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MPF Scheme Brochure for **MASS Mandatory Provident Fund Scheme**

Version date: June 2024

YF Life Trustees Limited
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IMPORTANT NOTES

1. The MASS Mandatory Provident Fund Scheme ("Scheme") is a mandatory provident fund scheme.
2. Investment involves risks and not all investment choice available under the Scheme would be suitable for everyone. There is no assurance on investment returns and your investments/accrued benefits may suffer significant loss.
3. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of constituent funds, you are in doubt as to whether a certain constituent fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the constituent fund(s) most suitable for you taking into account your circumstances. In the event that you do not make any investment choices, please be reminded that your contributions made and/or benefits transferred into the Scheme will be invested according to the Default Investment Strategy as stated in Clause 6 of this MPF Scheme Brochure, and such arrangement may not necessarily be suitable for you.
4. The Guaranteed Fund under the Scheme invests solely in an underlying approved pooled investment fund in the form of insurance policy provided by YF Life Insurance International Limited. The guarantee is also given by YF Life Insurance International Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of YF Life Insurance International Limited. The guarantee will only be provided by YF Life Insurance International Limited if and when a scheme member withdraws accrued benefits as a result of any one of the following qualifying events: a) attainment of normal retirement age; b) attainment of early retirement age; c) death or d) total incapacity.. Please refer to Clauses 3.1.1 and 8.3.2 of this MPF Scheme Brochure for details of the credit risk, guarantee features and guarantee conditions.
5. Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the MPF Conservative Fund and its underlying investment fund or (ii) members' account by way of unit deduction. The MPF Conservative Fund under the Scheme uses method (i) and, therefore, the unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
6. For further details including the product features and risks involved, please refer to the relevant clauses, in particular Clause 3, of this MPF Scheme Brochure.
7. The risk level mentioned in Clause 3 of the MPF Scheme Brochure is for reference only and is not a substitute for independent professional advice. The risk level of each constituent fund is determined by the Trustees based on the percentage of Scheme assets of the relevant constituent funds being invested in equities and subject to regular review by the Trustees, and may change without any prior notice. The risk level is not a financial tool and must not be relied upon to make any investment decisions and selection of constituent funds.

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

SFC authorization is not a recommendation or endorsement of a Registered Scheme or pooled investment fund nor does it guarantee the commercial merits of a Registered Scheme or pooled investment fund or its performance. It does not mean the Registered Scheme or pooled investment fund is suitable for all scheme participants or fund holders nor is it an endorsement of its suitability for any particular scheme participant or fund holder.

YF Life Trustees Limited is responsible for the accuracy of the information contained in this document as at the date of publication.

Date of Publication: 26 June 2024

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1. INTRODUCTION

By the Master Trust Deed, YF Life Trustees Limited (the "Trustee") established the Mass Mandatory Provident Fund Scheme ("Scheme"). Employers and employees, any self-employed person and any other persons covered by the Mandatory Provident Fund Schemes Ordinance may participate in the Scheme.

The Scheme offers the Default Investment Strategy and fourteen constituent funds which will directly invest into Underlying Investment Funds except for the Guaranteed Fund. The Guaranteed Fund will invest into the APIF Policy – MASS MPF Guaranteed Policy, which in turn will invest into an Underlying Investment Fund, ie. Allianz Choice Capital Stable Fund, which is a sub-fund under Allianz Global Investors Choice Fund.

All Underlying Investment Funds, including the underlying APIF Policy, have been approved by the MPFA and authorised by the SFC as approved pooled investment funds. However, such approval and authorisation do not imply any official recommendation.

The underlying APIF Policy is underwritten by YF Life and was launched in January 2006. The funds which will be invested by scheme members are the constituent funds where the Underlying Investment Funds to be invested by the constituent funds are approved pooled investment funds in accordance with Part 4 of Schedule 1 of the Regulation.

The fund details are summarized as below:

Constituent fund	**Investment Manager of the constituent fund and Underlying Investment Fund**	**Trustee of the Underlying Investment Fund**	**Underlying Investment Fund**
Hong Kong Equities Fund	Allianz Global Investors Asia Pacific Limited	HSBC Institutional Trust Services (Asia) Limited	Allianz Choice Hong Kong Fund (under Allianz Global Investors Choice Fund)
MPF Conservative Fund			Allianz Choice HK$ Liquidity Fund (under Allianz Global Investors Choice Fund)
Guaranteed Fund			Allianz Choice Capital Stable Fund (under Allianz Global Investors Choice Fund) Through APIF Policy
Global Stable Fund			Allianz Choice Stable Growth Fund (under Allianz Global Investors Choice Fund)
Global Growth Fund			Allianz Choice Balanced Fund (under Allianz Global Investors Choice Fund)
Greater China Equity Fund	JPMorgan Asset Management (Asia Pacific) Limited	Cititrust Limited	JPMorgan SAR Greater China Fund (Single APIF)

Constituent fund	Investment Manager of the constituent fund and Underlying Investment Fund	Trustee of the Underlying Investment Fund	Underlying Investment Fund
Age 65 Plus Fund	Invesco Hong Kong Limited	Bank Consortium Trust Company Limited	Age 65 Plus Fund (under Invesco Pooled Investment Fund)
Core Accumulation Fund			Core Accumulation Fund (under Invesco Pooled Investment Fund)
European Equity Fund	Principal Asset Management Company (Asia) Limited	Principal Trust Company (Asia) Limited	Principal European Equity Fund (under Principal Life Style Fund)
Asian Bond Fund			Principal Asian Bond Fund (under Principal Unit Trust Umbrella Fund)
Global Bond Fund			Principal International Bond Fund (under Principal Unit Trust Umbrella Fund)
US Equity Fund	Schroder Investment Management (Hong Kong) Limited	Bank Consortium Trust Company Limited	Smart North American Equity Fund (under BCT Pooled Investment Fund Series)
Asian Pacific Equity Fund			Smart Asian Equity Fund (under BCT Pooled Investment Fund Series)
Global Equity Fund		HSBC Institutional Trust Services (Asia) Limited	Advanced Global Equity Fund (under Schroder Institutional Pooled Funds)

This MPF Scheme Brochure includes information regarding the Scheme and the brief details of the constituent funds, the underlying APIF Policy and Underlying Investment Funds. The Trustee can provide more information regarding the Scheme the constituent funds, their underlying APIF Policy and Underlying Investment Funds upon request.

The Scheme is registered by the MPFA as a registered scheme under Section 21 of the Ordinance and authorised by the SFC under Section 104 of the Securities and Futures Ordinance. Such registration and authorisation do not imply any official recommendation.

1.1 Directory of Approved Trustee and Other Service Providers

Trustee and Custodian:	YF Life Trustees Limited 27/F, 33 Lockhart Road, Wanchai, Hong Kong
Investment Managers:	(1) Allianz Global Investors Asia Pacific Limited ("Allianz") 32/F, Two Pacific Place, 88 Queensway, Hong Kong (acting as the investment manager of the MPF Conservative Fund, Global Stable Fund, Global Growth Fund and Hong Kong Equities Fund in the Scheme and the investment manager of the MASS MPF Guaranteed Policy, the underlying APIF Policy of the Guaranteed Fund, in the Scheme)
	(2) Principal Asset Management Company (Asia) Limited ("Principal") 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon (acting as the investment manager of the European Equity Fund, Asian Bond Fund and Global Bond Fund in the Scheme)
	(3) Schroder Investment Management (Hong Kong) Limited ("Schroders") Level 33, Two Pacific Place, 88 Queensway, Hong Kong (acting as the investment manager of the US Equity Fund, Asian Pacific Equity Fund and Global Equity Fund in the Scheme)
	(4) JPMorgan Asset Management (Asia Pacific) Limited ("JPMorgan") 19/F, Chater House, 8 Connaught Road Central, Hong Kong (acting as the investment manager of the Greater China Equity Fund in the Scheme)
	(5) Invesco Hong Kong Limited ("Invesco") 45/F, Jardine House, 1 Connaught Place, Central, Hong Kong (acting as the investment manager of the A65F and the CAF in the Scheme)
Auditor	KPMG Certified Public Accountant 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
Insurer of the APIF Policy (MASS MPF Guaranteed Policy)	YF Life Insurance International Limited 27/F, 33 Lockhart Road, Wanchai, Hong Kong

1.2 The eMPF Platform

The eMPF Platform is a common and integrated electronic platform to standardize, streamline and automate the administration processes of Mandatory Provident Fund (MPF) schemes, with a view to enhancing operational efficiency, reducing administration costs and improving user experience in managing MPF account(s). The eMPF Platform serves as a one-stop electronic platform for participating employers and scheme members to encourage proactive management of their MPF account(s) which have got onboard the eMPF Platform anytime and anywhere through the eMPF Web Portal or eMPF Mobile App. It is mandatory for approved trustees of the Registered Scheme to perform the scheme administration functions by using the eMPF Platform under the Ordinance.

The eMPF Platform Company Limited (the "eMPF Company"), a wholly-owned subsidiary of the MPFA, operates the eMPF Platform as a public utility.

The Employers and Members can manage their MPF accounts more effectively with a wide range of functions provided by the eMPF Platform, including but not limited to the following:

a. processing registration of eMPF Platform for participating employers and scheme members;

b. processing enrolment in registered schemes for participating employers and scheme members;

c. processing MPF contributions and default contributions;

d. processing scheme members' investment instructions (including investment instructions on new contributions and switching instructions);

e. processing transfers of benefits within the registered scheme or between registered schemes or from occupational retirement schemes to registered schemes;

f. processing claims and withdrawal of MPF benefits;

g. processing the offset and refund of severance payments and long service payments to participating employers and/or scheme members/claimants;

h. processing of changes of participating employer and scheme member particulars;

i. giving of notices and documents to participating employers and scheme members;

j. handling of enquiry and complaint; and

k. following up with participating employers and scheme members on any unclear scheme administration instructions.

The eMPF Company charges fees on the Trustee for the scheme administration services it provides and the Trustee will charge such fees to the assets of the Scheme in respect of which the said services are provided.

The scheme administration of the Scheme is performed by the eMPF Platform. Employers and Members shall submit their MPF instructions to the eMPF Platform directly instead of the Trustee. To make the best use of the eMPF Platform, Employers and Members are strongly encouraged to submit instructions electronically via the eMPF Web Portal or the eMPF Mobile App.

And for such a purpose, Employers and Members should register at the eMPF Web Portal (www.eMPF.org.hk/reg/type/en) or the eMPF Mobile App (www.empf.org.hk/app) and obtain the user credential for submitting instructions electronically.

Alternatively, paper-based instructions may be submitted to the eMPF Platform by post, fax, email or in person:

- Postal Address: PO Box 98929 Tsim Sha Tsui Post Office
- Fax Number: 3197 2988
- Email address: forms@support.empf.org.hk
- In person to the eMPF Service Centres:

  Hong Kong Island: Unit 601B, 6/F, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong

  Kowloon: Suites 1205 6, 12/F, Chinachem Golden Plaza, No. 77 Mody Road, Tsim Sha Tsui East, Kowloon

  New Territories: Suite 1802A, 18/F, Tower 2, Nina Tower, No. 8 Yeung Uk Road, Tsuen Wan, New Territories

  Office Hours:

Monday to Friday	9:00 am to 6:00 pm
Saturday	9:00 am to 1:00 pm
Sunday & Public Holiday	Closed

Employers and Members can also visit the eMPF Service Centres during the office hours for MPF related services (e.g. making enquiries/complaints relating to Registered Scheme administration, seeking assistance in using the eMPF Web Portal or eMPF Mobile App, etc.).

All MPF administrative forms are available from the eMPF Platform website (www.empf.org.hk) and eMPF Service Centres. Apart from the eMPF Service Centres, Employers and Members may also, in relation to scheme administration services, call the eMPF Customer Service Hotline for enquiries/complaints and further information. Information is set out below:

Hotline: (852) 183 2622

Office Hours:

Monday to Friday	9:00 am to 7:00 pm
Saturday	9:00 am to 1:00 pm
Sunday & Public Holiday	Closed

As regards enquiries and information other than in relation to scheme administration services, Employers and Members can contact the Trustee at its hotline, number: 2533-5522.

2. CONSTITUENT FUNDS

The Scheme offers the following fourteen constituent funds with different investment objectives:

Constituent Funds	Investment Manager	Type of Fund	Fund Structure	Fund Descriptor	Investment Focus
Hong Kong Equities Fund	Allianz	Equity fund	Investing in a single APIF	Equity Fund – Hong Kong	Primarily invests in Hong Kong equities, including Chinese securities listed in Hong Kong.
MPF Conservative Fund	Allianz	Money market fund	Investing in a single APIF	Money Market Fund – Hong Kong	100% in Hong Kong Dollar deposits, fixed interest & other monetary instruments.

Constituent Funds	Investment Manager	Type of Fund	Fund Structure	Fund Descriptor	Investment Focus
Guaranteed Fund	Allianz	Balanced fund (with guaranteed features)	Investing in a single APIF	Guaranteed Fund – Conditionally guarantee payable	30% in equities 70% in fixed-interest securities
Global Stable Fund	Allianz	Balanced fund	Investing in a single APIF	Mixed Assets Fund – Global – Maximum equity around 50%	50% in equities 50% in fixed-interest securities
Global Growth Fund	Allianz	Balanced fund	Investing in a single APIF	Mixed Assets Fund – Global – Maximum equity around 70%	70% in equities 30% in fixed-interest securities
Greater China Equity Fund	JPMorgan	Equity fund	Investing in a single APIF	Equity Fund – Greater China	70%-100% net asset value in Greater China equities; 0%-30% net asset value in other equities; 0%-30% net asset value in bonds (For cash management purposes only).
Age 65 Plus Fund	Invesco	Mixed asset fund	Investing in a single APIF	Mixed Assets Fund – Global – Maximum equity around 25%	20% of net assets in Higher Risk Assets (such as global equities). Remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments).
Core Accumulation Fund	Invesco	Mixed asset fund	Investing in a single APIF	Mixed Assets Fund – Global – Maximum equity around 65%	60% of net assets in Higher Risk Assets (such as global equities. Remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments).
Asian Bond Fund	Principal	Bond fund	Investing in a single APIF	Bond Fund – Asia	70%-100% in debt securities 0%-30% in cash and time deposits
European Equity Fund	Principal	Equity fund	Investing in a single APIF	Equity Fund – Europe	70%-100% in equities 0%-30% in cash and short term investments
Global Bond Fund	Principal	Bond fund	Investing in a single APIF	Bond Fund – Global	70%-100% in debt securities 0%-30% in cash and short term investments
Asian Pacific Equity Fund	Schroders	Equity fund	Investing in a single APIF	Equity Fund – Asian Pacific	70%-100% in equities 0%-30% in cash and cash equivalent
Global Equity Fund	Schroders	Equity fund	Investing in a single APIF	Equity Fund – Global	70%-100% in global equities 0%-30% in cash and cash equivalent
US Equity Fund	Schroders	Equity fund	Investing in a single APIF	Equity Fund – U.S.	70%-100% in listed equity securities 0%-30% in cash and cash equivalent

All the above constituent funds are unitized funds.

All monies contributed to the above constituent funds will be invested directly (or, in the case of Guaranteed Fund, invested indirectly) in the Allianz Global Investors Choice Fund, the JPMorgan SAR Greater China Fund, Invesco Pooled Investment Fund, Principal Unit Trust Umbrella Fund, Principal Life Style Fund, BCT Pooled Investment Fund Series or Schroder Institutional Pooled Funds in accordance with the diagram below. They are established as approved pooled investment funds in accordance with Part IV of Schedule 1 of the Regulation. For ease of reference, the structure of the Scheme is set out in the diagram below.

MASS MANDATORY PROVIDENT FUND SCHEME (Constituent Funds in Master Trust Scheme)													
Hong Kong Equities Fund[1]	MPF Conservative Fund[1]	Guaranteed Fund1 (Through MASS MPF Guaranteed Policy[#])	Global Stable Fund[1]	Global Growth Fund[1]	Asian Bond Fund[2]	Global Bond Fund[2]	European Equity Fund[2]	Asian Pacific Equity Fund[3]	US Equity Fund[3]	Global Equity Fund[3]	Greater China Equity Fund[4]	Age 65 Plus Fund[5]	Core Accumulation Fund[5]
Underlying Investment Funds (APIF)													
Allianz Choice Hong Kong Fund	Allianz Choice HK$ Liquidity Fund	Allianz Choice Capital Stable Fund	Allianz Choice Stable Growth Fund	Allianz Choice Balanced Fund	Principal Asian Bond Fund	Principal International Bond Fund	Principal European Equity Fund	Smart Asian Equity Fund	Smart North American Equity Fund	Advanced Global Equity Fund	JPMorgan SAR Greater China Fund	Age 65 Plus Fund	Core Accumulation Fund
Allianz Global Investors Choice Fund					*Principal Unit Trust Umbrella Fund*		*Principal Life Style Fund*	*BCT Pooled Investment Fund Series*		*Schroder Institutional Pooled Funds*	*Single APIF*	*Invesco Pooled Investment Fund*	

Guaranteed Fund will invest in MASS MPF Guaranteed Policy, which in turn will invest in Allianz Choice Capital Stable Fund.

Notes:

1. Allianz Global Investors Asia Pacific Limited acts as the investment manager of the MPF Conservative Fund, Global Stable Fund, Global Growth Fund, Hong Kong Equities Fund and the investment manager of the MASS MPF Guaranteed Policy, the underlying APIF Policy of the Guaranteed Fund.
2. Principal Asset Management Company (Asia) Limited acts as the investment manager of the Asian Bond Fund, European Equity Fund and Global Bond Fund.
3. Schroder Investment Management (Hong Kong) Limited acts as the investment manager of Asian Pacific Equity Fund, US Equity Fund and Global Equity Fund.
4. JPMorgan Asset Management (Asia Pacific) Limited acts as the investment manager of the Greater China Equity Fund.
5. Invesco Hong Kong Limited acts as the investment manager of the Age 65 Plus Fund and the Core Accumulation Fund.

3. INVESTMENT POLICY AND RESTRICTIONS

The primary investment objective of the Scheme is to achieve long-term capital growth. In order to achieve this objective, each of the constituent funds is invested into one or more underlying approved pooled investment funds.

3.1 Fund Options, Investment Objectives and Policies

3.1.1 Guaranteed Fund and the underlying APIF Policy

The primary investment objective of the Guaranteed Fund and the underlying APIF Policy are identical. The Guaranteed Fund and the underlying APIF policy aim at achieving long-term capital appreciation by investing in a diversified portfolio of global equities and fixed-interest securities.

The assets of the Guaranteed Fund are invested solely in the underlying APIF Policy. The assets of the underlying APIF Policy, in turn, are invested solely in the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund.

As a result of the investments in the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund, the Guaranteed Fund and the underlying APIF Policy are expected to invest 30% of their assets in equities and 70% in fixed-interest securities. The fixed income portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. Such smaller proportion of the equity portion of the Allianz

Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may invest in less than 30% of its equity portion in China A-Shares. For the avoidance of doubt, the limit of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's net asset value).

The Guaranteed Fund maintains an "effective currency exposure" to Hong Kong dollars (as defined in the Regulation) of not less than 30 per cent.

