfolio	Changes     necessary to     enable the     change to the
		<ul> <li>Objective</li> <li>To provide members with long</li> </ul>	<ul> <li>Dbjective</li> <li>To provide members with long term capital growth.</li> </ul>	management fund.	new portfolio management structure, thereby
		>	Inv.	Specify that the fund will invest in a portfolio of	enhancing (I) the investment flexibility of the
		Invests solely in the     "Schroder MPF     Asian Fund"		APIES selected from the BCT APIF Series,	diversification of investment styles
		which in turn invests primarily in securities of	securities listed on the stock exchanges of Asia Pacific markets (excluding Japan,	with an active investment strategy or a Rule-	achieved via the two different investment
		companies in Asian equity markets (excluding Japan)	Australia and New Zealand). The equity securities to be invested primarily	based Investment Strategy.	strategies provided by the BCT APIF
		At least 60% of the assets of the	include equity securities listed in Hong Kong, China (including, but not	<ul> <li>Specify that the underlying APIFs invest primarily in</li> </ul>	Series and asset allocation in accordance
		underlying APIF are invested in Asian equities.	limited to, China A-Shares via the Stock Connect), Taiwan, Korea, Thailand,	equity securities listed on the stock exchanges of Asia	with the Target Dynamic / Smart Allocation
			Malaysia, Indonesia and	excluding Japan,	for the fund.

Ref.	Name of Relevant Constituent	Changes o al (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	key unanges	on risk level / expected return and performance
		The underlying     APIF holds a	India. The fund may invest up to 10% of its Net Asset Value in	Australia and New Zealand).	The new reference to
		of its assets in Hong Kong dollars investments.	equity securities rister off sock exchanges that are not approved stock exchanges as defined in the MPF Regulation. <b>The</b>	<ul> <li>Specify that the underlying APIFs may invest in</li> </ul>	Unitia A-Shares via the Stock Connect" is added for clarity.
		As the underlying     APIF will be mainly	BCT APIF Series comprises APIFs managed either by an active investment strategy	China A-Shares via the Stock Connect.	<ul> <li>The asset allocation is</li> </ul>
		invested in the stock markets in Asia, the inherent	("Dynamic APIFs") or a "Rule-based Investment Strateov" ("Smart APIFs")	<ul> <li>Updates to reflect the fund will</li> </ul>	adjusted from "at least 60%" to "70% to 100%"
		risk and return of the Asian Equity Fund will be	Target Dynamic / Smart Allocation Percentages for resnectively Dynamic	invest 70% to 100% in listed equity securities	to more clearly reflect the fund type of the fund
		associated with the Asian stock markets.	APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least)	<ul> <li>0-30% held in cash and cash</li> </ul>	(i.e. equity fund which, generally, requires at least
		The underlying     APIF will not     annane in anv	by the investment manager (in consultation with the Sponsor); and whilst deviations from such target	<ul> <li>equivalent.</li> <li>Updates to</li> </ul>	70% of its non- cash assets in listed equity
		securities lending and futures and ontions will he	percentages may occur, such deviations are not exnected to exceed nus /	fund may enter into currency forward contracts	
		used for hedging purposes only.	minus 10%.	for hedging purposes.	

A Smart APIF Which adopts	Impact on risk
a "Kule-pased investment	level / expected
Strategy" makes use of	return and
proprietary rule-based	performance
quantitative screening	
of securities in the	Despite the
selection of constituents	additional
(or proxies of the same)	disclosures in
from the designated	the Principal
index (taking into account	Brochure, no
the characteristics such	change to the
as attractive valuation.	risk level of
high guality, and low	the fund is
return volatility of such	expected after
constituents). Such a	the restructuring
strateov does not invest by	exercise
replicating a designated	
index (i.e. it is not a	<ul> <li>No change to</li> </ul>
typical index tracking fund	expected return
with a passive investment	and performance
strategy). The weighting of	as disclosed.
the constituent securities	
of the portfolio may be	
different from those of	
the reference index. The	
portiolio will also seek	
to maintain a relatively	
IOW DEFIORMANCE VARIATION	
Detween it and the reterence	
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	