The underlying APIF Policy may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, neither the Guaranteed Fund nor the underlying APIF Policy engages in securities lending. However, the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts, and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered low to medium. The Guaranteed Fund is expected to provide investors with capital preservation combined with steady capital appreciation over the long term by investing in a diversified portfolio of global equities and fixed-interest securities.

Subject to the Qualifying Events in clause 8.3.2.3, the Guaranteed Fund will ONLY provide guarantee on NET ACCRUED BENEFITS invested in the Guaranteed Fund by or for a Member (i.e. contribution monies made by or for a Member, accrued benefits switched in from other constituent funds of the Scheme and accrued benefits transferred in from another scheme less any Offer Spread imposed).

The Guaranteed Fund in the Scheme invests in an insurance policy which includes a guarantee. The insurance policy is issued by the insurer, YF Life.

Investments in the insurance policy are held as the assets of YF Life. In the event where YF Life is liquidated, you may not have access to your investments temporarily, or their value may be reduced.

Before you invest in the Guaranteed Fund, you should consider the risk posed by the insurer (referred to as "credit risk") under the circumstances set out above and, if necessary, seek additional information or advice.

Given that all the assets of the Guaranteed Fund are invested in the underlying APIF Policy issued by YF Life, the guarantee offered by the Guaranteed Fund is effectively provided by YF Life. As a result of this guarantee feature, the performance of the Guaranteed Fund may be diluted. **Please also refer to clauses 8.2 and 8.3.2 below for the details of the guarantee mechanism.**

The performance of the Guaranteed Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk, counterparty risk, risks of China A shares market and Stock Connect.

3.1.2 Global Growth Fund

The Global Growth Fund seeks to achieve a high level of overall return over the long term by investing in a diversified portfolio of global equities and fixed-interest securities. The Global Growth Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Global Growth Fund are as follows: meets our investment objectives, balances between fixed income and equities, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund, the Global Growth Fund is expected to invest 70% of its assets in equities and 30% in fixed-interest securities. The fixed income portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. Such smaller proportion of the equity portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may invest less than 30% of its equity portion. For the avoidance of doubt, the limit of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's net asset value).

The Global Growth Fund will maintain an "effective currency exposure" to Hong Kong dollars (as defined in the Regulation) of not less than 30 per cent.

The Global Growth Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Global Growth Fund will not engage in securities lending. However, the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered medium to high.

The performance of the Global Growth Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk, counterparty risk, risks of China A shares market and Stock Connect.

3.1.3 Global Stable Fund

The Global Stable Fund seeks to achieve a stable overall return over the long term by investing in a diversified portfolio of global equities and fixed-interest securities. The Global Stable Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Global Stable Fund are as follows: meets our investment objectives, balances between fixed income and equities, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund, the Global Stable Fund is expected to invest 50% of its assets in equities and 50% in fixed-interest securities. The fixed income portion of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. Such smaller proportion of the equity portion of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may invest less than 30% of its equity portion. For the avoidance of doubt, the limit of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's net asset value).

The Global Stable Fund will maintain an "effective currency exposure" to Hong Kong dollars (as defined in the Regulation) of not less than 30 per cent.

The Global Stable Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Global Stable Fund will not engage in securities lending. However, the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered medium.

The performance of the Global Stable Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk, counterparty risk, risks of China A shares market and Stock Connect.

3.1.4 MPF Conservative Fund

The investment objective of the MPF Conservative Fund is to provide a convenient and easily realisable medium of investment for investors who require a level of income combined with a high degree of capital protection by investing in HK dollar denominated bank deposits and other high quality HK dollar denominated fixed interest and other monetary instruments. The MPF Conservative Fund seeks to achieve the above objective by investing into the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund.

As a result of investing into the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund, the MPF Conservative Fund may invest in any or a combination of (a) deposits for a term not exceeding 12 months; (b) Unrestricted Investments having a remaining maturity period of no more than 2 years; (c) debt securities (other than Unrestricted Investments) with a remaining maturity period of no more than 1 year and which satisfy the minimum credit rating set by the MPFA or (d) any other assets permitted for investment by Capital Preservation Fund pursuant to the MPF Regulation.

The MPF Conservative Fund will maintain an average portfolio maturity of not more than 90 days and an effective currency exposure (as defined in the Regulation) to Hong Kong dollars equal to the latest available NAV of the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund.

The MPF Conservative Fund is a low-risk investment option which protects investors against investment losses resulting from market fluctuations or volatility. The MPF Conservative Fund may not engage in financial futures contracts or financial option contracts or currency forward contracts or in securities lending.

The inherent risk in implementing the above investment policy is considered low.

The performance of the MPF Conservative Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk and counterparty risk.

3.1.5 Global Equity Fund

The investment objective of the Global Equity Fund is to seek capital growth through investing in a diversified global equity portfolio. The Global Equity Fund seeks to achieve the above objective by investing solely into the Advanced Global Equity Fund of Schroder Institutional Pooled Funds.

As a result of investing into the Advanced Global Equity Fund of Schroder Institutional Pooled Funds, the portfolio of the Global Equity Fund may invest up to 100% in a portfolio of global equities in a globally diversified manner with relative emphasis on the United States and Europe.

The portfolio of the Global Equity Fund may hold up to 10% of its net asset value in cash or cash equivalents for the purpose of portfolio management, and up to 30% of its net asset value in cash or cash equivalents in times of extreme market conditions such as in times of a prolonged bearish market or a severe and rapid economic downturn in order to protect the assets of the Global Equity Fund, mitigate risk or maintain liquidity of the Global Equity Fund.

The current proposed asset allocation of the Global Equity Fund through its investment in the Advanced Global Equity Fund of Schroder Institutional Pooled Funds is set out below. Investors should note that the actual allocation may at times be varied from that shown below as market, economic and other conditions change.

	% of net asset value
Asset allocation	Range
Equities	70 –100%
Cash or cash equivalents	0– 30%
Geographical allocation	Range
Asia Pacific excluding Japan	0 –50%
United States	10 – 70%
Japan	0 – 25%
Europe	10 – 50%
Others	0 – 30%

The Global Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Global Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a global investment mandate.

The Global Equity Fund may not engage in financial futures and financial option contracts. The Global Equity Fund will engage in currency forward contracts for hedging purpose. Moreover, the Global Equity Fund will not engage in security lending.

The Global Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Global Equity Fund as a high risk investment.

The performance of the Global Equity Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk and counterparty risk.

3.1.6 Global Bond Fund

The investment objective of the Global Bond Fund is to protect and maximize real asset value in terms of international purchasing power. The Global Bond Fund seeks to achieve the above objective by investing solely into the Principal International Bond Fund of Principal Unit Trust Umbrella Fund.

As a result of investing into the Principal International Bond Fund of Principal Unit Trust Umbrella Fund, the portfolio of the Global Bond Fund will invest mainly in the global bond markets, both sovereign or non-sovereign debt securities, of varying maturities and denominated in the world's major currencies.

The target ranges of asset allocation and geographic allocation of the Global Bond Fund through its investment in the Principal International Bond Fund of Principal Unit Trust Umbrella Fund are as follows:

	% of net asset value
Asset Allocation	Range
Debt Securities	70 – 100%
Cash & Short-term Investments (e.g. bills and deposits)	0 – 30%
Geographic Allocation	Range
Asia (ex-Japan)	0 – 50%
Europe	0 – 50%
Japan	0 – 50%
North America	15 – 85%
Other countries (each)	0 – 20%

The Global Bond Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Global Bond Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a global investment mandate.

The Global Bond Fund may not engage in financial futures and financial option contracts. The Global Bond Fund may not engage in currency forward contracts. Moreover, the Global Bond Fund will not engage in security lending.

The Global Bond Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Global Bond Fund as a low risk investment.

The performance of the Global Bond Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk and counterparty risk.

3.1.7 Asian Bond Fund

The investment objective of the Asian Bond Fund is to seek a return consisting of income and capital growth over medium to long term. The Asian Bond Fund seeks to achieve the above objective by investing solely into the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund.

As a result of investing into the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund, the portfolio of the Asian Bond Fund will invest a majority of its assets in Asian debt securities, including but not limited to sovereign, quasi-sovereign, agency, corporate bonds, of varying maturities issued by the government, multi-lateral agencies or by companies, and denominated primarily in U.S. dollars and major Asian currencies. The types of debt securities that the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund intends to primarily invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. In addition, the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund invests not more than 30% of its assets in time deposits or may hold cash.

Other than U.S. dollars and Hong Kong dollars, exposure to any single Asian currency, including but not limited to China Renminbi, South Korean Won and Singaporean dollars, will not exceed 30% of the total assets of the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund. During special circumstances, such as periods of uncertainty or high volatility in Asian debt securities markets, the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund may invest up to 30% of its assets in non-Asian assets to protect the Principal Asian Bond Fund. During periods of high volatility, Asian debt securities may be less liquid or with higher bid-offer spreads etc. making them more difficult and expensive to transact in the market. In those cases, to help the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund maintain liquidity and buffer against market volatility, Principal may choose to invest in non-Asian assets, such as US Treasuries, non-Asian highly rated sovereign debt securities, which are more liquid and have lower bid-offer spread etc.

The target ranges of asset allocation and geographic allocation of the Asian Bond Fund through its investment in Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund are as follows:

	% of net asset value
Asset allocation	Range
Debt securities	70 – 100%
Cash and time deposits	0 – 30%
Geographic allocation	Range
Asia	70 – 100%
Others	0 – 30%

The Asian Bond Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Asian Bond Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have an Asian investment mandate.

The Asian Bond Fund may not engage in financial futures and financial option contracts. The Asian Bond Fund may not engage in currency forward contracts. Moreover, the Asian Bond Fund will not engage in security lending.

The Asian Bond Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Asian Bond Fund as a low risk investment.

The performance of the Asian Bond Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk and counterparty risk.

3.1.8 Hong Kong Equities Fund

The Hong Kong Equities Fund seeks to achieve long-term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong. The Hong Kong Equities Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Hong Kong Equities Fund are as follows: meets our investment objectives, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund, the Hong Kong Equities Fund is expected to invest not less than 70% of net asset value in Hong Kong equities, including Chinese securities listed in Hong Kong. For the remaining portion of its assets, the Hong Kong Equities Fund may invest less than 30% of its net asset value in China A-Shares, which are related to Hong Kong by either being traded via the Stock Connect or having businesses in or relations to Hong Kong (e.g. part of the revenues being derived in Hong Kong and/or providing goods/services and/or having operations in Hong Kong). Such investment in China A-Shares may be made either (i) directly via the Stock Connect and/or the QFI Regime or (ii) (where applicable) indirectly through other eligible instruments (if any) as permitted by the relevant regulations from time to time.

The Hong Kong Equities Fund will maintain an "effective currency exposure" to Hong Kong dollars (as defined in the Regulation) of not less than 30 per cent.

The Hong Kong Equities Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Hong Kong Equities Fund will not engage in securities lending. However, the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered high.

The performance of the Hong Kong Equities Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk counterparty risk, risks of China A shares market and Stock Connect.

3.1.9 Asian Pacific Equity Fund

The investment objective of the Asian Pacific Equity Fund is to provide long term capital appreciation. The Asian Pacific Equity Fund seeks to achieve the above objective by investing solely into the Smart Asian Equity Fund of BCT Pooled Investment Fund Series.

The Smart Asian Equity Fund of BCT Pooled Investment Fund Series, will apply a "Smart Beta" investment strategy in a portfolio of Asia Pacific (excluding Japan, Australia and New Zealand) equity securities that are constituent stocks of the FTSE MPF Asia Pacific ex Japan, Australia and New Zealand Index (or equity-related securities which are receipts or certificates entitling the holder to the economic benefits of ownership of such constituent stocks ("Proxies"), including depositary receipts and non-voting depositary receipts). The invested markets primarily include Hong Kong, China (including, but not limited to China A-Shares via Stock Connect), Taiwan, South Korea, Singapore, Malaysia, Thailand, Philippines, Indonesia and India.

As the Asian Pacific Equity Fund through its investment in Smart Asian Equity Fund of BCT Pooled Investment Fund Series does not invest by replicating a designated index (as in the case of a typical index tracking fund), Asian Pacific Equity Fund is not an index tracking fund with passive management strategies. The use of the "Smart Beta" investment strategy will involve the utilization of a proprietary rule-based quantitative screening of securities in the selection of constituents (or their Proxies) from the said index. The weighting of the constituents (or their Proxies) invested by the Smart Asian Equity Fund of BCT Pooled Investment Fund Series may be different from reference index. The Smart Asian Equity Fund will also seek to maintain a relatively low performance variation between the Smart Asian Equity Fund and the said index with a view to delivering a risk-and-return profile which is similar to that of the said index. While the said 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 Asian Pacific Equity Fund through its investment in Smart Asian Equity Fund of BCT Pooled Investment Fund Series has no prescribed allocations for investments in any specific countries or currencies in the Asia Pacific (excluding Japan, Australia and New Zealand).

The target ranges of asset allocation of the Asian Pacific Equity Fund through its investment in the Smart Asian Equity Fund of BCT Pooled Investment Fund Series are as follows:

	% of net asset value
Asset allocation	Range
Listed equity securities	70% – 100%
Cash and cash equivalents	0% – 30%

The Asian Pacific Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Asian Pacific Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have an Asian investment mandate.

The Asian Pacific Equity Fund may not engage in financial futures and financial option contracts. The Asian Pacific Equity Fund will engage in currency forward contracts for hedging purposes. Moreover, the Asian Pacific Equity Fund will not engage in security lending.

The Asian Pacific Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Asian Pacific Equity Fund as a high risk investment.

The performance of the Asian Pacific Equity Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, counterparty risk, the risks of China A shares market and Stock Connect.

3.1.10 European Equity Fund

The investment objective of the European Equity Fund is to achieve capital growth over the long-term by investing mainly in European equity markets. The European Equity Fund seeks to achieve the above objective by investing solely into the Principal European Equity Fund of Principal Life Style Fund.

As a result of investing into the Principal European Equity Fund of Principal Life Style Fund, the portfolio of the European Equity Fund will invest primarily in listed equities issued by companies established in Europe or by companies whose shares are listed in Europe or by companies that are listed elsewhere but have substantial business in Europe.

The European Equity Fund through its investment in Principal European Equity Fund of Principal Life Style Fund may hold cash and short-term investments for cash management purpose.

The target ranges of asset allocation and geographic allocation of the European Equity Fund through its investment in the Principal European Equity Fund of Principal Life Style Fund are as follows:

	% of net asset value
Asset Allocation	Range
Equity Securities	70 – 100%
Cash & Short-term Investments (e.g. bills and deposits)	0 – 30%
Geographic Allocation	Range
Europe	70 – 100%
Others countries	0 – 30%

The European Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The European Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a European investment mandate.

The European Equity Fund may not engage in financial futures and financial option contracts. The European Equity Fund may not engage in currency forward contracts. Moreover, the European Equity Fund will not engage in security lending.

The European Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the European Equity Fund as a high risk investment.

The performance of the European Equity Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk and counterparty risk.

3.1.11 US Equity Fund

The investment objective of the US Equity Fund is to provide long term capital appreciation. The US Equity Fund seeks to achieve the above objective by investing solely into Smart North American Equity Fund of BCT Pooled Investment Fund Series.

Smart North American Equity Fund of BCT Pooled Investment Fund Series, will apply a "Smart Beta" investment strategy in a portfolio of North American equity securities that are constituent stocks of the FTSE MPF North America Index (or equity-related securities which are receipts or certificates entitling the holder to the economic benefits of ownership of such constituent stocks ("Proxies"), including depositary receipts and non-voting depositary receipts).

As the US Equity Fund through its investment in Smart North American Equity Fund of BCT Pooled Investment Fund Series does not invest by replicating a designated index (as in the case of a typical index tracking fund), the US Equity Fund is not an index tracking fund with passive management strategies. The use of the "Smart Beta" investment strategy will involve the utilization of a proprietary rule-based quantitative screening of securities in the selection of constituents (or their Proxies) from the said index. The weighting of the constituents (or their Proxies) invested by the Smart North American Equity Fund may be different from that of the reference index. The Smart North American Fund will also seek to maintain a relatively low performance variation between the Smart North American Fund and the said index with a view to delivering a risk-and-return profile which is similar to that of the said index. While the said 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 target ranges of asset allocation of the US Equity Fund through its investment in the Smart North American Equity Fund of BCT Pooled Investment Fund Series are as follows:

	% of net asset value
Asset allocation	Range
Listed equity securities	70% – 100%
Cash and cash equivalents	0% – 30%

The US Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The US Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a US investment mandate.

The US Equity Fund may not engage in financial futures and financial option contracts. The US Equity Fund may engage in currency forward contracts for hedging purposes. Moreover, the US Equity Fund will not engage in security lending.

The US Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the US Equity Fund as a high risk investment.

The performance of the US Equity Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk and counterparty risk.

3.1.12 Greater China Equity Fund

The investment objective of the Greater China Equity Fund is to provide investors with long term capital growth. The Greater China Equity Fund seeks to achieve the above objective by investing into the JPMorgan SAR Greater China Fund.

As a result of investing into the JPMorgan SAR Greater China Fund, the portfolio of the Greater China Equity Fund will invest primarily in securities of companies based or operating principally in the People's Republic of China, Hong Kong, Macau or Taiwan ("Greater China Region") and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan. The Greater China Equity Fund may invest (directly or indirectly) less than 30% of its net assets in China A and/or B shares.

The Greater China Equity Fund through its investment in the JPMorgan SAR Greater China Fund will have the following ranges of asset allocations:

70-100%	net asset value in Greater China equities
0-30%	net asset value in other equities
0-30%	net asset value in bonds^

^ For cash management purposes only.

The Greater China Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments.

The Greater China Equity Fund may not engage in financial futures contracts and financial option contracts. Moreover, the Greater China Equity Fund will not engage in security lending.

The Greater China Equity Fund through JPMorgan SAR Greater China Fund invests in securities. Investments by the JPMorgan SAR Greater China Fund are restricted by the terms of the Trust Deed of the JPMorgan SAR Greater China Fund and by the Regulation. Subject to the limits set out in the investment restrictions specified in the Trust Deed of the JPMorgan SAR Greater China Fund and in the Regulation, the investment manager may invest in financial options and warrants and enter into financial futures contracts for hedging purposes. The investment manager has the discretion under the Trust Deed of the JPMorgan SAR Greater China Fund to enter into securities lending arrangements under specified circumstances where the relevant guidelines issued by the MPFA are complied with. However, the investment manager of the JPMorgan SAR Greater China Fund does not currently intend to enter into such arrangements.

The Greater China Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Greater China Equity Fund as a high risk investment.

The performance of the Greater China Equity Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk counterparty risk, risks of China A shares market and Stock Connect.

3.1.13 Age 65 Plus Fund

Investment Objective

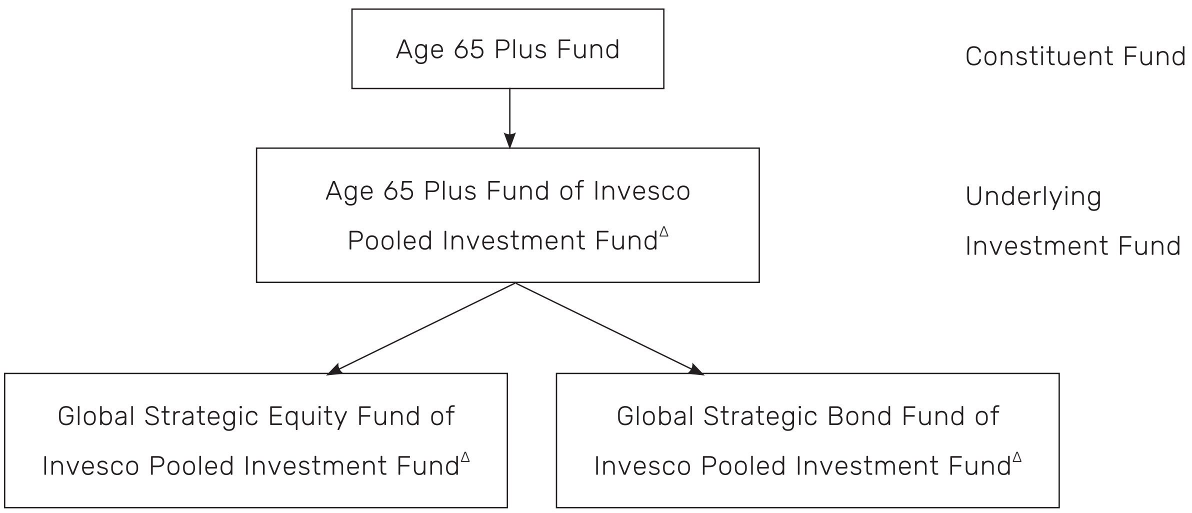
The investment objective of the Age 65 Plus Fund is to achieve stable growth by investing in a globally diversified manner.

Investment Strategy

The Age 65 Plus Fund through the underlying approved pooled investment funds ("APIFs") of the Underlying Investment Fund adopts active investment strategy. The Underlying Investment Fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the Age 65 Plus Fund through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the Age 65 Plus Fund but may not be identical to the MPF industry developed Reference Portfolio for the Age 65 Plus Fund in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing.

Investment Structure

The Age 65 Plus Fund shall be invested in an approved pooled investment fund named the Age 65 Plus Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a global diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the Regulation.



∆ managed by Invesco Hong Kong Limited

Asset Allocation

The Age 65 Plus Fund, through the Underlying Investment Fund, targets to invest 20% of its net assets in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments). The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The asset allocation to the Higher Risk Assets (ranged from 15% to 25%) is subject to the discretion of investment manager of the Age 65 Plus Fund.

Geographical Allocation

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

Hong Kong Dollar Currency Exposure

The Age 65 Plus Fund through its Underlying Investment Fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the Regulation) of not less than 30% through currency hedging operations.

Policies regarding the acquisition, holding and disposal of financial futures contracts, financial option contracts and security lending

The Age 65 Plus Fund and its Underlying Investment Fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the Age 65 Plus Fund and Underlying Investment Fund, through its APIFs, will enter into financial futures contracts and financial options contracts for hedging purposes only. Besides, the Age 65 Plus Fund will not engage in currency forward contracts.

Risk and expected return

Investment in the Age 65 Plus Fund is subject to market fluctuations and to the risk inherent to investing in securities. Because the asset allocation of Higher Risk Assets of the Age 65 Plus Fund may vary between 15% to 25%, based on the percentage of assets invested in equities (i.e. Higher Risk Assets), investors should regard the Age 65 Plus Fund as a low to medium risk investment. The return of the Age 65 Plus Fund over the long term is expected to be at least similar to the return of the MPF industry developed Reference Portfolio for the Age 65 Plus Fund. Please refer to Clause 6.5 of the MPF Scheme Brochure for details of the MPF industry developed Reference Portfolio.

The performance of the Age 65 Plus Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk and counterparty risk.

3.1.14 Core Accumulation Fund

Investment Objective

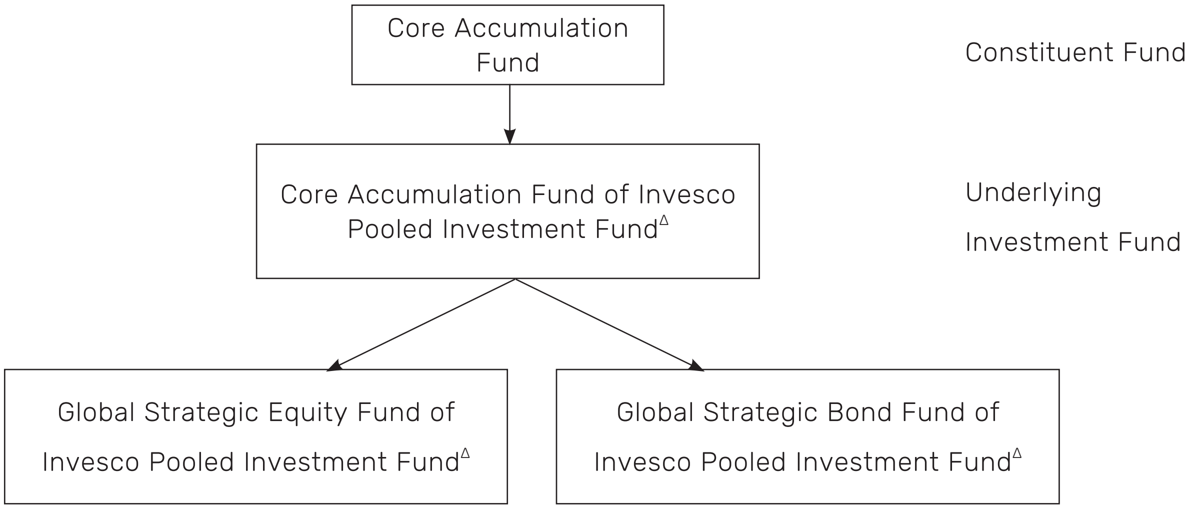
The investment objective of the Core Accumulation Fund is to achieve capital growth by investing in a globally diversified manner.

Investment Strategy

The Core Accumulation Fund through the APIFs of the Underlying Investment Fund adopts active investment strategy. The Underlying Investment Fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the Core Accumulation Fund through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the Core Accumulation Fund but may not be identical to the MPF industry developed Reference Portfolio for the Core Accumulation Fund in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing.

Investment Structure

The Core Accumulation Fund shall invest in an approved pooled investment fund named the Core Accumulation Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a globally diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the Regulation.



^Δ managed by Invesco Hong Kong Limited

Asset Allocation

The Core Accumulation Fund, through the underlying investment fund, targets to invest 60% of its net assets in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments). The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The asset allocation to the Higher Risk Assets (ranged from 55% to 65%) is subject to the discretion of investment manager of the Core Accumulation Fund.

Geographical Allocation

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

Hong Kong Dollar Currency Exposure

The Core Accumulation Fund through its Underlying Investment Fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the Regulation) of not less than 30% through currency hedging operations.

Policies regarding the acquisition, holding and disposal of financial futures contracts, financial option contracts and security lending

The Core Accumulation Fund and its Underlying Investment Fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the Core Accumulation Fund and Underlying Investment Fund, through its APIFs, will enter into financial futures and options contracts for hedging purposes only. Besides, the Core Accumulation Fund will not engage in currency forward contracts.

Risk and expected return

Investment in the Core Accumulation Fund is subject to market fluctuations and to the risk inherent to investment in securities. Because the asset allocation of Higher Risk Assets of the Core Accumulation Fund may vary between 55% to 65%, based on the percentage of assets invested in equities (i.e. Higher Risk Assets), investors should regard the Core Accumulation Fund as a medium to high risk investment. The return of the Core Accumulation Fund over the long term is expected to be at least similar to the return of the MPF industry developed Reference Portfolio for the Core Accumulation Fund. Please refer to Clause 6.5 of the MPF Scheme Brochure for details of the MPF industry developed Reference Portfolio.

The performance of the Core Accumulation Fund is subject to a number of risks, including the following: currency risk, market risk, interest rate risk, security risk, credit risk and counterparty risk.

Information about the latest risk class of each constituent fund under the scheme is available in the latest fund fact sheet of the Scheme and www.yflife.com. Please note that the risk class is prescribed by the MPFA according to the Code on Disclosure for MPF Investment Funds and the risk class has not been reviewed or endorsed by the SFC.

3.1.15 Change of Investment Policy

Subject to the approval of the Authority and the SFC,

(i) the Trustee may change the investment policy of any constituent fund by one month's prior written notice (or such longer period not exceeding three months as may be imposed by the SFC) to the scheme participants; and

(ii) the Insurer may change the investment policy of the underlying APIF Policy by one month's prior written notice to the policyholders of the underlying APIF Policy.

3.2 Risks

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

The investments made by each of the constituent funds, the Underlying Investment Funds and underlying APIF Policy are subject to normal market fluctuations. Scheme participants should be aware that **the value of investments and income from the investment could go down as well as up**. In general, the risks associated with investments of the constituent funds may include:

(i) Information quality

Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some companies in emerging markets in which the assets of a constituent fund or the underlying APIF Policy may invest may differ from those applicable in developed countries. As a result, less information is available to scheme participants and such information may be out of date or carry a lower level of assurance.

(ii) Currency risk

Assets of the constituent funds and their underlying approved pooled investment funds (including the underlying APIF Policy) may be invested in securities which are denominated in currencies other than those of developed countries and any income received from those investments will be received in those currencies. A depreciation of those currencies against Hong Kong dollars may be prejudicial to the scheme participant's investment in the constituent funds.

(iii) Social, political and economic factors

The economies of many of the emerging countries where the constituent funds and the underlying APIF Policy may invest may be subject to a substantially greater degree of social, political and economic instability than developed countries. Such instability may result from authoritarian governments, popular unrest associated with demands for improved political, economic and social conditions, internal insurgencies and terrorist activities. This instability might impair the financial conditions of issuers or disrupt the financial markets in which the funds of the underlying APIF Policy invest.

(iv) Market risk

Market risk may significantly affect the value of investments. This risk includes changes in the consumption pattern, the economic condition, the expectation of the investors and other factors. Investments made in emerging markets may be subject to risks which do not exist in or are more common or significant than more developed markets. Emerging markets are usually more volatile than developed markets and may experience substantial price volatility, and they may face more risk in being interfered by the government. The acting and auditing standards and legal structure in emerging markets may also fail to provide the same amount of information or degree of protection to investors as more developed markets would be able to.

(v) Interest rate risk

Investments made in securities may be subject to interest rate risk and their value can be affected by fluctuations in the interest rates. In the situation where the interest rates rise, new debt securities issued will pay a higher rate of interest which will normally result in the fall of the value of previously issued debt securities. On the contrary, where interest rates fall, then the value of the previously issued debt securities will normally rise.

(vi) Security risk

Security risk includes factors such as the business, management capability, capital structure, liquidity position, product composition and others factors of the company in which the underlying investment fund assets are invested.

(vii) Credit risk

The performance of investments with their underlying investment fund assets invested in fixed interest securities is subject to the credit risk of the issuer of the fixed interest securities. For example, if the issuer fails to make payments on the fixed interest securities it issues, then the performance of the underlying investment fund will be adversely affected.

(viii) Counterparty risk

Since investments in bonds, deposits and other financial instruments involve counterparties, they are therefore subject to a counterparty's non-performance and/or credit risk.

(ix) Risk relating to investing in a particular market

Investments made in the assets or securities of a particular market may be less diversified than investments made globally and may face a higher concentration risk, as they will be subject to factors relating solely to that particular market, such as the political, economical and social conditions and development of that market. The trustee may also be unable to invest in other markets where there are adverse market changes.

(x) Risks of China A shares market and Stock Connect

To the extent that a constituent fund or its Underlying Investment Fund invests in China A shares listed on the PRC stock exchange(s) via the Stock Connect, investors will be subject to the risks associated with the Stock Connect and the China A shares market.

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

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

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

Trading in securities through the Stock Connect is subject to operational risk. Further, investments by the Underlying Investment Fund are not covered by the Hong Kong's Investor Compensation Fund. China A share market may be less liquid and more volatile as compared with other developed financial markets. The net asset value of a constituent fund or its Underlying Investment Fund may be adversely affected if trading markets for China A shares are limited or absent. Market volatility and settlement difficulties in the China A share markets may also result in significant fluctuations in the prices of the securities traded on such markets and may affect the value of a constituent fund or its Underlying Investment Fund which invests in the China A shares market.

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

3.3 Investment Restrictions

Both the constituent funds of the Scheme and the underlying APIF Policy are subject to the investment and borrowing restrictions set out in Schedule 1 of the Regulation. In addition, the investments of the MPF Conservative Fund will also be subject to Section 37 of the Regulation.

4 FEES AND CHARGES

4.1 Deductions from the MPF Conservative Fund

Pursuant to section 37 of the Regulation, administrative expenses may only be deducted from the account of a Member whose Accrued Benefits form part of the MPF Conservative Fund in the following circumstances:

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

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

4.2 Fee Table

The following table describes the fees, charges and expenses that Employers and Members may pay upon and after joining the Scheme. Important explanatory notes are set out at the bottom of the table.

(A) JOINING FEE & ANNUAL FEE		
Type of fees	**Current amount (HK$)**	**Payable by**
Joining Fee	Nil	Employer
	Nil	SEP Member
Annual Fee	N/A	

(B) FEES, EXPENSES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMBER'S ACCOUNT			
Type of fees, expenses & charges	**Name of constituent fund**	**Current level**	**Payable by**
Contribution Charge	All constituent funds	N/A	
Offer Spread	MPF Conservative Fund	N/A	
	Other constituent funds	Nil	Members
Bid Spread	MPF Conservative Fund	N/A	
	Other constituent funds	Nil	Members
Withdrawal Charge	All constituent funds	N/A	

(C) FEES, EXPENSES AND CHARGES OF CONSTITUENT FUNDS AND UNDERLYING INVESTMENT FUNDS (Applies until 25 September 2024)			
Type of fees, expenses & charges	**Name of constituent fund**	**Current level**	**Payable by**
Offer Spread	MPF Conservative Fund	Nil	Relevant Underlying Investment Fund assets
	Guaranteed Fund		
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	Greater China Equity Fund		
	Other constituent funds	N/A	
Bid Spread	MPF Conservative Fund	Nil	Relevant Underlying Investment Fund assets
	Guaranteed Fund		
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	Greater China Equity Fund		
	Other constituent funds	N/A	
Type of fees, expenses & charges	**Name of constituent fund**	**Current level**	**Deducted from**
Management Fees (For the definition, please refer to section of "Glossary" under P.87 of the MPF Scheme Brochure)	Guaranteed Fund	1.38% p.a. of the net asset value [Note G**]	Relevant constituent fund assets and Underlying Investment Fund assets
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	MPF Conservative Fund	Up to 0.83% p.a. of the net asset value [Note D, G**]	
	Global Bond Fund	1.41% – 1.42% p.a. of the net asset value [Note G]	
	Greater China Equity Fund	1.5295% p.a. of the net asset value [Note G****]	
	US Equity Fund	0.98% p.a. of the net asset value [Note B5, G]	
	Asian Balanced Fund	1.51% p.a. of the net asset value [Note G]	
	Asian Pacific Equity Fund		
	Global Equity Fund		
	European Equity Fund		
	Age 65 Plus Fund	0.75% p.a. of the net asset value [Note G****]	
	Core Accumulation Fund		
Guarantee Charge [Note F2]	Guaranteed Fund	1.75% p.a. of the net asset value	Underlying insurance policy assets

Other expenses at constituent fund level	The following major charges, fees and expenses shall be deducted from the assets of the relevant constituent fund: 1. Compensation fund levy (if any); 2. Indemnity insurance▲; 3. Legal charges▲; 4. Auditor's fees▲; 5. Fund Accounting fees▲ (at an annual rate of US$7,500 per constituent fund); and 6. Establishment cost for the Hong Kong Equities Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund is HKD5,000 each. This cost is the application fee which is payable to the MPFA and will be deducted from the net asset value of the respective constituent fund within 12 months after the approval of the constituent fund. The establishment cost for the A65F and the CAF will be borne by the Trustee, no establishment cost is charged on the DIS Constituent Funds. For details of other expenses▲ in constituent funds, please refer to Item B of the Explanatory Notes. Certain recurrent expenses (i.e. Out-of-pocket Expenses) relating to the CAF and the A65F are subject to a statutory annual limit of 0.20%* of the net asset value of each of those funds and will not be charged to or imposed on the fund in excess of that amount. (* Note: the rate will be reduced to 0.1% with effect from 1 January 2025.) Please refer to Clause 6.3 of the MPF Scheme Brochure for details. ▲ this charge will be deducted from the assets of all constituent funds except Guaranteed Fund (the relevant charges under the Guaranteed Fund are collected at the underlying investment fund level).
Other expenses at Underlying Investment Fund level	The following major charges, fees and expenses shall be deducted from the assets of the relevant Underlying Investment Funds: 1. Indemnity insurance▼; 2. Legal charges##; 3. Auditor's fees##; and 4. Fund Administration fees## (not applicable for DIS Constituent Funds). For details of other expenses in Underlying Investment Funds, please refer to Item C of the Explanatory notes. ▼ This charge will be deducted from the assets of MASS MPF Guaranteed Policy only. ## For Mass MPF Guaranteed Policy, these charges include expenses at both constituent fund and policy levels.

** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Registrar of the Underlying Investment Fund and transaction fees as may from time to time be agreed between the investment manager and the trustee of the Underlying Investment Fund. *** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, indemnity insurance, publishing fee, investment transaction fees, and legal expenses of the Underlying Investment Fund. **** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, the Registrar and the custodian(s) of the Underlying Investment Fund's investments. The custodian charges will include a custody market value fee based on the investments size and the markets invested in, and a custody volume fee based on the number of transactions.

(D) OTHER FEES, EXPENSES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES		
Type of charges & expenses	**Current level**	**Payable by**
Withdrawal fee[Note F8] for withdrawal of voluntary contributions	Nil	Member
Fee[Note F9] for the payment of Accrued Benefits by instalments (other than the first 12 instalments in any year)	$100	Member

EXPLANATORY NOTES

A. In respect of any increase in fees and charges from the current level as stated, at least three months prior notice must be given to all Members and Employers.

B. The charges, fees and expenses mentioned in B.1- B.4.2 shall be deducted from the assets of the relevant constituent fund (except DIS Constituent Fund). Where the Member of the Scheme is an Employer, such charges, fees and expenses may be paid out of the forfeitures account of the Employer's participating scheme.

B.1 any costs incurred in registering or maintaining the registration of the participating scheme of the Members with the relevant authorities (including the costs of preparing any supporting documents and supplemental deeds);

B.2 the costs of amending the participation agreement and/or the governing rules relating to the relevant participating scheme; and

B.3 any costs, fees and expenses expressed to be payable by the Employer, SEP Member, the Personal Account Member or TVC Member in the Master Trust Deed and/or the participation agreement relating to the participating scheme.

B.4 In addition to the above, the Trustee may also pay out of the assets of the relevant constituent fund:

B.4.1 such transaction costs, charges, fees and expenses (including but not limited to tax, stamp duty, other levies, registration fee and nominee charges) in connection with the constituent funds; and

B.4.2 other fees, costs, charges and expenses (including but not limited to, accounting services and any other fees and charges incurred in respect of the management and administration of the Scheme) which will be deducted from the gross net asset value of the constituent fund for the purpose of calculating the net asset value of such constituent fund.

B.5 This percentage applies to Management Fee incurred or accrued on or after 15 January 2014.

C. The charges, fees and expenses mentioned in C.1– C.6 shall be deducted from the assets of the relevant Underlying Investment Funds (except the Underlying Investment Funds of the DIS Constituent Funds).