Ref.	Name of Relevant Constituent	Changes a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	key unanges	on risk level / expected return and performance
			will be adhered to without discretion in the said selection process, those rules will be subject to reviews and may be changed from time to time.		
			<ul> <li>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.</li> </ul>		
			<ul> <li>The 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.</li> </ul>		
			<ul> <li>As the <b>fund</b> 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.</li> </ul>		

<ul> <li>Updates to reflect</li> <li>Updates to reflect</li> <li>the new structure of the fund being a portfolio being a portfolio management fund.</li> <li>Specify that the fund management fund.</li> <li>Specify that the fund will invest in a portfolio of APIE's selected from the BCT APIE's selected from the BCT APIE's selected from the BCT and eries, with an active investment strategy or a Rule-based Investment Strategy.</li> <li>APIE's for estimation of the fund investment strategy.</li> </ul>				<ul> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>		
ObjectiveDefective• To provide members with long term capital appreciation.• To provide members with long term capital appreciation.• To provide members with long term capital appreciation.• Specify that the fund will invest in a portfolio of APIFs selected from the BCT APIF Series, with an active investment 	7.	BCT (Pro) European Equity Fund <sup>1, 2, 3</sup>	St.	<ul> <li>Structure</li> <li>Structured as a portfolio</li> <li>management fund.</li> </ul>	Updates to reflect the new structure of the fund	Changes     necessary to     enable change to     the new nortfolio
<ul> <li>Investment Policies</li> <li>Invest 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 APIF selected from the BCT APIF selected investment which an active investment active investment strategy ("Dynamic APIFs") or a "Rule-based Investment Strategy" ("Smart APIFs").</li> <li>Iarget Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the</li> </ul>			12		fund.	management structure, thereby enhancing (i)
equity securities listed in Europe (including the United Kingdom), through investments in a portfolio of APIFs selected from the BCT APIF Series, portfolio of APIFs selected from the BCT APIF Series, portfolio of APIFs selected from the BCT APIF Series, investment with an active investment with an active investment strategy or a Rule-based investment investment strategy. Target Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the			long term capital appreciation.	Investment Policies	<ul> <li>Specify that the fund will invest in a portfolio of</li> </ul>	the investment flexibility of the fund and (ii)
Image of the bound of APIFs selected from the BCT APIF Series, with an active from the BCT APIF Series, with an active investment which comprises APIFs and active investment strategy and active investment strategy ("Dynamic APIFs") or a strategy or a strategy ("Dynamic APIFs").         Image of the by an active investment strategy active investment strategy.       with an active investment strategy or a strategy or a strategy.         Imanaged either by an active investment strategy.       monostrategy or a strategy or a strategy.         Imanaged either by an active investment strategy.       monostrategy.         Image Dynamic APIFs").       Strategy.         Image Dynamic APIFs       Strategy.         Image Strategy.       Image Strategy.			Investment Policies <ul> <li>Invests primarily in</li> <li>"Invesco Pooled</li> </ul>	equity securities listed in Europe (including the United Kingdom), through investments in a	APIFs selected from the BCT APIF Series,	diversification of investment styles achieved via the
Wnich comprises APIFS Which comprises APIFS managed either by an active investment strategy active investment strategy ("Dynamic APIFs") or a strategy. "Rule-based investment strategy "Rule-based investment			Investment Fund – Europe	portfolio of APIFs selected from the BCT APIF Series,	with an active investment	two different investment
("Dynamic APIFs") or a Strategy "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			Fund", which in turn invests in a portfolio of listed	which comprises APIFs managed either by an active investment strateov	strategy or a Rule-based Investment	strategies provided by the BCT APIF
Target Dynamic / Smart Allocation Percentages for respectively Dynamic APIFs and Smart APIFs are fixed for the fund (and reviewed annually at least) by the			Securities in Europe (including the	("Dynamic APIFs") or a "Rule-based Investment Stratenty" ("Smart APIFs")	Strategy.	Series and asset allocation
<u>م</u> ا				Target Dynamic / Smart Allocation Percentages for		with the Target Dynamic /
				and Smart APIFs are fixed for the fund (and reviewed annually at least) by the		Percentages fixed for the fund.

Rof	Name of Relevant Constituent	Changes c a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
		<ul> <li>In normal circumstances, the</li> </ul>	(in consultation with the Sponsor); and whilst	<ul> <li>Specify that the fund may invest in</li> </ul>	The asset     allocation is
		underlying APIF will invest <b>up to</b> 100% of its net	deviations from such target percentages may occur, such deviations are not	emerging markets such as Russia and Poland	adjusted from "up to 100%" to "70% to 100%"
		assets in European (including	expected to exceed plus / minus 10%.	<ul> <li>Updates to</li> </ul>	for clarity.
		United Kingdom) securities.	<ul> <li>A Smart APIF which adopts</li> </ul>	reflect the fund will invest	Impact on risk level / expected
		The underlying	a "Rule-based Investment Strategy" makes use of	70% to 100% in European	return and performance
		engage in any securities lending.	proprietary rule-paseu quantitative screening of securities in the	(Incruating United Kingdom) securities.	<ul> <li>Despite the additional</li> </ul>
		Futures and options will be used for	selection of constituents (or proxies of the same)	<ul> <li>0-30% held in</li> </ul>	disclosures in the Principal
		hedging purpose only.	from the designated index (taking into account	cash and cash equivalent.	Brochure, no change to the
		<ul> <li>The fund will maintain an</li> </ul>	the characteristics such as attractive valuation, high quality, and low		the fund is expected after
		effective currency exposure to Hong	return volatility of such constituents). Such a		the restructuring exercise
		Kong dollars of not less than 30%	replicating a designated		No change to
		by entering into	typical index tracking fund with a nassive investment		and performance
		contracts for hedging purposes.	strategy). The weighting of the constituent securities		5000

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, those 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 MPF Regulation.	<ul> <li>Under normal conditions,</li> <li>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.</li> </ul>
• As the <b>underlying</b> <b>APIF</b> will be mainly invested in the stock markes 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.	•	

Г

Ref.	Name of Relevant Constituent	Changes o a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	ney unanyes	expected return and performance
			<ul> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>		
			<ul> <li>The 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.</li> </ul>		
			<ul> <li>As the <b>fund</b> 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</li> </ul>		
œ	BCT (Pro) Global Equity Fund <sup>1, 2, 3</sup>	<ul> <li>Structure</li> <li>Structured as</li> <li>feeder fund.</li> </ul>	Kingdom) stock markets. Structure • Structured as a portfolio management fund.	Updates to reflect the new structure of the fund	Changes     necessary to     enable change to
		<b>Objective</b> • To provide members with capital growth over the medium to longer term.	<ul> <li>Objective</li> <li>To provide members with capital growth over the medium to long term.</li> </ul>	being a portfolio management fund.	the new portfolio management structure, thereby enhancing (i) the investment

Investment Policies	Investment Policies	<ul> <li>Specify that the</li> </ul>	flexibility of the
<ul> <li>Invests solely in</li> </ul>	<ul> <li>Invests mainly into alohal equity</li> </ul>	frind will invest	fund and (ii)
"Templeton"	markets through investments	in a nortfolio of	diversification of
MPF Global	in a nortfolio of APIFe	APIFs selected	investment styles
Fanity Fund"	colorted from the RCT ADIF	from the RCT	achieved via the
	Series, Willuri Culliprises	AFIF JUIES,	
invests primarily	APIFS managed either by an	with an active	investment
in securities of	active investment strategy	investment	strategies
companies listed	("Dynamic APIFs") or a	strategy or a	provided by
on the global stock	"Rule-based Investment	Rule-based	the BCT APIF
markets.	Strategy" ("Smart APIFs").	Investment	Series and
	Target Dynamic / Smart	Strategy.	asset allocation
 <ul> <li>The underlying</li> </ul>	Allocation Percentages	5	in accordance
 APIF has no	for respectively Dynamic	<ul> <li>Updates to reflect</li> </ul>	with the Target
prescribed	APIFs and Smart APIFs	the fund will	Dynamic /
allocations for	are fixed for the fund (and	invest 70% to	Smart Allocation
 investments in any	reviewed annually at least)	100% in listed	Percentages fixed
specific countries	by the investment manager	equity securities	for the fund.
or currencies. As	(in consultation with the	and 0-30%	
the underlying APIF	Sponsor); and whilst	will be held in	<ul> <li>The asset</li> </ul>
 is an equity fund,	deviations from such target	cash and cash	allocation is
 the investment	percentages may occur,	equivalents.	specified as
 adviser intends	such deviations are not	-	"70% to 100%"
to invest, under	expected to exceed plus /	<ul> <li>Updates to</li> </ul>	for clarity.
normal conditions,	minus 10%.	reflect that the	
a <b>majority</b> of the		fund may enter	Impact on risk
underlying APIF's	<ul> <li>A Smart APIF which adopts</li> </ul>	into currency	level / expected
assets in equity	a "Rule-based Investment	forward contracts	return and
Securities.	Strategy makes use ut nronrietary rule-hased	nurnoses	perioriiance
• The underlying	dirantitative screening		<ul> <li>No change to</li> </ul>
APIF will have a	of securities in the		the risk level
minimum of 30%	selection of constituents		of the fund is
of its net assets	(or proxies of the same)		expected after
in Hong Kong	from the designated index		the restructuring
dollar currency investments	(taking into account the characteristics such as		exercise.