C.1 Such transaction costs, charges, fees and expenses (including but not limited to tax, stamp duty, registration fee and nominee charges);

C.2 Other fees, costs, charges and expenses (including but not limited to accounting services and any other fees and charges incurred in respect of the management and administration of the Underlying Investment Fund) which will be deducted from the gross net asset value of the Underlying Investment Fund for the purpose of calculating the net asset value of the Underlying Investment Fund;

C.3 The costs of holding meetings of unitholders and of giving notices to unitholders;

C.4 The costs incurred in the preparation and printing of explanatory memorandum;

C.5 For the JPMorgan SAR Greater China Fund, the following cost will also be charged:

Registrar's Fee:

The fee paid to the Registrar will vary depending on the number of unitholders and the number of transactions which occur, but the range agreed between the Trustee and the investment manager of the JPMorgan SAR Greater China Fund is between 0.015% and 0.5% per annum of the net asset value of the JPMorgan SAR Greater China Fund.

C.6 With respect to the Allianz Global Investors Choice Fund, the following cost will also be charged:

Registrar's Fee:

Annual fee HK$20,000 per underlying fund

D. Allianz Global Investors Asia Pacific Limited agrees to rebate 0.10% of the net asset value of the Allianz Choice HK$ Liquidity Fund of Allianz Global Investors Choice Fund being held by the MPF Conservative Fund to the MPF Conservative Fund for any given day in a month and the respective rebate will be paid on the following month. The total Management Fee shown in the Table C has netted off the above rebate.

E. Maximum level of fees and charges.

Scheme Level

Joining fee:	per Employer	HK$1,000
	per SEP Member	HK$30

Constituent Fund

Offer Spread (payable by Members and not applicable to funds transferred to the Scheme from any scheme or arrangement of which a Member was formerly a member, constituent fund switching and any other transfer of funds within the Scheme)

• *Guaranteed Fund, Global Growth Fund, Global Stable Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund*	–	8.00% of Issue Price

Bid Spread (payable by Members and not applicable to funds transferred to the Scheme from any scheme or arrangement of which a Member was formerly a Member, constituent fund switching and any other transfer of funds within the Scheme)

• *Guaranteed Fund, Global Growth Fund, Global Stable Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund*	–	5.00% of the net asset value per unit of the constituent fund

Trustee fee[Note F4] (except DIS Constituent Funds) (payable out of the assets of the constituent funds)

• *Global Growth Fund, Global Stable Fund, MPF Conservative Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund*	–	2.00% p.a. of the net asset value of the constituent fund

Investment management fee[Note F5] (except DIS Constituent Funds) (payable out of the assets of the constituent funds)

• *Global Growth Fund, Global Stable Fund, MPF Conservative Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund*	–	0.50% of the net asset value of the constituent fund

Management Fees[Note F4 and F5] for DIS Constituent Funds and its Underlying Investment Funds (payable out of the assets of the constituent funds and Underlying Investment Fund)

• *Age 65 Plus Fund and Core Accumulation Fund*	–	0.75 % p.a. of the net asset value of each of the constituent fund

Underlying APIF Policy

Trustee fee of the Guaranteed Fund[Note F3] (borne by the asset of the underlying APIF Policy)	–	2.00% p.a. of the net asset value of the Guaranteed Fund
Investment management fee of the Guaranteed Fund (borne by the asset of the underlying APIF Policy)	–	0.50% of the net asset value of the Underlying Investment Fund
Guarantee Charge[Note F2] of the underlying APIF Policy (borne by the assets of the underlying APIF Policy)	–	2.00% p.a. of the net asset value of the underlying APIF Policy

Allianz Global Investors Choice Fund

Initial Charge[Note F1]	–	5.00% of the Issue Price of each unit
Realisation Charge	–	2.00% of the realisation price of each unit
Trustee fee[Note F6] (payable out of the assets of the Underlying Investment Funds of the Allianz Global Investors Choice Fund)	–	0.25% p.a. of the net asset value of the Underlying Investment Funds of the Allianz Global Investors Choice Fund
Investment management fee[Note F7] (payable out of the assets of the Underlying Investment Funds of the Allianz Global Investors Choice Fund)	–	2.00% p.a. of the net asset value of the Underlying Investment Funds of the Allianz Global Investors Choice Fund

BCT Pooled Investment Fund Series

Trustee fee[Note F6] (payable out of the assets of the Underlying Investment Funds of the BCT Pooled Investment Fund Series)	–	1.00% p.a. of the net asset value of the Underlying Investment Funds of the BCT Pooled Investment Fund Series

JPMorgan SAR Greater China Fund

Initial Charge[Note F1]	–	5.00% of the Issue Price of each unit
Redemption Charge	–	0.50% of the net asset value per unit of the JPMorgan SAR Greater China Fund
Trustee fee[Note F6] (payable out of the assets of the JPMorgan SAR Greater China Fund)	–	0.30% p.a. of the net asset value of the JPMorgan SAR Greater China Fund
Management fee[Note F7] (payable out of the assets of the JPMorgan SAR Greater China Fund)	–	1.20% p.a. of the net asset value of the JPMorgan SAR Greater China Fund

Withdrawal of Voluntary Contributions

Withdrawal fee[Note F8] (payable by Member):	–	1.00% of the Accrued Benefits withdrawn.

F. Notes

F1. Pursuant to section 17(2)(i) of Schedule 1 of the Regulation, no additional initial charge may be imposed as Allianz Global Investors Asia Pacific Limited acts as the investment manager of the Scheme and the underlying APIF Policy and JPMorgan Asset Management (Asia Pacific) Limited and Principal Asset Management Company (Asia) Limited and Schroder Investment Management (Hong Kong) Limited acts as the investment manager of the Scheme.

F2. The Guarantee Charge of the underlying APIF Policy is calculated as a percentage of the net asset value of the underlying APIF Policy. It is calculated and accrues on each Dealing Day of the underlying APIF Policy and is payable monthly in arrears.

F3. Trustee fee of the Guaranteed Fund will be "dropped down" to the underlying APIF Policy level and be payable out of the net asset value of the underlying APIF Policy.

F4. The trustee fee of each constituent fund is calculated as a percentage of the net asset value of the constituent fund. It is calculated and accrues on each Dealing Day of the constituent fund and is payable monthly in arrears.

F5. The investment management fee of Asian Bond Fund, European Equity Fund, Global Bond Fund, Asian Pacific Equity Fund, Global Equity Fund and US Equity Fund which comprises the investment management fees of Principal Asian Bond Fund, Principal European Equity Fund, Principal International Bond Fund, Smart Asian Equity Fund, Smart North American Equity Fund, and Advanced Global Equity Fund chargeable at the constituent fund levels, are calculated daily based on the net asset value of the relevant Underlying Investment Funds, which is being held by the Asian Bond Fund, European Equity Fund, Global Bond Fund, Asian Pacific Equity Fund, Global Equity Fund and US Equity Fund and are payable monthly in arrears.

The investment management fee of the Greater China Equity Fund, which comprises the investment management fee of the JPMorgan SAR Greater China Fund chargeable at the constituent fund level, is calculated daily based on the net asset value of the Underlying Investment Fund, which is being held by the Greater China Equity Fund and is payable quarterly in arrears.

The investment management fees of the Global Stable Fund, the Global Growth Fund and the Hong Kong Equities Fund, which comprise the investment management fees of the Allianz Choice Stable Growth Fund, the Allianz Choice Balanced Fund and the Allianz Choice Hong Kong Fund of Allianz Global Investors Choice Fund chargeable at the constituent fund levels, are calculated daily based on the net asset value of the relevant Underlying Investment Funds, which is being held by the Global Stable Fund, the Global Growth Fund and the Hong Kong Equities Fund and are payable monthly in arrears.

The investment management fees of the Guaranteed Fund and the MPF Conservative Fund which comprise the investment management fee of the Allianz Choice Capital Stable Fund and Allianz Choice HK$ Liquidity Fund of Allianz Global Investors Choice Fund chargeable at the APIF Policy level and the Underlying Investment Fund levels respectively, are calculated daily based on the net asset value of the relevant Underlying Investment Funds, which is being held by the Guaranteed Fund (through the APIF Policy) and the MPF Conservative Fund and are payable monthly in arrears.

The investment management fees of the A65F and the CAF which comprise the investment management fee of the Age 65 Plus Fund of Invesco Pooled Investment Fund and the Core Accumulation Fund of Invesco Pooled Investment Fund chargeable at the Underlying Investment Fund levels, are calculated daily based on the net asset value of the relevant Underlying Investment Funds, which is being held by the Age 65 Plus Fund and the Core Accumulation Fund and are payable monthly in arrears.

F6. The trustee fee of the Allianz Global Investors Choice Fund, the BCT Pooled Investment Fund Series, the Schroder Institutional Pooled Funds, the JPMorgan SAR Greater China Fund and Invesco Pooled Investment Fund for each class of units relating to an Underlying Investment Fund is calculated as a percentage of that part of the net asset value of the relevant Underlying Investment Funds relating to the relevant class of units. It is calculated and accrues on each dealing day of the Allianz Global Investors Choice Fund, the BCT Pooled Investment Fund Series, the Schroders Institutional Pooled Funds, the JPMorgan SAR Greater China Fund and Invesco Pooled Investment Fund and is payable monthly in arrears. In respect of the JPMorgan SAR Greater China Fund, the trustee fee is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, the Registrar and the custodian(s) of the JPMorgan SAR Greater China Fund's investments. In respect of the Invesco Pooled Investment Fund, the trustee fee is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, indemnity insurance, publishing fee, investment transaction fees, and legal expenses of the Invesco Pooled Investment Fund's investments charged by other service providers.

F7. The investment management fee of the Allianz Choice HK$ Liquidity Fund of Allianz Global Investors Choice Fund, and Invesco Pooled Investment Fund for each class of units relating to an Underlying Investment Fund is calculated as a percentage of that part of the net asset value of the relevant Underlying Investment Fund relating to the relevant class of units. It is calculated and accrues on each dealing day of the Allianz Choice HK$ Liquidity Fund of Allianz Global Investors Choice Fund and Invesco Pooled Investment Fund and is payable monthly in arrears.

For the Greater China Equity Fund, no Investment Management Fee is chargeable by the investment manager at the Underlying Investment Fund level as long as the investment manager or its associated party acts as the investment manager of the relevant constituent fund and a management fee or investment management fee is being charged at the constituent fund level.

For the Global Stable Fund, Global Growth Fund and Hong Kong Equities Fund, no investment management fee is chargeable by Allianz Global Investors Asia Pacific Limited at the Underlying Investment Fund level as long as Allianz Global Investors Asia Pacific Limited acts as the investment manager of the relevant constituent funds and a management fee or investment management fee is being charged at the constituent fund level. Hence, no investment management fee is currently chargeable by Allianz Global Investors Asia Pacific Limited at the Underlying Investment Fund level.

For Guaranteed Fund, no investment management fee is chargeable by Allianz Global Investors Asia Pacific Limited at Allianz Choice Capital Stable Fund of Allianz Global Investors Choice Fund as long as Allianz Global Investors Asia Pacific Limited acts as the investment manager of the APIF Policy and a management fee or investment management fee is being charged at APIF Policy.

For the Asian Bond Fund, European Equity Fund and Global Bond Fund, no investment management fee is chargeable by Principal Asset Management Company (Asia) Limited at the Underlying Investment Fund level as long as Principal Asset Management Company (Asia) Limited acts as the investment manager of the relevant constituent funds and a management fee or investment management fee is being charged at the constituent fund level. Hence, no investment management fee is currently chargeable by Principal Asset Management Company (Asia) Limited at the Underlying Investment Fund level.

For Asian Pacific Equity Fund, Global Equity Fund and US Equity Fund, no investment management fee is chargeable by Schroder Investment Management (Hong Kong) Limited at the Underlying Investment Fund level as long as Schroder Investment Management (Hong Kong) Limited acts as the investment manager of the relevant constituent funds and a management fee or investment management fee is being charged at the constituent fund level. Hence, no investment management fee is currently chargeable by Schroder Investment Management (Hong Kong) Limited at the Underlying Investment Fund level.

F8. Such withdrawal fee shall be deducted from the redemption proceeds and retained by the Trustee for its own use and benefit.

F9. No fees or financial penalties (other than the necessary transaction cost) may be charged to or imposed on the Member or deducted from the Member's account for the payment of Accrued Benefits by instalments in any year for the first 12 instalments of that year. For each subsequent payment of Accrued Benefits by instalments, a fee of $100 each will be charged for each instalment. The fee will be deducted from the withdrawn instalment amount. But the fee of $100 does not apply to the withdrawal solely from an MPF Conservative Fund, the withdrawal solely or partly from DIS Constituent Funds and members who invest in the DIS Constituent Funds.

G. Management Fees

Fee breakdown at constituent fund level

Constituent Fund	**Trustee Fee**	**Investment Management Fee**	**Custodian/ Administration fee**
Guaranteed Fund [Note 2]	Nil	Nil	Nil
Global Stable Fund [Note 2]	0.95%-0.98% p.a. of net asset value	0.33%-0.43% p.a. of net asset value [Note 1]	
Global Growth Fund [Note 2]			
Hong Kong Equities Fund [Note 2]			
MPF Conservative Fund [Note 3]	0.61% p.a. of net asset value	Nil	
Greater China Equity Fund	1% p.a. of net asset value	Up to 0.50% p.a. of net asset value	
Global Bond Fund	0.90% p.a. of net asset value	0.51% p.a. of net asset value	
US Equity Fund	0.47% p.a. of net asset value	0.39% p.a. of net asset value	
Asian Bond Fund	1% p.a. of net asset value	0.51% p.a. of net asset value	
Asian Pacific Equity Fund		0.39% p.a. of net asset value	
Global Equity Fund		0.51% p.a. of net asset value	
European Equity Fund		0.51% p.a. of net asset value	
Age 65 Plus Fund	0.59% p.a. of the net asset value	Nil	
Core Accumulation Fund			

Fee breakdown at APIF level

Constituent Fund	Underlying Trustee Fee	Underlying Investment Management Fee	Custodian/ Administration fee
Guaranteed Fund [Note 2]	0.95%-0.98% p.a. of net asset value charged by the trustee at APIF Policy level Up to 0.07% p.a. of net asset value Note 1 charged by the trustee at APIF level	0.33% – 0.43% p.a. of net asset value [Note 1]	Nil
Global Stable Fund [Note 2]	Up to 0.07% p.a. of net asset value [Note 1]	Nil	
Global Growth Fund [Note 2]			
Hong Kong Equities Fund [Note 2]			
MPF Conservative Fund [Note 3]	Up to 0.07% p.a. of net asset value	Up to 0.25% p.a. of net asset value	
Greater China Equity Fund	0.0295% p.a. of net asset value	Nil	
Global Bond Fund	Nil		
US Equity Fund	0.12% p.a. of net asset value		
Asian Bond Fund	Nil		
Asian Pacific Equity Fund	0.12% p.a. of net asset value		
Global Equity Fund	Nil		
European Equity Fund			
Age 65 Plus Fund	0.08% p.a. of the net asset value	0.08% p.a. of the net asset value	
Core Accumulation Fund			

Note 1 Investment manager charges a lump sum fee of up to 0.43% p.a. (a lower fee of 0.40% will be charged when prescribed fund size is reached) of net asset value which including (i) the trustee fee charged by the trustee of the Underlying Investment Funds ("Underlying Trustee Fee") at Underlying Investment Fund level of up to 0.07% p.a. of net asset value and (ii) investment management fee (being net difference between the lump sum fee of up to 0.43% p.a. of net asset value and the Underlying Trustee Fee).

Note 2 The total Management Fees at current level charged for the above constituent funds and their corresponding Underlying Investment Funds are **fixed at 1.38% per annum of net asset value**. To maintain the aggregate management fee at 1.38% p.a. of net asset value, the Trustee has partly waived the trustee fee for the above constituent funds.

Note 3 The total Management Fees at current level (after taking into account of rebate mentioned in above Note D) charged for the above constituent fund and its corresponding Underlying Investment Fund is **up to 0.83% per annum of net asset value**.

4.3 Other expenses

Advertising expenses incurred in relation to the Scheme, the underlying APIF Policy, the Allianz Global Investors Choice Fund, the Principal Unit Trust Umbrella Fund, Principal Life Style Fund, BCT Pooled Investment Fund Series, Schroder Institutional Pooled Funds, the JPMorgan SAR Greater China Fund or the Invesco Pooled Investment Fund will not be charged to the assets of the Scheme, the underlying APIF Policy, the Allianz Global Investors Choice Fund, the Templeton MPF Investment Funds, the JPMorgan SAR Greater China Fund or the Invesco Pooled Investment Fund.

4.4 On-going Cost Illustrations and the Illustrative Example For MPF Conservative Fund

A document that illustrates the on-going costs on contributions to constituent funds in this Scheme (except for the MPF Conservative Fund) and the Illustrative Example For MPF Conservative Fund are currently distributed with this MPF Scheme Brochure. Before making any investment decisions concerning MPF investments, please ensure that you have read the latest version of these documents, which can be obtained from YF Life Trustees Limited.

5. ADMINISTRATIVE PROCEDURES

The scheme administration of MASS Mandatory Provident Fund Scheme is performed by the eMPF Platform. Employers and Members shall submit their MPF instructions to the eMPF Platform directly instead of the Trustee. As mentioned in Section 1.2 above, Employers and Members may submit instructions electronically via the eMPF Web Portal or the eMPF Mobile App or submit paper-based instructions to the eMPF Platform by post, fax, email or in person to the eMPF Service Centres. For details about submission of MPF instructions via the eMPF Web Portal or the eMPF Mobile App, please refer to the eMPF User Guide which is available on the eMPF Platform website (www.empf.org.hk).

5.1 Admission of Members

<u>Employer and Employees</u>

Any Employer who wishes to enroll its employees for membership in the Scheme shall submit enrolment instruction to the eMPF Platform. The employees of the Employer must submit enrolment instruction to the eMPF Platform in order to become Employee Members or VC Employee Members (as the case may be) of the Scheme.

<u>Self-Employed Persons</u>

Any self-employed person who wishes to participate in and become a SEP Member of the Scheme must submit enrolment instruction to the eMPF Platform.

<u>Other Eligible Persons</u>

Any person, having Accrued Benefits under another Registered Scheme or occupational retirement scheme, who wishes to transfer those Accrued Benefits to a Personal Account of the Scheme, must submit enrolment instruction to the eMPF Platform. Such person will become a Personal Account Member of the Scheme.

Any Member who due to change of employment wishes to become a Personal Account Member of the Scheme will automatically become a Personal Account Member upon such selection.

Any person who has fulfilled the requirements under Clause 5.2.2(b) of the MPF Scheme Brochure below and wishes to become a SVC Member of the Scheme must submit enrolment instruction to the eMPF Platform.

Any person who has fulfilled the requirements under Clause 7.3 of the MPF Scheme Brochure below and wishes to become a TVC Member of the Scheme must submit enrolment instruction to the eMPF Platform.

5.2 Making Contributions

5.2.1 Mandatory contributions

Every Employer must, in respect of each of its Employee Members who have chosen the Scheme for making mandatory contributions, pay to the Scheme out of the Employer's own funds a mandatory contribution of 5% of each Employee Member's relevant income.