Ref.	Name of Relevant Constituent	Changes o al (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	ney unanyes	expected return and performance
		<ul> <li>The underlying</li> <li>APIF will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> <li>The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.</li> </ul>	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. While the Rule- based Investment Strategy will be adhered to without discretion in the said selection process, those reviews and may be changed from time to time.		<ul> <li>No change to expected return and performance as disclosed.</li> </ul>

<ul> <li>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.</li> </ul>	<ul> <li>The fund maintains 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.</li> </ul>	<ul> <li>The fund will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>	• The <b>fund</b> 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.

Ref	Name of Relevant Constituent	Changes o al (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
	Fund (the "fund")	Before	After	Key Changes	on risk level / expected return and performance
ல்	BCT (Pro) Global Bond Fund 1.2.3	<ul> <li>Structure</li> <li>Structured as a feeder fund.</li> <li>Objective</li> <li>To provide members with total investment return over the medium to <u>longer</u> term.</li> <li>Invests solely in "Templeton Which in turn invests primarily into fixed income securities issued by governments and governments and governments in any specific countries. As the underlying APIF is a bond fund, the investment adviser intends to invest, or currencies. As</li> </ul>	Structure Structure • Structured as a portfolio management fund. Objective • To provide members with total investment return over the medium to <u>long</u> term. Invest primarily into investment Policies • Investment Policies • Investment of and public agencies. <b>local and public</b> agencies. <b>local and public</b> admortities as well as corporates through investments in a portfolio of APIFs selected from the BCT APIF Series, which in turn invests globally and may invest in emerging markets such as Thailand marged either by an active investment strategy ("Dynamic APIFs"). Target Dynamic APIFs and Smart APIFs").	<ul> <li>Clarify that the objective is to objective is to provide members with total investment return over the medium to long term.</li> <li>Updates to reflect the new structure of the fund being a portfolio fund.</li> <li>Specify that the fund will invest in a portfolio of APIFs selected from the BCT APIFs selected from the BCT APIFs selected from the BCT and the fund will investment.</li> <li>Updates to reflect that the fund will primarily invest in investment active investment.</li> </ul>	<ul> <li>Changes necessary to enable change to management structure, thereby enhancing (i) the investment flexibility of the fund and (ii) diversification of investment styles achieved via the two different investment strateges and asset allocation in accordance with the ECT APIF Series and asset allocation in accordance with the Target Dynamic. Smart Allocation in come securities is specified to align with the investment requirements</li> </ul>

<ul> <li>ect under the MPF legislation.</li> <li>The fund is not a government fund is not a government before or after the Restructuring and the list of fixed income securities the fund may invest in is expanded for clarity.</li> <li>The asset allocation is specified as "70%" for clarity.</li> <li>Impact on risk level / expected after the restructuring exercise.</li> <li>No change to the restructuring exercise.</li> <li>No change to the restructuring exercise.</li> <li>No change to and performance as disclosed.</li> </ul>
<ul> <li>Updates to reflect that the fund will invest in fixed income by governments, govern</li></ul>
<ul> <li>reviewed annually at least) by the investment manager fin consultation with the Sponsor): and whilst deviations from such target percentages may occur, such deviations are not expected to exceed plus / minus 10%.</li> <li>A Smart APIF which adopts a "Rule-based Investment Strategy" makes use of proprifetary rule-based quantitative screening of securities in the selection of constituents (or proxies of the same) from the designated index (faking 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 with a passive investment strategy low peritoring fund with a passive investment strategy. The weighting of the constituents 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 return profile which is similar to that of the reference index. While the Rule-based</li> </ul>
<ul> <li>under normal conditions, a majority of the underlying APIF's assets in fixed income securities.</li> <li>The underlying APIF's in fixed income securities.</li> <li>The underlying dollar currency investments.</li> <li>The underlying dollar currency investments.</li> <li>The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for returnent scheme investors.</li> <li>The underlying APIF will not engage in any securities lending and futures and options will be used only for hedging purposes.</li> </ul>

Before         Atter           Investment Strategy will be adhered to without discretion in the said selection process. those rules will be subject to reviews and may be changed from time to time.         Investment Strategy will be adhered to without discretion in the said selection process. those rules will be subject to reviews and may be changed from time to time.           The fund has no prescribed allocations for investments in any specific countries or currencies. 70% to 100% of the underlying investments are excircted to be fixed income securities and 0-30% will be held in cash and cash equivalent.         The fund has no prescribed allocations for the underlying investments are excircted to be fixed income securities and from are of not less than 30% and, for that purpose, the fund may also enter into currency forwards considered appropriate for fixed income investments that fixed income investments that fixed income investments that for the end appropriate for first considered appropriate for first considered appropriate for first considered appropriate for for the end appropriate for for the end appropriate for first considered appropriate for for the end appropriate for for the end appropriate for first considered appropriate for for the end appropriate for forme appropriate for formed approprise for thetemappropriate for formed approprist for formed approp	Ref.	Name of Relevant Constituent	Changes a (before and	Changes of Investment Policies and Strategies (before and after the Restructuring)	Description of the	Reasons of the key changes / Possible Impacts
Investment Strateqy will be adhered to without discretion in the said selection process. those rules will be subject to reviews and may be changed from time to time. 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 equivalent. The fund will maintain an effective currency exposure to Hong Kong dollars for thas the fund for that burpose. The fund aims to achieve as high a return also enter into currency fixed income investments that commensurate with the lower level of mestors of mot less the fund for strate spossible through global fixed income investments that commensurate with the lower level of this considered appropriate for		Fund (the "fund")	Before	After	ney unanyes	expected return and performance
<ul> <li>The fund has no prescribed irone trunt in the tund has no prescribed allocations for investments in any specific countries or currencies. 70% to 100% of the underlying investments are expectited to be fixed income securities and cash equivalent. The fund will maintain an effective currency exposure to thong Kong dollars of not less than 30% and, for that purpose, the fund may also enter into currency purposes. 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 investments that commensurate with the lower level of risk considered appropriate for retirement scheme investments that commensurate with the lower level of risk considered appropriate for retirement scheme investments that commensurate with the lower level of risk considered appropriate for retirement scheme investments that commensurate with the lower level of risk considered appropriate for retirement scheme investors.</li> </ul>				Investment Strategy will be adhered to without discretion in the said selection process.		
<ul> <li>The fund has no prescribed allocations for investments in any specific countries or currencies. Toese of the underlying investments are expected to be fixed income securities and 0-30% will be held in cash and cash equivalent.</li> <li>The fund will maintain an effective currency exposure to Hong Kong collars of not less than 30% and, for that purpose, the fund may are fixed income investments that commensurate with the lower level of risk considered appropriate for retirements considered appropriate for retirements considered appropriate for retirements.</li> </ul>				reviews and may be changed from time to time.		
<ul> <li><b>70% to 100%</b> of the unterluces.</li> <li><b>70% to 100%</b> of the underlying investments are expected to be fixed income securities and <b>0-30%</b> will be held in cash and cash equivalent.</li> <li>The <u>fund</u> will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and, <b>for that purpose, the fund may also enter into currency into currency for the doing</b>.</li> <li>The <b>fund</b> aims to achieve as high a return as possible through global fixed income investors.</li> </ul>				The fund has no prescribed allocations for investments in any according countries of any		
<ul> <li>be tixed income securities and 0-30% will be held in cash and cash equivalent.</li> <li>The 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.</li> <li>The fund aims to achieve as high a return as possible through global fixed income investors.</li> </ul>				<b>70% to 100%</b> of the underlying investments are expected to		
<ul> <li>The <u>fund</u> will maintain an effective currency exposure to Hong Kong dollars of not less than 30% and <u>for that purpose</u>, the fund may also enter into currency forward contracts for hedging purposes.</li> <li>The <u>fund</u> 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.</li> </ul>				be fixed income securities and 0-30% will be held in cash and		
<ul> <li>for that purpose, the fund for that purpose, the fund may also enter into currency forward contracts for hedging purposes.</li> <li>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.</li> </ul>				<ul> <li>The fund will maintain an effective currency exposure to Hong Kong</li> </ul>		
<ul> <li>may also enter into currency forward contracts for hedging purposes.</li> <li>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.</li> </ul>				dollars of not less than 30% and, for that purpose, the fund		
<ul> <li>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.</li> </ul>				may also enter into currency forward contracts for hedging		
a return as possible through global fixed income investments that commensurate with the lower level of risk considered appropriate for retirement scheme investors.				<ul> <li>The fund aims to achieve as high</li> </ul>		
commensurate with the lower level of risk considered appropriate for retirement scheme investors.				a return as possible through global fixed income investments that		
retirement scheme investors.				commensurate with the lower level		
				retirement scheme investors.		