Unless the Employee Member's income falls below the statutory minimum, the Employer of such Employee Member must, for each contribution period, deduct from the Employee Member's relevant income and pay to the Scheme a mandatory contribution of 5% of such income.

Unless the SEP Member's income falls below the statutory minimum, such SEP Member must, for each contribution period, pay to the Scheme a mandatory contribution of 5% of such income.

The statutory minimum income is determined in accordance with Schedule 2 of the Ordinance.

Under the Ordinance, the Employers, Employee Members and SEP Members are required to make mandatory contributions to the Scheme. The amount of mandatory contribution from each of the above participants is capped at the statutory maximum income, which is determined in accordance with Schedule 3 of the Ordinance. However, all scheme participants can choose to make voluntary contributions to the Scheme in addition to the mandatory contributions. For information regarding the statutory maximum and minimum income levels, please refer to the Trustee's website (www.yflife.com).

5.2.2 Voluntary Contributions

(a) Regular voluntary contribution

Employers shall specify the rate or the amount of Employer's voluntary contribution in the application Subject to the provisions of the relevant participation agreement, each Employee Member or VC Employee Member shall arrange the submission of the rate or the amount of his regular employee voluntary contributions to the eMPF Platform through his Employer. SEP Members may also make regular voluntary contributions to the Scheme by submitting details of such voluntary contributions to the eMPF Platform. Any regular voluntary contribution made by an Employee Member or a VC Employee Member shall be deducted from his relevant income.

(b) Special voluntary contribution

Any person who falls under any one of the following categories may open a SVC Account:

- an employee member of any Registered Scheme;
- a self-employed person member of any Registered Scheme;
- a personal account holder of any Registered Scheme;
- a member of any MPF exempted ORSO scheme.

Each eligible person can only have one SVC Account under the Scheme.

The Trustee of the Scheme may reject any application to open a SVC Account in the event of (i) having reason to know that information and documents provided by the applicants to the eMPF Platform are incorrect or incomplete; (ii) failure of applicants to provide information and documents as required by the Trustee and/or the eMPF Platform to ensure compliance with applicable laws and regulations relating to anti-money laundering/tax reporting; and/or (iii) other circumstances which the Trustee and/or the eMPF Platform may consider appropriate.

(c) TVC

Please refer to Clause 7.4 for details.

5.2.3 Investment in the constituent funds

Every Employer must, in respect of each of its Employee Members, pay to the Scheme out of the Employer's own funds a mandatory contribution of 5% of each Employee Member's relevant income.

Members of the Scheme must provide their Specific Investment Instructions to the eMPF Platform before making their first contributions or transfer of Accrued Benefits to the Scheme, failing which the contributions will be invested according to the Default Investment Strategy as stated in Clause 6 of this MPF Scheme Brochure.

Contributions paid by or in respect of a Member shall be apportioned and invested in the constituent funds in accordance with the Specific Investment Instructions specified by the Member in his application, as the case may be. If the eMPF Platform does not receive Specific Investment Instructions from a Member, any contributions paid by or in respect of the Member shall be invested according to the Default Investment Strategy as stated in Clause 6 of this MPF Scheme Brochure.

For new enrollment, Member's Specific Investment Instructions will apply to all sub-accounts, excluded special voluntary contribution and TVC for which a separate Specific Investment Instruction has to be given. For switching, rebalancing and/or change of future investment mandate, a Member needs to specify Specific Investment Instructions for different accounts and sub-accounts by submitting a Change of Investment Instruction to the eMPF Platform. If Specific Investment Instruction is only provided for one sub-account under the Change of Investment Instruction, the Specific Investment Instructions will be carried out for such specified sub-account only. No Change of Investment Instruction will be conducted for the remaining account and sub-accounts.

If a Member fails to provide valid Specific Investment Instruction under enrollment, the Members' contribution made and Accrued Benefits transferred to that sub-account of the Scheme (if applicable) will be invested according to the Default Investment Strategy.

Upon receipt of cleared funds and an application for investment from a scheme participant submitted to the eMPF Platform, the Trustee shall have the discretion to retain such cleared funds in an interest-bearing account until investing in the constituent fund selected by the Member concerned. Any interest generated therefrom shall belong to the relevant constituent fund. The Trustee shall then apply the subscription monies (excluding any interest generated therefrom) to invest in the constituent fund specified in the relevant investment mandate of the Member concerned. If cleared funds of the contributions are received by the Trustee after the Dealing Deadline, the cleared funds will be deemed to have been received on the Dealing Day next following such receipt. Furthermore, any application for issuance of units shall not be considered to have been received by the Trustee until the contribution monies in respect of the application have been received by the Trustee in cleared funds.

Units of any constituent fund shall be acquired by converting the monetary value of the subscription monies to units of the relevant constituent fund at the Issue Price of such constituent fund on the date of receipt by the Trustee of the cleared funds of the subscription monies if such date is a Dealing Day or, if such date is not a Dealing Day, the next following Dealing Day.

Units acquired shall be rounded down to 4 decimal places or such other number of decimal places as the Trustee may determine from time to time and be credited to the relevant Contribution Account, Personal Account, TVC Account or SVC Account and the respective sub-accounts of such Contribution Account, of such Personal Account, of such TVC Account or of such SVC Account, as the case may be.

Neither the constituent funds nor the underlying APIF Policy imposes a minimum investment requirement.

5.3 Making Withdrawals

5.3.1 Vesting of benefits

All contributions, whether voluntary or mandatory, made by a Member and all mandatory contributions in respect of that Member made by an Employer will be fully vested in that Member immediately.

Voluntary contributions made by an Employer in respect of an Employee Member will be vested in accordance with the vesting scale set by the Employer. Subject to the provisions of the relevant participation agreement, all voluntary contributions made by an Employer in respect of an Employee Member will become fully vested when the Employee Member:

(a) attains the Normal Retirement Age of 65;

(b) attains the Early Retirement Age of 60;

(c) retires on the ground of Total Incapacity; or

(d) dies.

Voluntary contributions made by an Employer in respect of a VC Employee Member will be vested in accordance with the vesting scale set by the Employer. Subject to the provisions of the relevant participation agreement, all voluntary contributions made by an Employer in respect of a VC Employee Member will become fully vested when the VC Employee Member:

(a) retires on the ground of Total Incapacity; or

(b) dies.

5.3.2 Withdrawal of Accrued Benefits

Subject to the provisions of the Ordinance, the Master Trust Deed and the relevant participation agreement (so far as Accrued Benefits attributable to voluntary contributions are concerned), a Member will be entitled to receive a payment equal to his Accrued Benefits in lump sum under the following circumstances or by instalments (if a Member so elects) under the following circumstances of (a) and (b).

If the accrued benefits are paid in a lump sum, the Trustee must ensure that the accrued benefits are paid to the Member not later than whichever is the later of the following–

- 30 days after the date on which the claim is lodged;
- 30 days after the contribution day in respect of the last contribution period that ends before the claim is lodged.

If the accrued benefits are paid by instalments, the Trustee must, unless otherwise agreed between the Trustee and the Member, ensure that each instalment is paid to the Member no later than 30 days after the date on which the Member instructs the Trustee to pay that instalment.

Accrued Benefits referred to in this clause 5.3.2 means all the mandatory contributions and voluntary contributions vested in a Member.

(a) Normal Retirement

When a Member reaches the age of 65 and elects to continue his/her employment or self-employment, he or she may remain a member of the Scheme, and will be entitled to receive Accrued Benefits after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

When a Member reaches the age of 65 and elects to continue his/her employment or self-employment but chooses to terminate membership of the Scheme, he/she is entitled to receive his or her Accrued Benefits after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

(b) *Early Retirement*

When a Member reaches 60 and certifies to the Trustee by a statutory declaration in a form approved by the MPFA that he/she has permanently ceased employment or self-employment, the Member is entitled to receive his or her Accrued Benefits after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

(c) *Death*

If a Member dies, his/her personal representative is entitled to claim the Member's Accrued Benefits in a lump sum after the claim instruction and required document(s) are submitted by his/her personal representative to the eMPF Platform.

(d) *Permanent Departure from Hong Kong*

If a Member has departed or is about to depart from Hong Kong permanently and has complied with all the requirements of section 163 of the Regulation, that Member is entitled to claim the Accrued Benefits in a lump sum after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

(e) *Total Incapacity*

If a Member suffers Total Incapacity and satisfies the requirements in section 164 of the Regulation, the Member is entitled to claim the Accrued Benefits in a lump sum after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

(f) *Terminal Illness*

If a Member suffers Terminal Illness and satisfies the requirements in section 164A of the Regulation, that Member is entitled to claim the Accrued Benefits in a lump sum only after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform.

(g) *Small Balance Account*

A Member is entitled to claim the Accrued Benefits in a lump sum if all of the following conditions are satisfied after the claim instruction and required document(s) are submitted by the Member to the eMPF Platform:

(i) the Member's Accrued Benefits in the Scheme do not exceed HK$5,000;

(ii) no mandatory contributions were paid or were required to be paid by or in respect of the Member to the Scheme, or to any other Registered Scheme, during the 12 months immediately preceding the above claim; and

(iii) the Member does not have Accrued Benefits kept in any other Registered Scheme.

(h) *A)* *Leaving Employment*

If an Employee Member ceases to be employed by an Employer (other than in the circumstances set out in sub-paragraphs (a), (b), (c), (d), (e) and (f) of clause 5.3.2), the Employee Member is entitled to claim a lump sum benefit equal to the Employee Member's own voluntary contributions and the vested balance of the Employer's voluntary contributions after the notice of cessation of employment is submitted to the eMPF Platform.

If a VC Employee Member ceases to be employed by an Employer (other than in the circumstances set out in sub-paragraphs (a), (b), (c), (d), (e) and (f) of Clause 5.3.2), the VC Employee Member is entitled to claim a lump sum benefit equal to the VC Employee Member's own voluntary contributions and the vested balance of the Employer's voluntary contributions after the notice of cessation of employment is submitted to the eMPF Platform.

Employee Member should note that the Accrued Benefits from Employer's contributions may be used by the relevant employer to offset long service payments or severance payments.

B) *Intra-group transfer*

An Employee Member may be transferred between companies (employers) due to:

(i) change in business ownership

(ii) transfer of employment between associated companies

Under these circumstances, the length of employment with 'previous employer' will be recognized by the 'new employer' and treated as continuous employment and the new employer has assumed liability of the previous employer for long service payment or severance payment in respect of the Employee Member. In accordance with section 12A of the Ordinance, 'new employer' can use the Accrued Benefits made by the 'previous employer' to offset against the long service payment or severance payment obligations in the future.

(i) *Failure to Make a Voluntary Contribution*

If an Employer fails to make a voluntary contribution in accordance with the relevant participation agreement within six months after:

(i) if the amount of the voluntary contributions required to be made by such Employer is determined by reference to the relevant income or basic salary of the Employee Member or VC Employee Member (as the case may be), the end of the period covered by the payment of such income; or

(ii) if the amount of the voluntary contributions required to be made by such Employer is determined by reference to a period of employment of the Employee Member or VC Employee Member (as the case may be) with such Employer, the end of such period,

the relevant Employee Member or VC Employee Member (as the case may be) is entitled to claim a lump sum benefit equal to the aggregate of the vested balance of the Employer's voluntary contributions and the total balance of such Member's own voluntary contributions after the receipt by the Trustee of the request for such payment provided that such request should only be submitted to the eMPF Platform after the expiry of the six month period referred to above.

5.3.3 <u>Withdrawal of voluntary contribution by SVC Members, VC Employee Members, SEP Members, Personal Account Members and TVC Members</u>

(a) SVC Members

Subject to the relevant regulations and the provisions of the relevant participation agreement, a SVC Member who has benefits attributable to special voluntary contributions may request to redeem and withdraw part or whole of the benefits attributable to such special voluntary contributions on any Dealing Day by submitting withdrawal instruction to the eMPF Platform.

The maximum number of such redemption and withdrawal allowed for each SVC Member for special voluntary contribution in a financial year shall not exceed 4.

(b) SEP Members

Subject to the relevant regulations, a SEP Member who has benefits attributable to the regular voluntary contributions and any voluntary contributions transferred to the contribution account of the SEP Member may request to redeem and withdraw part or whole of the benefits attributable to such voluntary contributions on any Dealing Day during his self-employment by submitting withdrawal instruction to the eMPF Platform.

The maximum number of such redemption and withdrawal allowed for each SEP Member for regular voluntary contribution in a financial year shall not exceed 52.

(c) VC Employee Member

Subject to the relevant regulations, a VC Employee Member who has benefits attributable to the regular voluntary contributions and any voluntary contributions transferred to the contribution account of the VC Employee Member may request to redeem and withdraw part or whole of the benefits attributable to such voluntary contributions on any Dealing Day by submitting withdrawal instruction to the eMPF Platform.

The maximum number of such redemption and withdrawal allowed for each VC Employee Member for regular voluntary contribution and in a financial year shall not exceed 52.

(d) Personal Account Members

Subject to the relevant regulations, a Personal Account Member who has benefits attributable to any voluntary contributions transferred to his or her voluntary personal sub-account may request to redeem and withdraw part or whole of such benefits on any Dealing Day by submitting withdrawal instruction to the eMPF Platform.

The maximum number of such redemption and withdrawal allowed for each Personal Account Member for regular voluntary contribution in a financial year shall not exceed 52.

(e) TVC Members

Please refer to Clause 7.6 for details.

(f) Withdrawal fee

Initially, no withdrawal fee will be levied on withdrawal of the voluntary contributions mentioned in (a), (b), (c) and (d) (not applicable for TVC Members) above. However, the Trustee may in the future levy a withdrawal fee of not more than 1% of the Accrued Benefits withdrawn (see clause 4.2) (not applicable for TVC Members). Such withdrawal fee shall be deducted from the redemption proceeds and retained by the Trustee for its own use and benefit. The Trustee reserves the right to change the withdrawal fee by giving three months' prior notice (or such shorter notice as may be agreed by the SFC) to scheme participants.

5.3.4 Payment of Accrued Benefits

Subject to the provisions of the Ordinance, the Regulation and the provisions of the Master Trust Deed, a Member who is entitled to receive Accrued Benefits under the Scheme may lodge a claim by submitting instruction to the eMPF Platform.

If, at the time the Member's claim is lodged, the Trustee is satisfied that the Member or the claimant is entitled to the claim, the Trustee should pay the Accrued Benefits to the Member:

(a) in a lump sum not later than whichever is the later of the following:

  (i) 30 days after the date of lodgement of the claim;

  (ii) 30 days after the contribution day in respect of the last contribution period that ends before the date of lodgement of the claim; or

(b) by instalments as a result of retirement or early retirement not later than 30 days after the date on which the claimant instructs the Trustee to pay that instalment. The exact instalment amount of payment of the Member's Accrued Benefits by instalments will be paid to the Member according to any instructions that are given by a Member in a specified form. No fees or financial penalties (other than the necessary transaction cost) may be charged to or imposed on the Member or deducted from the Member's account for the payment of Accrued Benefits by instalments in any year for the first 12 instalments of that year. For each subsequent payment of Accrued Benefits by instalments, a fee of $100 will be charged for each instalment. The fee will be deducted from the withdrawn instalment amount. But the fee of $100 does not apply to the withdrawal solely from an MPF Conservative Fund, the withdrawal solely or partly from DIS Constituent Funds and members who invest in the DIS Constituent Funds.

  If Member chooses to be paid directly to his/her bank account, bank charges may be applied by Member's bank.

In order to pay Accrued Benefits to a Member, the Trustee will redeem units of the constituent funds standing to the credit of the relevant Member's contribution account, Personal Account, SVC Account and/or TVC Account. As the assets of the constituent funds will be invested in the underlying APIF Policy and the Underlying Investment Funds of the Allianz Global Investors Choice Fund, the Principal Unit Trust Umbrella Fund, the Principal Life Style Fund, the BCT Pooled Investment Fund Series, the Schroder Institutional Pooled Funds, Invesco Pooled Investment Fund, and the JPMorgan SAR Greater China Fund, the Trustee as the policyholder of the underlying APIF Policy and the fundholder of the Underlying Investment Funds of the Allianz Global Investors Choice Fund, the Principal Unit Trust Umbrella Fund, the Principal Life Style Fund, the BCT Pooled Investment Fund Series, the Schroder Institutional Pooled Funds, Invesco Pooled Investment Fund, and the JPMorgan SAR Greater China Fund, will also withdraw benefits or redeem such units (as the case may be). Withdrawal benefits from the underlying APIF Policy will usually be paid to the Trustee within 14 Business Days after the submission of a withdrawal request.

Any benefit which has not been claimed or paid in accordance with the MPFS Ordinance or the Trust Deed ("Specified Benefits") shall be treated in accordance with the provisions of the Regulation. Subject to the MPFS Ordinance and the Regulation, where any benefits are to be treated as Specified Benefits by the eMPF Platform, the Trustee must continue to retain the Specified Benefits in the Scheme in such account of the relevant Member as notified by the eMPF Platform and the Specified Benefits will be reinvested in (i) one or more constituent funds of the Scheme in accordance with the last Specific Investment Instructions of the relevant Member according to the record of the eMPF Platform or (ii) in the absence of any Specific Investment Instructions from the relevant Member, the DIS.

5.3.5 Portability of Benefits

If an Employee Member ceases to be employed by his employer, the Employee Member may elect to have all his Accrued Benefits in the Scheme transferred to another account in the Scheme, to an existing account of the Employee Member in an industry scheme or to an account in another Registered Scheme nominated by him. In the case of a SEP Member, he may at any time elect to transfer all his Accrued Benefits in the Scheme to an account in another Registered Scheme nominated by him or to an existing account of the SEP Member in an industry scheme. In the case of a Personal Account Member, he may also at any time elect to transfer all his Accrued Benefits in his Personal Account to:

(a) another contribution account of the Employee Member within the Scheme nominated by him;

(b) a contribution account of the Employee Member within another Registered Scheme, nominated by him;

(c) a Personal Account of the Employee Member within the Scheme nominated by him; or

(d) a Personal Account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by him.

An Employee Member is allowed to, at any time by submitting a request to the eMPF Platform, elect to transfer all his Accrued Benefits held in his contribution account within the Scheme derived from any mandatory contributions made by him in respect of any current employment in the Scheme during his employment, to (i) a Personal Account of the Employee Member within the Scheme, nominated by him; or (ii) a Personal Account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by him. Where the other Registered Scheme's administrative functions are still performed by its trustee, such request shall be submitted to the trustee of such Registered Scheme.

The aforesaid transfer is allowed **once in every calendar year** as per the Employee Choice Arrangement ("ECA"). Every calendar year shall mean from January 1st to December 31st of each year.

Save and except as aforesaid, the Accrued Benefits of an Employee Member derived from any mandatory contributions made by his current employer or any voluntary contributions made by the Employee Member or his employer(s) during his current employment or former employment or former self-employment cannot be transferred from a contribution account of the Employee Member in the Scheme to another account in the Scheme or to another Registered Scheme.

An Employee Member is allowed to, at any time by submitting a request to the eMPF Platform, elect to transfer all his Accrued Benefits held in his contribution account within the Scheme derived from any mandatory contributions made by or in respect of the Employee Member that are attributable to the Employee Member's any former employment or self-employment in the Scheme, to (i) another contribution account of the Employee Member within the Scheme nominated by him; (ii) a contribution account of the Employee Member within another Registered Scheme, nominated by him; (iii) a Personal Account of the Employee Member within the Scheme nominated by him; or (iv) a Personal Account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by him.