in order to meet the minimum 30% HKD currency exposure, the funds may enter into currency forward contracts for hedging purposes as a result of the fund restructuring. Risk and Return level of the funds, which have been in use in fund fact sheet, will be incorporated in the investment policy and objective. It will not be affected by the changes to the investment policy and objective set out in the table above.

ŝ

### Appendix [C]

#### Fees and Charges

# Relevant Constituent Funds (Gross Fee Rate (%))

Rates Before I	Restructuring^	Rates After F	Restructuring
Name of Constituent Fund	%	Name of Constituent Fund	%
BCT (Pro) China and Hong Kong Equity Fund	1.550%*	BCT (Pro) China and Hong Kong Equity	1.43%
BCT (Pro) Hong Kong Equity Fund	Up to 1.435%	Fund	
BCT (Pro) Asian Equity Fund	1.625%	BCT (Pro) Asian Equity Fund	1.50%
BCT (Pro) European Equity Fund	1.550%*	BCT (Pro) European Equity Fund	1.50%
BCT (Pro) Global Equity Fund	1.605%	BCT (Pro) Global	1.44%
BCT (Pro) International Equity Fund	1.45%	Equity Fund	1.44 %
BCT (Pro) E90 Mixed Asset Fund	1.45%	BCT (Pro) E90 Mixed Asset Fund	1.44%
BCT (Pro) E70 Mixed Asset Fund	1.55%	BCT (Pro) E70 Mixed Asset Fund	1.44%
BCT (Pro) E50 Mixed Asset Fund	1.55%	BCT (Pro) E50 Mixed Asset Fund	1.44%
BCT (Pro) E30 Mixed Asset Fund	1.55%	BCT (Pro) E30 Mixed Asset Fund	1.44%
BCT (Pro) Global Bond Fund	1.42% to 1.43%	BCT (Pro) Global Bond Fund	1.40%

#### ^ Rates as at 1 April 2017

\* Such rate takes into account the reduction (of 0.02%) of the trustee fee payable out of the assets of the underlying APIF invested into by the Relevant Constituent Fund; which reduction came into effect on 1 April 2017.

## Appendix [D]

# APIF of the BCT APIF Series

- I List of Dynamic APIFs
  - Dynamic Global Bond Fund Dynamic China & Hong Kong Equity Fund Dynamic Asian Equity Fund Dynamic European Equity Fund Dynamic Global Emerging Markets Equity Fund
- II List of Smart APIFs

Smart Global Bond Fund Smart China & Hong Kong Equity Fund Smart Asian Equity Fund Smart European Equity Fund Smart Japanese Equity Fund Smart North American Equity Fund