Where the other Registered Scheme's administrative functions are still performed by its trustee, such request shall be submitted to the trustee of such Registered Scheme.

Save and except as aforesaid, the Accrued Benefits of an Employee Member derived from any voluntary contributions made by the Employee Member or his employer(s) during his former employment or former self-employment cannot be transferred from a contribution account of the Employee Member in the Scheme to another account in the Scheme or to another Registered Scheme.

Members cannot transfer the Accrued Benefits derived from special voluntary contributions to another Registered Scheme.

Members who wish to make an election for the transfer of Accrued Benefits must submit such request to the eMPF Platform or the trustee of another Registered Scheme (as the case may be). The Trustee may incur Necessary Transaction Costs in order to give effect to the transfer of Accrued Benefits. Such costs may include, but are not limited to items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses etc. The Necessary Transaction Costs are payable to a party other than the Trustee. Any Necessary Transaction Costs imposed and received must be used to reimburse the relevant constituent fund.

If a Member requests a transfer of his Accrued Benefits, the Trustee will ensure that monies representing the Member's Accrued Benefits will be transferred to the new trustee within 30 days (i) after being notified of an election or (ii) if an election is made by an Employee Member who ceases to be employed by the employer concerned in a Registered Scheme, after the last contribution day in respect of the employment that has ceased, whichever is later, provided that all necessary information regarding the transfer has been provided to the Trustee, and the transfer shall be subject to section 157 of the Regulation.

For the Portability of TVC, please refer to Clause 7.5.

5.3.6 Cessation of Participation in the Scheme

Any Employer, SEP Member or Personal Account Member may at any time cease to participate in the Scheme by giving a request to the eMPF Platform.

5.3.7 Transfer of Accrued Benefits to an account within the Scheme

If any or all of the Accrued Benefits in an account of a Member of the Scheme are transferred within the Scheme, the transferred Accrued Benefits remain invested in the same manner as they were invested immediately before the transfer, unless the Member otherwise instructs as permitted under the Trust Deed. However, Member's future contribution and Accrued Benefits transferred from another scheme on or after April 1, 2017 will be invested according to the DIS if no valid Specific Investment Instruction is received from that Member.

If a Member has ceased to be employed, his/her Accrued Benefits in the contribution account of the Scheme will be automatically transferred to Personal Account of the Scheme, the transferred Accrued Benefits remain invested in the same manner as they were invested immediately before the transfer, unless the Member otherwise instructs as permitted under the Trust Deed. However, Member's future contribution and Accrued Benefits transferred from another scheme on or after April 1, 2017 will be invested according to the DIS if no valid Specific Investment Instruction on the Personal Account is received from that Member.

5.4 Change of Investment Instruction

5.4.1 A Member may switch or rebalance units held in that Member's contribution account, Personal Account, SVC Account and/or TVC Account between the constituent funds by submitting a Change of Investment Instruction to the eMPF Platform. A Member can also change the investment of the future contributions made by or in respect of him to one or more new constituent funds by submitting a Change of Investment Instruction to the eMPF Platform. Change of Investment Instructions (e.g. switching, rebalancing or change of future investment mandate) submitted to the eMPF

Platform before the Dealing Deadline on a Dealing Day will be processed on that Dealing Day. Change of Investment Instructions submitted to the eMPF Platform after the Dealing Deadline on a Dealing Day will be processed on the next Dealing Day.

5.4.2 The switching of existing units will take place by redeeming the units of the current constituent fund on the relevant Dealing Day and investing the redemption proceeds in the new constituent fund specified by the Member The rebalancing of existing units will take place by redeeming an appropriate amount of the units of the current constituent fund(s) on the relevant Dealing Day and investing the redemption proceeds in the new constituent fund(s) specified by the Member in accordance with the allocation percentages of the rebalancing instruction. No charge will be levied in respect of any switching or rebalancing request submitted by a Member. The Trustee currently does not intend to limit the number of switching or rebalancing requests that a Member is entitled to submit within a financial year.

5.4.3 The units of the new constituent fund to be issued are determined as follows:

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

where

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

L – is the Redemption Price per unit of the current constituent fund as at the relevant Dealing Day;

K – is the number of units of the current constituent fund to be redeemed for the purposes of switching or rebalancing;

M – is the Issue Price per unit of the new constituent fund as at the relevant Dealing Day PROVIDED THAT if the Dealing Day for the new constituent fund is not the same as the relevant Dealing Day, then M shall be the Issue Price per unit of the new constituent fund applicable on the first Dealing Day of the new constituent fund immediately following the relevant Dealing Day.

5.5 Suspension of Valuation and Dealing

The Trustee may, having regard to the interests of Members, declare a suspension of the valuation and/or dealing in any constituent fund, for the whole or part of any period during which:

(a) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial amount of the investments of the constituent funds are normally traded or a breakdown in any of the means normally employed by the Trustee in ascertaining the prices of investments;

(b) for any reason, the prices of investments held or contracted for by the Trustee for the account of any constituent fund cannot, in the opinion of the Trustee, reasonably be ascertained;

(c) circumstances exist as a result of which, in the opinion of the Trustee, it is not reasonably practicable or is prejudicial to the interests of the Members to realise any investments held or contracted for the account of the constituent funds;

(d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment of, or in the payment for, the investments of any constituent fund or the subscription or redemption of any unit of a constituent fund is delayed or cannot, in the opinion of the Trustee, be carried out promptly at normal rates of exchange;

(e) a significant change to the systems and/or operation pertaining to the Scheme is required for the purpose of complying with the requirements of the Ordinance (including the implementation of the eMPF Platform), or when a significant change to the systems and/or operation of the eMPF Platform is required; or

(f) there are any other exceptional circumstances which the Trustee may consider appropriate to suspend the valuation and/or dealing in any constituent fund, having regard to the interests of the Members.

PROVIDED THAT the suspension shall not cause the Trustee to contravene the provisions of the Ordinance or the Regulation.

YF Life may similarly suspend the valuation and investment in or withdrawal from the underlying APIF Policy in the circumstances (a) to (d) above.

The suspension shall take place immediately upon its declaration, and thereafter there shall be no dealing and/or valuation until the Trustee shall determine the suspension to be at an end, except that the suspension shall terminate in any event on the first day, which is a Business Day on which:

(a) the condition giving rise to the suspension shall have ceased to exist; and

(b) no other condition under which suspension is authorised under the respective constitutive document of the Scheme shall exist.

5.6 Soft Commissions

The investment manager of the Scheme may purchase and sell investments for the account of Scheme as agent for the Trustee provided that it shall account for all rebates of brokerage and commission which it may derive from or in connection with any such purchase or sale.

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

Neither the investment manager nor its connected persons shall procure that the contractual arrangements above be entered into unless:

(a) the goods and services to be provided pursuant thereto are of demonstrable benefit to Members;

(b) the transaction execution is consistent with the best execution standard and the brokerage rates are not excess of customary institutional full-service brokerages rates; and

(c) periodic disclosure is made in the Scheme’s annual report.

For the avoidance of doubt, research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications may be considered as of such benefit to Members. No cash rebates may be retained by the investment manager.

The above soft commissions arrangement also applies to the underlying APIF Policy.

5.7 Interest

(a) A Member is not entitled to any interest derived from the placing on deposit of:–

  (i) contribution or Accrued Benefits in respect of such Member received by the Trustee during the period that the payment of such contributions or benefits in such Member's contribution account is pending;

  (ii) Accrued Benefits of such Member moved from a constituent fund and during the period that the investment of such Accrued Benefits into another constituent fund is pending; or

  (iii) Accrued Benefits of such Member received from a constituent fund and during the period that:–

    (A) withdrawal of such Accrued Benefits from the Scheme is pending; or

    (B) transfer of such Accrued Benefits to another Registered Scheme is pending.

(b) The interest referred to in paragraph 5.8(a) must be retained by the Trustee:–

  (i) for the payment of any administrative expenses of the Scheme; or

  (ii) as income of the Scheme,

  for the benefit of the Members.

6. DEFAULT INVESTMENT STRATEGY

6.1 MPF Default Investment Strategy ("DIS")

DIS is a ready-made investment arrangement mainly designed for those Members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself, for Members who find it suitable for their own circumstances. For those Members who do not make an investment choice, their contributions and Accrued Benefits transferred from another scheme will be invested in accordance with the DIS. The DIS is required by law to be offered in every Registered Scheme and is designed to be substantially similar in all schemes. By March 31, 2017, the default investment arrangement of the Scheme is investing in all the constituent funds in equal shares. With effect from April 1, 2017, the default investment arrangement of the Scheme will be changed to DIS.

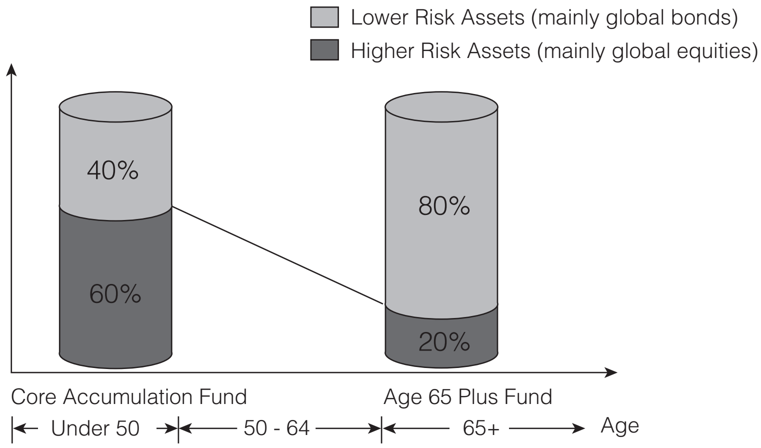
6.1.1 Asset Allocation of the DIS

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds ("CFs"), namely the CAF and the A65F, according to the pre-set allocation percentages at different ages. The CAF will invest around 60% in Higher Risk Assets (Higher Risk Assets generally mean equities or similar investments) and 40% in Lower Risk Assets (Lower Risk Assets generally mean bonds or similar investments) of its net asset value whereas the A65F will invest around 20% in Higher Risk Assets and 80% in Lower Risk Assets. Both CFs adopt globally diversified investment principles and use different classes of assets, including global equities, fixed income, money market and cash, and other types of assets allowed under the MPF legislation.

6.1.2 De-risking of the DIS

Accrued benefits invested through the DIS will be invested in a way that adjusts risk depending on a Member's age. The DIS will manage investment risk exposure by **automatically** reducing the exposure to Higher Risk Assets and correspondingly increasing the exposure to Lower Risk Assets as the Member gets older. Such de-risking is to be achieved by way of reducing the holding in CAF and increasing the holding in A65F throughout the prescribed time span as detailed below. Diagram 1 below shows the target proportion of investment in riskier assets over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

Diagram 1: Asset Allocation between CFs in the DIS



Notes: The exact proportion of the portfolio in Higher/ Lower Risk Assets at any point in time may deviate from the target glide path due to market fluctuations.

The above de-risking is to be achieved by annual adjustments of asset allocation gradually from the CAF to the A65F under the DIS. Switching of the existing Accrued Benefits among the CAF and A65F will be automatically carried out each year on a Member's birthday (subject to closure of or the restriction or suspension of trading on any securities market that the DIS Constituent Funds are investing in and suspension of valuation of securities invested by DIS Constituent Funds which may affect the implementation of de-risking of the DIS) and according to the allocation percentages in the DIS De-risking Table as shown in Diagram 2 below. If a Member's birthday is not on a dealing day, then the investments will be moved on the next available dealing day. If the birthday falls on the 29th of February and in the year which is not a leap year, then the investment will be moved on 1st of March or the next available dealing day. When one or more of the Specific Investment Instructions(including but not limited to subscription, redemption or Change of Investment Instruction) are being received, verified and accepted by the eMPF Platform before the Dealing Deadline of a Dealing Day on which the date is an annual date of de-risking for a relevant Member, **the annual de-risking will only take place within 5 dealing days in normal circumstance if Member still has Accrued Benefits in DIS Constituent Funds after completion of these instructions where necessary**. Please refer to Clause 5 of the MPF Scheme Brochure for details regarding the handling procedures for subscription, redemption and switching respectively. The de-risking could be subject to over-riding instruction of switching out or withdrawal of Accrued Benefits from DIS CFs received from the Members and **may therefore be deferred/not be executed. Member should be aware that the above de-risking will not apply where a Member chose the CAF and A65F as individual fund choices (rather than as part of the DIS)**.

To the extent practicable, a notice will be sent to a Member who invests in DIS by the eMPF Platform at least 60 days prior to the Member's 50th birthday informing the Member about the commencement of de-risking and a confirmation statement will be sent to that Member no later than 5 business days after the annual de-risking is completed.

In summary under the DIS:

- When a Member is below the age of 50, all contributions and Accrued Benefits transferred from another scheme will be invested in the CAF.
- When a Member is between the ages of 50 and 64, all contributions and Accrued Benefits transferred from another scheme will be invested according to the allocation percentages between the CAF and A65F as shown in the DIS De-risking Table below. The de-risking on the existing Accrued Benefits will be automatically carried out as described above.

- When a Member reaches the age of 64, all contributions and Accrued Benefits transferred from another scheme will be invested in the A65F.

If the eMPF Platform does not have the full date of birth of the relevant Member:

- If only the year and month of birth is available, the annual de-risking will use the last calendar day of the birth month, or if it is not a dealing day, the next available dealing day.
- If only the year of birth is available, the annual de-risking will use the last calendar day of the year, or if it is not a dealing day, the next available dealing day.
- If no information at all on the date of birth, Member's Accrued Benefits will be fully invested in A65F with no de-risking applied

Diagram 2: DIS De-risking Table

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

Note: The above allocation between CAF and A65F is made at the point of annual de-risking and the proportion of CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

Please refer to Clauses 3.1.13 and 3.1.14 of this MPF Scheme Brochure on Investment Policies of CAF and A65F and specific operational arrangements for the DIS respectively. For the sequence of handling of investment instructions and annual de-risking, please refer to Clause 6.4 of this MPF Scheme Brochure.

6.1.3 Switching in and out of the DIS

A Member can switch into or out of the DIS at any time, subject to the rules of the Scheme. Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. **The switching instruction only applies to Accrued Benefits and it is not equivalent to change of investment mandate for future contribution or vice versa.**

6.2 Circumstances for Accrued Benefits to be invested in the DIS

When Members join the Scheme or set up a new account in the Scheme, they have opportunity to give a Specific Investment Instruction for their future contributions and Accrued Benefits transferred from another scheme. They may choose to invest their future contributions and Accrued Benefits transferred from another scheme into:

(a) – the DIS; and/or

– one or more constituent funds of their own choice from the list under Clause 3.1 of this MPF Scheme Brochure (including the CAF and the A65F) and according to their assigned allocation percentage(s) to relevant fund(s) of their choice.

Member should note that, if investments/benefits in CAF or A65F are made under the Member's Specific Investment Instructions for investment in such fund (as a standalone fund choice rather than as part of the DIS offered as a choice) ("standalone investments"), those investments/benefits will not be subject to the de-risking process. If a Member's Accrued Benefits are invested in any combination of (i) CAF and/or A65F as standalone investments and (ii) the DIS (no matter by default or by Specific Investment Instruction), Accrued Benefits invested under (i) will not be subject to the de-risking mechanism whereas for Accrued Benefits under (ii) will be subject to the de-risking process. In this connection, Members should pay attention to the different on-going administration arrangements applicable to Accrued Benefits invested in (i) and (ii).In particular, Member will when giving a fund switching instruction, be required to specify to which part of the benefits (namely, under (i) or (ii))the instruction relates.

(b) **If Members do not give valid Specific Investment Instructions in accordance with the requirements of the eMPF Platform, his/her future contributions and Accrued Benefits transferred from another scheme will be automatically invested in the DIS.**

6.3 Fee and Out-of-Pocket Expenses of the DIS

In accordance with the MPF legislation, the aggregate of the payments for services of the CAF and A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value ("NAV") of each of these DIS Constituent Funds divided by the number of days in the year.

The above aggregate payments for services (i.e. Management Fees) include, but is not limited to, the fees paid or payable for the services provided by the Trustee, the eMPF Platform, the investment manager(s), the custodian and the sponsor and/or the promoter of the Scheme and the Underlying Investment Fund(s) of the respective DIS Constituent Fund and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Constituent Funds and its underlying investment fund(s), but does not include any Out-of-pocket Expenses incurred by each DIS Constituent Fund and its Underlying Investment Fund(s).

In accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on the DIS Constituent Funds or Members who invest in DIS Constituent Funds, for Out-of-pocket Expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to the DIS Constituent Funds, shall not in a single year exceed 0.2%* of the NAV of the DIS Constituent Funds. (*Note: the rate will be reduced to 0.1% with effect from 1 January 2025.) For this purpose, Out-of-pocket Expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Constituent Funds in connection with recurrent acquisition of investments for the DIS Constituent Funds (including, for example, costs incurred in acquiring underlying funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Constituent Funds.

Out-of-pocket Expenses that are not incurred on a recurrent basis may still be charged to or imposed on the DIS Constituent Funds, and do not subject to the statutory limit.

For further details, please refer to Fee Table under Clause 4.2 and Explanatory Note G of this MPF Scheme Brochure.

6.4 Processing a Member's instruction and annual de-risking at the same day

When one or more of the Specific Investment Instructions, including but not limited to subscription, redemption, change of existing investments balance or change of investment mandate are received, verified and accepted by the eMPF Platform before the Dealing Deadline of a Dealing Day on which the date is an annual date of de-risking, the annual de-risking will only take place after completion of these instructions where necessary. If transfer out instruction or withdrawal order is received, verified and processed by the eMPF Platform before the Dealing Deadline of a Dealing Day on which the date is an annual date of de-risking, annual de-risking will only take place after completion of these instructions where necessary. **The de-risking will be processed within 5 dealing days in normal circumstance after that instruction is completed.**

6.5 Key Risks Relating to DIS

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

Limitations on the strategy

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

As set out in more detail in below (ii) to (v), Members should note that the DIS adopts pre-determined asset allocation and automatically adjusts asset allocation based only upon a Member's age. The DIS does not take into account factors other than age, such as market and economic conditions nor Member's personal circumstances including investment objectives, financial needs, risk tolerance or likely retirement date. Members who want their MPF portfolio to reflect their own personal circumstances can make their own selection of funds from the range available in the Scheme.

(ii) Pre-set asset allocation

Members should note that the two DIS CFs have to follow the prescribed allocation between Higher Risk Assets and Lower Risk Assets at all times subject to a tolerance level of + or – 5%. The prescribed exposure between Higher Risk Assets and Lower Risk Assets of CAF and A65F will limit the ability of the investment manager of these two DIS CFs to adjust asset allocations in response to sudden market fluctuations; for example through the adoption of either a more defensive asset allocation approach (being an approach which seeks to reduce Higher Risk Assets exposure), or alternatively a more aggressive asset allocation approach (being an approach which seeks to increase Higher Risk Assets exposure) even if, for some reason, the investment manager thought it appropriate to do so.

(iii) Annual de-risking between the DIS CFs

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

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

(iv) Potential rebalancing within each DIS CF

In order to maintain the prescribed allocation between the Higher Risk Assets and Lower Risk Assets within each of the CAF and A65F, the investments of each of the CAF and A65F may have to be continuously rebalanced. For example, when the Higher Risk Assets perform poorly, the CAF’s or A65F’s asset allocation may fall outside the respective prescribed limit. In this case, each of the CAF and A65F will have to liquidate some of the better performing Lower Risk Assets in order to invest more in the Higher Risk Assets, even if the investment manager is of the view that the Higher Risk Assets might continue to perform poorly.

(v) Additional transaction costs

Due to (a) the potential rebalancing of Higher Risk Assets and Lower Risk Assets in the process of maintaining the prescribed allocation within each of the CAF and A65F and (b) the annual reallocation of accrued benefits for Members under the de-risking process, the DIS may incur greater transaction costs than a fund/strategy with more static allocation.

General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns (in particular for those Members with only a short investment horizon before retirement). The two designated constituent funds for DIS are mixed asset funds investing in a mix of equities and bonds. Members should note that the DIS which invests in these constituent funds is subject to the general investment risks that apply to mixed asset funds. For general key risks relating to investment funds, please refer to Clause 3.2 of the MPF Scheme Brochure.

Risk on early withdrawal and switching

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

Impact on Members keeping benefits in the DIS beyond the age of 64

Members should note that the de-risking process will discontinue upon reaching the age of 64. Members should be aware that all accrued benefits (including Accrued Benefits transferred from another scheme)/on-going contribution, if any, will be invested in the A65F which holds around 20% of its assets in Higher Risk Assets which may not be suitable for all Members beyond the age of 64.

6.6 Information on Performance of DIS Constituent Fund

The fund performance of the CAF and A65F will be published in the fund factsheets and one of the fund factsheets will be attached to annual benefit statement and sent to Members, Members can visit www.yflife.comor call the customer service hotline for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

A Member can find the information on the definition and actual figures of fund expense ratio of the DIS Constituent Funds at the website of the Mandatory Provident Fund Schemes Authority. The actual figure of fund expense ratio of the DIS Constituent Funds could also be located in the fund fact sheet of the DIS Constituent Funds.

To provide a common reference point for performance and asset allocation of the CAF and A65F, a MPF industry developed Reference Portfolio is adopted for the purpose of the DIS. The fund performance will be reported against a Reference Portfolio published by the Hong Kong Investment Funds Association, please visit www.hkifa.org.hk for further information regarding the performance of the Reference Portfolio.

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

6.7 Combinations between the DIS Constituent Funds and non-DIS Constituent Funds

6.7.1 Contribution or Accrued Benefits invested or transferred to the Scheme upon enrollment

A Member can invest all of the contributions or transfer all of the Accrued Benefits upon enrollment either in:

(a) DIS (with de-risking); and/or

(b) One or more constituent funds under the Scheme of Member's own choice (including the CAF and A65F) and according to Member's assigned allocation percentage(s) to relevant fund(s) of Member's choice.

If a Member has chosen standalone DIS Constituent Funds (without de-risking), the automatic de-risking features of the DIS does not apply to those standalone DIS Constituent Funds.

6.7.2 Switching or change of investment mandate

A Member could switch all or part of his/her Accrued Benefits or change his/her investment mandate to:

(a) DIS (with de-risking);and/or

(b) One or more constituent funds under the Scheme of Member's own choice (including the CAF and A65F) and according to Member's assigned allocation percentage(s) to relevant fund(s) of Member's choice.

If a Member has chosen standalone DIS Constituent Funds (without de-risking), the automatic de-risking features of the DIS does not apply to those standalone DIS Constituent Funds.

6.8 Transferring, withdrawal of or off-setting Accrued Benefits investing in DIS

If any Accrued Benefits investing in DIS are transferred, withdrawn or off-set due to Employers switching plans, partial withdrawal or any forms of withdrawals, Employee Choice Arrangement or off-setting, the remaining Accrued Benefits stayed in the Scheme, if any, are still remain invested in DIS and subject to annual de-risking unless the Member otherwise instructs as permitted under the Trust Deed.

7. TAX DEDUCTIBLE VOLUNTARY CONTRIBUTIONS

7.1 Introduction of TVC

Any person, who fulfils the eligibility requirements as mentioned in Clause 7.3 below can set up a TVC Account and pay TVC into such account. TVC paid into the account will be eligible for tax deduction in accordance with the Inland Revenue Ordinance. With effect from May 1, 2019, TVC Account will be available to eligible persons.

The characteristics of TVC are as follows:

- TVC can only be made directly by eligible persons into TVC Account of a Registered Scheme in order to enjoy tax concession, subject to relevant conditions. Please refer to Clause 7.2 and Clause 7.3 below for details;
- Involvement of employers is not required;
- Though it is voluntary in nature, TVC is subject to the same vesting, preservation and withdrawal restrictions applicable to mandatory contributions. Accordingly, any Accrued Benefits derived from TVC (including any TVC made in excess of the maximum tax deduction limit during a tax assessment year) will be preserved and can only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation. Please refer to Clause 7.6 below for details.

7.2 Tax Concession Arrangement in TVC

The maximum tax concession amount for TVC in each year of assessment is set out in the Inland Revenue Ordinance and, in the year of assessment 2019/2020, is $60,000. It should be noted that such tax concession amount is an aggregate limit for both TVC and other qualifying annuity premiums rather than TVC only; and any claim for tax deductions will be applied to TVC before qualifying annuity premiums.

To facilitate the tax return filing by TVC Members, a tax deductible voluntary contributions summary will be provided by the eMPF Platform to each TVC Member if TVC is made by the member to the Scheme during a year of assessment. Such summary will be made available around 10th of May after the end of relevant year of assessment (i.e. before the end of a period of 40 days (unless the 40th day is not a Business day, then the next Business Day) from the beginning of the next tax assessment year commencing on 1 April.

7.3 Eligibility of TVC

Any person who falls under any one of the following categories may open a TVC Account:

- an employee member of any Registered Scheme;
- a self-employed person member of any Registered Scheme;
- a personal account holder of any Registered Scheme;
- a member of any MPF exempted ORSO scheme.

Each eligible person can only have one TVC Account under the Scheme.

The Trustee of the Scheme may reject any application to open a TVC Account in the event of (i) having reason to know that information and documents provided by the applicants to the eMPF Platform are incorrect or incomplete; (ii) failure of applicants to provide information and documents as required by the Trustee and/or the eMPF Platform to ensure compliance with applicable laws and regulations relating to anti-money laundering/tax reporting; and/or (iii) other circumstances which the Trustee and/or the eMPF Platform may consider appropriate.

7.4 TVC Contribution

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

TVC is subject to the same vesting, preservation and withdrawal requirements applicable to mandatory contributions. This also applies to contributions that exceed the maximum tax deductible amount per assessment year.

There is no maximum limit or minimum limit imposed on the amount or frequency of contribution made to the TVC Account, unless otherwise specified in the relevant application TVC will be fully vested in the Scheme Member once it is paid into the Scheme.

For the avoidance of doubt, the protection of Accrued Benefits under the Mandatory Provident Fund Schemes Ordinance is not applicable to the TVC Account, meaning that Accrued Benefits derived from TVC will generally be vested in the trustee-in-bankruptcy or official receiver as part of the property of the bankrupt member.

TVC Members can make their own fund selection or choose to invest in DIS under the Scheme according to their circumstance and risk appetite. If a TVC Member fails to submit a valid investment instruction to the eMPF Platform or does not make any investment choice at the time of TVC Account opening, his/her TVC will be invested in DIS. Please refer to Clause 6 of the MPF Scheme Brochure of the Scheme for details of the DIS arrangement.

A TVC Member may choose to make a TVC by submitting instruction to the eMPF Platform. Requests received after the Dealing Deadline on a Dealing Day will be processed on the next Dealing Day. However, the Trustee reserves the right not to accept any TVC at any time.

7.5 Portability of TVC

TVC is portable and TVC Members should note that:

- TVC Member may at any time choose to transfer the Accrued Benefits derived from TVC to another Registered Scheme that offers TVC;
- The transfer must be in a lump sum (full account balance);
- The TVC Account in the original scheme from which the Accrued Benefits are transferred (resulting in zero balance) may be terminated upon such transfer;
- For the avoidance of doubt, transfer of Accrued Benefits derived from a TVC Account to another TVC Account of the member in another Registered Scheme cannot be claimed as deductions for taxation purpose; and
- Transfer of TVC Accrued Benefits to another TVC Account of the member in another Registered Scheme will also be subject to the same preservation and withdrawal restrictions applicable to mandatory contributions in the MPF regulations.

7.6 Withdrawal and Termination of TVC

As with Accrued Benefits derived from mandatory contributions, the Accrued Benefits derived from TVC will be paid in the following withdrawal conditions only:

- Retirement (attaining the age of 65)/early retirement (attaining the age of 60 and ceased all employment/self-employment with no intention of becoming employed or self-employed again)
- Death
- Small balances
- Permanent departure from Hong Kong SAR
- Total incapacity
- Terminal illness

In addition, phase withdrawal options will be subject to the following withdrawal conditions:

- Retirement (attaining the age of 65)
- Early retirement (attaining the age of 60 and ceased all employment/self-employment with no intention of becoming employed or self-employed again).

Apart from the withdrawal of Accrued Benefits, the Trustee may terminate the member's TVC Account if:

- the balance of the TVC Account is zero; and
- no transaction activity in respect of the TVC Account for 365 days.

8. VALUATION OF CONSTITUENT FUNDS AND THE MASS MPF GUARANTEED POLICY

8.1 Frequency of Valuation and Dealing

The Trustee will value each constituent fund after the close of business on each Dealing Day, except when the determination of prices has been suspended.

Units in the Guaranteed Fund, Global Growth Fund, Global Stable Fund, MPF Conservative Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund and units in the underlying APIF Policy may be issued or redeemed only on a Dealing Day (except when the determination of prices has been suspended).

Subject to any prior notice requirement and other relevant provisions of the Master Trust Deed, any application for an acquisition or redemption of units in a constituent fund which is received before the Dealing Deadline on a Dealing Day will be processed according to the Issue or Redemption Price applicable on that Dealing Day. An application for an investment in a constituent fund will not be considered as having been received unless the subscription monies are received by the Trustee in cleared funds.

If an application for investment in a constituent fund or a redemption request is received after the Dealing Deadline of a Dealing Day, such application or request will be deemed to have been received on the next following Dealing Day.

The above procedures regarding investment in and withdrawal from a constituent fund are also applicable to the underlying APIF Policy.

The Trustee and YF Life may change the above dealing procedure by giving one month's prior notice (or longer notice not exceeding three months as may be imposed by the MPFA and SFC) to scheme participants and the policyholder respectively.

8.2 Method of Valuation

The Trustee shall value each constituent fund and the fund of the underlying APIF Policy on each Dealing Day. The net asset value of a constituent fund shall equal the value of the assets of such constituent fund, less all the liabilities attributable to the constituent fund (including without limitation all the applicable and deductible fees and charges mentioned in clause 4.2). In general,

(i) quoted investments are valued at their closing price;

(ii) unquoted investments are assessed on the latest revaluation determined by a professional person and the value of the investment in the underlying APIF Policy will be such value as advised to the Trustee by YF Life from time to time;

(iii) collective investment schemes are valued by reference to the net asset value per share or unit quoted at the relevant time by the manager of the collective investment scheme (or if more than one price is quoted, the average of the bid and offer prices);

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

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

Liabilities attributable to a constituent fund include (without limitation) compensation fund levy (if any) and other levies, transaction costs, taxation arising on the income of the constituent fund, other fiscal charges, expenses of the Trustee's fee or Management Fees, Custodian and sub-custodian fees, legal and auditor's fee, valuation and other professional fees and the cost of setting up the respective trust and any outstanding borrowing.

With respect to the underlying APIF Policy, any portion of the investment gain set aside for providing systematic funding of the guarantee as referred to in clause 8.3.2 below will be deducted from the gross asset value of the underlying APIF Policy for valuation purposes.

For the purposes of valuation, monies received for making an investment in a constituent fund on that Dealing Day will be excluded in the valuation and any Accrued Benefits or redemption proceeds to be withdrawn on that Dealing Day shall not be excluded.

The above valuation principles are used to determine the Issue Price and Redemption Price of the units in the constituent funds and the underlying APIF Policy.

Subject to the approval of the MPFA and the SFC, the Trustee may change the above valuation principles by giving one month's prior notice (or such longer notice not exceeding three months as may be imposed by the MPFA and the SFC) to the scheme participants (or the policyholder of the underlying APIF Policy, if the change applies to the underlying APIF Policy only).

8.3 Method of Pricing

8.3.1 Issue Price and Redemption Price

The net asset value of the units in the Guaranteed Fund, Global Growth Fund, Global Stable Fund, MPF Conservative Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund, Greater China Equity Fund and the underlying APIF Policy shall be equal to the net asset value of the constituent fund and the underlying APIF Policy respectively divided by the respective number of units in issue immediately prior to the relevant Dealing Day and no deduction shall be made in respect of units to be redeemed on that Dealing Day.

(a) The first Issue Price of each constituent fund will be HK$10.00 per unit. The Issue Price per unit of each constituent fund on any Dealing Day shall be determined as follows:

$$I = \frac{NAV}{(100\% - C)}$$

where:

I = Issue Price per unit.

NAV = net asset value per unit on the Dealing Day.

C = Offer Spread, expressed as a percentage.

PROVIDED ALWAYS that:

(i) the Issue Price should be rounded up to 4 decimal places or such other number of decimal places as the Trustee shall determine from time to time;

(ii) the number of units issued shall be the number obtained when the subscription monies are divided by the Issue Price of the unit of the constituent fund in which the subscription monies shall invest, such a number to be rounded down to 4 decimal places or such other number of decimal places as the Trustee shall determine from time to time; and

(iii) no unit of any constituent fund shall be issued at a price higher than the Issue Price of the unit of the constituent fund on the relevant Dealing Day.

(b) The Redemption Price per unit of the Guaranteed Fund, Global Growth Fund, Global Stable Fund, MPF Conservative Fund, Hong Kong Equities Fund, Global Equity Fund, Global Bond Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund, Greater China Equity Fund and the underlying APIF Policy on any Dealing Day shall be determined as follows:

R = NAV x (100% – D)

where:

R = Redemption Price.

NAV = net asset value per unit on the Dealing Day.

D = Bid Spread, expressed as a percentage.

PROVIDED ALWAYS that:

(i) the Redemption Price should be rounded down to 4 decimal places or such other number of decimal places as the Trustee shall determine from time to time;

(ii) the total redemption proceeds shall be the Redemption Price multiplied by the number of units redeemed, such proceeds to be rounded down to 2 decimal places or such other number of decimal places as the Trustee shall determine from time to time; and

(iii) no units of any of the above constituent fund shall be redeemed at a price lower than the Redemption Price of the unit of the constituent fund on the relevant Dealing Day.

Notwithstanding the foregoing, units in the MPF Conservative Fund shall be issued or redeemed at the net asset value per unit. Neither Offer Spread nor Bid Spread shall be levied on units of the MPF Conservative Fund.

8.3.2 Guaranteed Fund and the underlying APIF Policy

8.3.2.1 Guaranteed mechanism

Subject to the Qualifying Events set out in clause 8.3.2.3, the Guaranteed Fund will ONLY provide guarantee on the NET ACCRUED BENEFITS invested in the Guaranteed Fund by or for a Member (i.e. contribution monies made by or for a Member, accrued benefits switched in from other constituent funds of the Scheme and accrued benefits transferred in from another scheme less any Offer Spread imposed) (collectively "Net Accrued Benefits"). Since the Trustee currently does not charge any Offer Spread at the constituent fund level, therefore, where the amount of contribution is HKD1,000.00, the Guaranteed Fund will provide guarantee on the net contribution which is HKD1,000.00.

For as long as the Net Accrued Benefits of a Member are invested in the Guaranteed Fund, such Net Accrued Benefits will have a guaranteed minimum return as detailed in clause 8.3.2.2 before the deduction of the Bid Spread applicable at the Scheme level **provided that the withdrawal of Accrued Benefits is only due to any one of the following qualifying events: a) attainment of Normal Retirement Age; b) attainment of Early Retirement Age; c) death; or d) total incapacity.** The Notional Guaranteed Account keeps track of this guaranteed amount, which is subject to a deduction of the applicable Bid Spread levied at the Scheme level and any withdrawal fee, which may be imposed in respect of special voluntary contributions at withdrawal.

Assets in the Guaranteed Fund are invested in the underlying APIF Policy and such investment is subject to the Offer Spread applicable to the underlying APIF Policy. Given that the Guaranteed Fund is a feeder fund, its investment return will be directly reflected by the investment performance of the underlying APIF Policy.

On each Dealing Day, YF Life will determine the Issue Price and Redemption Price of the underlying APIF Policy. YF Life will then advise the Trustee of the Issue Price and Redemption Price of the units of the underlying APIF Policy on each Dealing Day. To avoid misunderstanding, the Guarantee Charge referred to in clause 8.2 is the fee levied by YF Life for providing the guarantee under the underlying APIF Policy, and the Guarantee Charge will be deducted from the assets of the underlying APIF Policy and be retained by YF Life for its own use and benefits.

If a Member redeems units in the Guaranteed Fund, the Trustee will be required to redeem units from the underlying APIF Policy in order to pay the benefits to the Member concerned.

8.3.2.2 Guaranteed minimum return

The guaranteed minimum return works as follows:–

For each Member who has Net Accrued Benefits invested in the Guaranteed Fund, a Notional Guaranteed Account will be maintained in respect of such Member to record the amount of Net Accrued Benefits of such Member together with all interest which would accrue on such amount as if interest accrues thereon during each Interest Period at the applicable Guaranteed Rate of Return declared for such Interest Period (pro-rated for incomplete Interest Periods).

When determining the Guaranteed Rate of Return for any Interest Period, YF Life will consider factors such as mortality experience, withdrawal experience, demography of existing Members, economic conditions and investment performance. At least 14 days before the end of an Interest Period, YF Life shall by notice to the Trustee declare the applicable Guaranteed Rate of Return for the next Interest Period and the Trustee shall as soon as practicable inform the Members of such declaration by written notice before the end of an Interest Period. The Guaranteed Rate of Return may remain **unchanged, or may be increased or decreased from one Interest Period to another.** YF Life has the discretion to declare the Guaranteed Rate of Return, which would be greater than or equal to 0%.

8.3.2.3 How to determine the guarantee amount

The underlying APIF Policy will provide a minimum guaranteed return to the Trustee so that the Trustee can pay the appropriate Accrued Benefits in accordance with the following paragraph:

(i) if a **withdrawal in a lump sum** is made by a Member as a result of any one of the following events (each of which referred to as a "Qualifying Event"):

    (a) Attainment of Normal Retirement Age;

    (b) Attainment of Early Retirement Age;

    (c) Death; or

    (d) Total Incapacity.

(ii) if **withdrawal by instalments** is made by a Member as a result of any one of the following Qualifying Event:

    (a) Attainment of Normal Retirement Age; or

    (b) Attainment of Early Retirement Age.

In such circumstances, the Member concerned will receive the greater of:

(i) The total redemption proceeds of the units of the Guaranteed Fund in the Member's contribution account, Personal Account, SVC Account or TVC Account determined in accordance with clause 8.3.1(b)(ii) less the applicable Bid Spread at the Scheme level and any withdrawal fee which may be imposed in respect of special voluntary contributions (the "Actual Redemption Proceeds"); or

(ii) The amount in the Notional Guaranteed Account maintained in respect of such Member less the dollar amount of the Bid Spread and any withdrawal fee in respect of special voluntary contributions that would otherwise be applicable to the redemption referred to in (i) above (the "Net Guaranteed Amount Payable").

PROVIDED THAT in the case of partial withdrawal, the account balance shall be reduced by the same proportion as the number of Units so reduced.

If the Actual Redemption Proceeds of the units of the Guaranteed Fund in the Member's contribution account, Personal Account, SVC Account or TVC Account are insufficient to pay the required guaranteed amount, any shortfall will be paid by YF Life. YF Life is therefore the guarantor of the Guaranteed Fund.

Since the Guarantee Charge and other costs and expenses of the Guaranteed Fund has been deducted when calculating the net asset value of each unit of the Guaranteed Fund, no other deductions (except the Bid Spread and any withdrawal fee in respect of special voluntary contributions which would be applicable to the redemption referred to in (i) above) will be made from the redemption proceeds.

The guaranteed amount will be provided as long as the Net Accrued Benefits remain in the Guaranteed Fund, no matter whether the fund has been transferred to a Personal Account, a self-employed account, a new employee account of the Employer within the Scheme for that Scheme participant or intra-group transfer within the Scheme. However, the guarantee will not be provided to the withdrawal amount due to long service payments or severance payments paid out of the Scheme.

If a Member redeems some or all units of the Guaranteed Fund for any other reason (other than Qualifying Events), the withdrawal amount shall be the Actual Redemption Proceeds (subject to the Underlying Investment Fund's performance and market fluctuations) determined in accordance with clause 8.3.2.3(i). The guaranteed amount shall still be provided to the remaining Net Accrued Benefits as long as the remaining balances remain in the Guaranteed Fund and shall only be withdrawn as a result of the Qualifying Events. The guaranteed charges will continue to apply to the remaining Net Accrued Benefits.

If a Member withdraws Accrued Benefits by instalments as a result of attainment of retirement or early retirement, the withdrawal amount shall be deducted from the greater of Actual Redemption Proceeds or net guaranteed amount in the Notional Guaranteed Account. The account balance shall be reduced by the same proportion as the number of Units so reduced.

In addition, if the Guaranteed Fund or the underlying APIF Policy is terminated for any reason, **each Member** will receive from the Guaranteed Fund for **his/her account** the greater of:–

(a) The Actual Redemption Proceeds (subject to the Underlying Investment Fund's performance and market fluctuations); and

(b) The Net Guaranteed Amount Payable.

8.3.2.4 Illustrative examples of guarantee mechanism of Guaranteed Fund

Assumptions:

1. *A Member makes HK$1,000 gross contributions at the beginning of each month.*
2. *The declared Guaranteed Rate of Return is calculated after deducting the Management Fees, Trustee's fee and Guarantee Charge etc.*
3. *For the sake of simplicity, the Bid Spread and Offer Spread in the following examples are 0%.*

Assume the actual rates of return and the declared Guaranteed Rates of Return are as follows:

	Year 1		Year 2		Year 3	
Guaranteed Period	1	2	3	4	5	6
From	1 Apr.	1 Oct.	1 Apr.	1 Oct.	1 Apr.	1 Oct.
To	30 Sept.	31 Mar.	30 Sept.	31 Mar.	30 Sept.	31 Mar.
Total Contributions	6,000.00	12,000.00	18,000.00	24,000.00	30,000.00	36,000.00
Total Net Contributions	6,000.00	12,000.00	18,000.00	24,000.00	30,000.00	36,000.00
Actual Rate of Return (assumed)	-3.00%	-1.00%	3.00%	4.00%	4.00%	5.00%
Guaranteed Rate of Return (declared)	5.00%	0.00%	0.50%	3.50%	4.50%	5.00%
Actual Redemption Proceeds (AP)	5,946.80	11,899.65	18,129.50	24,556.15	31,113.18	37,969.83
Net Guaranteed Amount Payable (NGAP)	6,086.45	12,086.45	18,125.47	24,499.20	31,123.80	37,980.71

Illustrative example 1 – the Member attains the Normal or Early Retirement Age

- Assuming that the Member reaches Normal or Early Retirement Age at the end of the Guaranteed Period 2.
- Since it is a Qualifying Event, the Member will be given the greater amount between AP and NGAP.
- In this case, AP is HK$11,899.65 and NGAP is HK$12,086.45.
- Since NGAP is greater than AP, the Member will receive HK$12,086.45.
- When compared with the Total Contributions made, there will be a gain of HK$86.45.

Illustrative example 2 – the Member passes away

- Assuming that the Member passes away at the end of the Guaranteed Period 4.
- Since it is a Qualifying Event, the Member will be given the greater amount between AP and NGAP.
- In this case, AP is HK$24,556.15 and NGAP is HK$24,499.20.
- Since AP is greater than NGAP, the Member will receive HK$24,556.15.
- When compared with the Total Contributions made, there will be a gain of HK$556.15.

Illustrative example 3 – the Member suffers from total incapacity

- If the Member suffers from total incapacity at the end of the Guaranteed Period 6.
- Since it is a Qualifying Event, the Member will be given the greater amount between AP and NGAP.
- In this case, AP is HK$37,969.83 and NGAP is HK$37,980.71.
- Since NGAP is greater than AP, the Member will receive HK$37,980.71.
- When compared with the Total Contributions made, there will be a gain of HK$1,980.71.

Illustrative example 4 – the Member performs constituent fund switching or benefit transfer to other Registered Schemes

- Assuming that the Member redeems the units at the end of the Guaranteed Period 5 due to constituent fund switching or benefit transfer to other Registered Schemes.
- Since constituent fund switching or benefits transfer to other trustees are not Qualifying Events, the Member will receive the actual redemption proceeds of HK$31,113.18 and the NGAP is irrelevant.
- When compared with the Total Contributions made, there will be a gain of HK$1,113.18.

Illustrative example 5 – the Member withdraws accrued benefits derived from mandatory contribution on the ground of terminal illness

- Assuming that the Member has equal amount mandatory and voluntary contribution and withdraws accrued benefits derived from mandatory contribution on the ground of terminal illness at the end of the Guaranteed Period 5.
- The Total Contribution attributable to mandatory contribution and voluntary contribution at the end of the Guaranteed Period 5 are $15,000 respectively.
- The actual redemption proceeds attributable to mandatory and voluntary contribution at the end of the Guaranteed Period 5 are $15,556.59 respectively.
- Since withdrawal on the ground of terminal illness is not Qualifying Events, the Member will receive the actual redemption proceeds attributable to mandatory contribution of HK$15,556.59 and the NGAP of mandatory contribution is irrelevant.
- When compared with the Total Contributions attributable to mandatory contribution made, there will be a gain of HK$556.59.
- The Accrued Benefits derived from voluntary contribution (with accumulated interests accrues at applicable guaranteed rate of return) will be still invested in the Guaranteed Fund and subject to guarantee in future if the Member withdraws such Accrued Benefits as a result of any of the Qualifying Event.

Illustrative example 6 – the Member withdraws Accrued Benefits by instalments

- Assuming that the Member withdraws $10,000 as a result of early retirement or retirement at the end of the Guaranteed Period 5.
- Since it is a Qualifying Event, the Member will be given the greater amount between AP and NGAP.
- In this case, AP is HK$31,113.18 and NGAP is HK$31,123.80.
- Since NGAP is greater than AP, the amount will be paid out from the NGAP. The redemption portion is 32.13% (i.e. $10,000/$31,123. 80).
- The same portion 32.13% (i.e. $9,996.66) will be deducted from the AP.
- The remaining balances for AP and NGAP are $21,116.52 and $21,123.80 respectively.
- The remaining balances of Accrued Benefits (with accumulated interest accrues at applicable guaranteed rate of return) will still be invested in the Guaranteed Fund and subject to guarantee in future if the Member withdraws such Accrued Benefits as a result of any of the Qualifying Event.
- Assuming that the Member withdraws another $10,000 immediately following the first instruction as a result of early retirement or retirement in respect of the remaining balances of Accrued Benefits.
- Since it is a Qualifying Event, the Member will be given the greater amount between AP and NGAP.
- In this case, AP is HK$21,116.52 and NGAP is HK$21,123.80.
- Since NGAP is greater than AP, the amount will be paid out from the NGAP. The redemption portion is 47.34% (i.e. $10,000/$21,123. 80).
- The same portion 47.34% (i.e. $9,996.56) will be deducted from the AP.
- The remaining balances for AP and NGAP are $11,119.96 and $11,123.80 respectively.
- The guaranteed charges will continue to apply on the remaining balances.

Important:The actual rates of return quoted in the above examples are for illustrative purposes only and are not based on past performance. The actual investment returns may be different. The Guaranteed Rates of Return quoted in the above examples are also for illustrative purposes only and are not in any way indicative of the future Guaranteed Rates of Return which will be declared.

OTHER INFORMATION

9. GOVERNING LAW

The Scheme and the underlying APIF Policy are governed and construed according to the laws of the Hong Kong Special Administrative Region.

10. TAXATION

Prospective participants in the Scheme (including, without limitation, Employers, Employee Members, SEP Members Personal Account Members, SVC Members and TVC Members) should inform themselves of and, where appropriate, take their own advice on the taxes applicable to contributions to, withdrawals from and investments in the Scheme. The following notes are intended as a general guide only and are not intended to be and do not necessarily describe the tax consequences for all types of Members under this Scheme.

ANY PERSON INTENDING TO PARTICIPATE UNDER THIS SCHEME SHOULD SEEK INDEPENDENT PROFESSIONAL TAX ADVICE.

The following paragraphs of this clause are based on the law and practice currently in force in Hong Kong and on the provisions of the Ordinance and its subsidiary legislation. This tax disclosure does not otherwise take into consideration or anticipate any changes whether of a legislative, administrative, or judicial nature, possibly with retroactive effect. The following description does not take into account the application of any foreign laws, nor the laws in force in any part of the People's Republic of China outside Hong Kong.

Except where otherwise defined in this document, terms in this clause shall have the same meaning as under the Hong Kong Inland Revenue Ordinance ("IRO").

10.1 Contributions to the Scheme

(i) Employers

The regular mandatory and voluntary contributions of an Employer to the Scheme are generally deductible from the calculation of the Employer's profits under Part IV of the IRO in the year of contribution provided that the regular contributions made to the Scheme by the Employer do not exceed 15% of the total emoluments of the relevant employee and further provided that no prior deduction has been claimed for the contributions.

(ii) Employee Members, VC Employee Members and SEP Members

Employee Members and SEP Members are entitled to a deduction for the mandatory contributions to the Scheme. Employees are entitled to a deduction from their salaries tax otherwise payable under Part III of the IRO while self-employed persons are entitled to a deduction from their profits chargeable to profits tax under Part IV of the IRO. No deductions are allowed for voluntary contributions.

(iii) TVC Members

Please refer to Clause 7.2 for details.

10.2 Payments out of the Scheme

Under the terms of the Scheme only Employee Members, VC Employee Members, SEP Members, Personal Account Members, SVC Members and TVC Members are entitled to withdraw amounts under the Scheme.

(i) Amounts withdrawn on retirement, death, incapacity or Terminal Illness

In the case of an Employee Member or a VC Employee Member, the Accrued Benefits received by such Member from the Scheme on the employee's retirement from employment (as defined in the IRO), death, incapacity or Terminal Illness are not subject to tax in Hong Kong.

(ii) Amounts withdrawn on termination of service

Amounts received by an Employee Member or a VC Employee Member on termination of employment with an Employer other than upon retirement, death, incapacity or Terminal Illness are not subject to tax in Hong Kong to the extent that such amounts are attributable to the employee's or employer's mandatory contributions or to an employee's voluntary contributions, as the case may be.

With respect to the amounts that are attributable to an Employer's voluntary contributions, such amounts are only excluded from the income of the Employee Member or the VC Employee Member where the amount so withdrawn does not exceed the proportionate benefit calculated in accordance with the relevant provisions of the IRO.

(iii) Other Withdrawals

Where an Employee Member or a VC Employee Member makes a voluntary withdrawal in accordance with the terms of the Scheme upon circumstances other than death, incapacity, retirement, Terminal Illness or termination of service, there shall be excluded from determining such Member's liability to salaries tax under Part III of the IRO such amounts as are attributable to such Member's or Employer's mandatory contributions or to such Member's own voluntary contributions (as the case may be). The portion of the amount that is attributable to the Employer's voluntary contributions is fully assessable to salaries tax deductible in determining the person's liability to salaries tax under Part III must be determined in accordance with the proportionate benefit (where appropriate) calculated in accordance with the relevant provisions of the IRO.

The voluntary withdrawal by a Member of his or her voluntary contributions in respect of his or her self-employment is not subject to tax.

Before making any voluntary withdrawal under the Scheme, the Member considering the withdrawal should seek professional tax advice.

(iv) Deemed Payment on Termination

Where the service of a Member in respect of whom an Employer has paid voluntary contributions to the Scheme is terminated and the person elects to retain the contributions within the Scheme or transfer those contributions to another Registered Scheme, that Member is deemed to have received from the Scheme on the date of the termination of service such benefit as is attributable to the Employer's voluntary contributions. The salaries tax implications to the Employee under Part III will be determined by applying the proportionate benefit principle in accordance with the relevant provisions of the IRO.

10.3 Taxation of the Scheme

As of the date of this MPF Scheme Brochure, no legislation has been enacted in respect of taxation of Registered Schemes. Accordingly, the following conclusions are of a speculative nature and may be affected by changes in legislation or administrative practice. However, it is anticipated that Registered Schemes will receive the same administrative concession in respect of their liability to profits tax pursuant to Part IV of the IRO as is applicable to retirement schemes under the Occupational Retirement Schemes Ordinance. Such schemes are generally not subject to Part IV profits tax on their investment income. Accordingly, it is expected that the income earned by the investments in the Scheme will not be subject to Part IV profits tax.

10.4 Taxation of the Insurance Policy

Prospective policyholders should inform themselves of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and realisation of units by them under the laws of the places of his citizenship, residence and domicile.

Under existing legislation and practice in Hong Kong:

(a) dividends, interest and other income received by insurance policies from Hong Kong or elsewhere are not liable to tax in Hong Kong;

(b) there is no tax in Hong Kong on capital gains made in Hong Kong or elsewhere and any revenue profits relating to dealings in securities, from futures contracts or foreign exchange contracts is exempted from Hong Kong profits tax;

(c) normally policyholders will not be taxed in Hong Kong on distributions from the policies or on gains realised on the sale or realisation of units of the fund established by the policies, but there may be exceptions. For example, if in the case of any policyholders, the acquisition and realisation of units is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by that policyholder may attract Hong Kong profits tax.

Dividends, interest and other income received by the funds of the policies from outside Hong Kong may be subject to withholding taxes in the country from which payment is made.

11. AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION ("AEOI")

Under the Inland Revenue Ordinance (Cap. 112 of the laws of Hong Kong), the Trustee is required to identify account holders who are tax residents of reportable jurisdictions, and report the information of account holders and controlling persons of certain entities (including but not limited to their names, addresses, dates of birth, jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s)) and account information (including but not limited to their account balances, income, and payments to the account holders) (collectively, the "Reportable Information") to the Hong Kong Inland Revenue Department ('IRD'). The IRD will then provide the Reportable Information to the tax authority of the reportable jurisdiction on a regular, annual basis.

In order to facilitate the Trustee's fulfilment of the above obligations under the Inland Revenue Ordinance, the Trustee and/or the eMPF Platform may require any account holder under AEOI to provide a valid self-certification and such other information (including the Reportable Information and any documentary evidence) which the Trustee and/or the eMPF Platform may at their discretion require from time to time for the implementation of AEOI. Upon participating into the Scheme, the completed self-certification must be submitted to the eMPF Platform. Otherwise, account opening process will be adversely affected and could not be completed. If there are subsequent changes to the Reportable Information previously reported to the Trustee or the eMPF Platform, account holders and controlling persons must update the eMPF Platform about the changes promptly and in any case within 30 days of such changes.

If you are not a tax resident in any jurisdiction outside Hong Kong, your MPF account information will not be reported to the IRD for transmission to any tax authority outside Hong Kong.

Members, employers, any other account holders and controlling persons should consult their own tax advisers regarding the possible implications of AEOI. Please refer to the website of IRD for more information about AEOI. Any discussion with the Trustee and/or our intermediaries is not intended to be tax advice to any person and is not intended to be used, and cannot be used, by any person for the purpose of avoiding any domestic or foreign tax obligations.

WARNING: It is an offence under the Inland Revenue Ordinance if any person, in making a self-certification, makes a statement that is misleading, false or incorrect in a material particular AND knows, or is reckless as to whether, the statement is misleading, false or incorrect in a material particular. A person who commits the offence is liable on conviction to a fine.

12. FINANCIAL YEAR END

The financial year of the Scheme and the underlying APIF Policy ends on 31 December each year.

13. REPORTS AND STATEMENTS

(i) The eMPF Platform will send to each Member (or through their Employers in case of Employee Members) the following documents a notice of participation and other relevant details of the Scheme within 30 days after whichever is the later of the following dates:

  (a) the date on which all the information required for the application is submitted;

  (b) the date on which the applicant agrees to comply with the governing rule of the Scheme.

(ii) Within 3 months of the end of the Scheme financial year, the eMPF Platform will send to each Member an annual benefit statement setting out the details of total contributions paid to the Scheme during the financial period, the value of the Accrued Benefits as at the beginning and at the end of such financial period and other relevant details as required by section 56 of the Regulation. The benefit statement should also set out the Member’s position as at the financial year end and whether or not the auditing of the financial statements of the Scheme has been completed. If there are subsequent audit adjustments made to the benefit statement affecting the Member’s balances, the eMPF Platform will notify the Member in writing within 30 days of the Trustee becoming aware of those adjustments.

(iii) If a Member elects to transfer his Accrued Benefits to a Personal Account of the Scheme or to another Registered Scheme, the eMPF Platform will give a transfer statement to the Member within one month of the transfer.

(iv) When the Trustee is required to pay the Accrued Benefits to a Member under Part XIII of the Regulation, a final benefit statement setting out the details as specified in section 168 of the Regulation will be given to the Member or claimant upon payment.

14. NOTIFICATION TO SCHEME MEMBERS AND EMPLOYERS

(i) If there is termination of any constituent fund, the Trustee must give at least Three (3) months' (or such shorter period as may be agreed by the MPFA and the SFC) prior notice in writing to the scheme participants.

(ii) If there is a permanent change in the method of dealing of units of any constituent funds or procedures, the Trustee will give notice of at least one month's (or such shorter as agreed by the MPFA and the SFC) prior notice to the scheme participants.

(iii) In the case of merger or division of the Scheme, the Trustee will give at least three (3) months' (or such shorter period as may be agreed by the MPFA and the SFC) prior notice in writing to scheme participants.

(iv) The underlying APIF Policy may be terminated by YF Life subject to MPFA approval by giving notice of not less than three (3) months' (or such shorter period as may be agreed by the MPFA and the SFC) prior notice to the Trustee.

15. DOCUMENTS FOR INSPECTION

The Master Trust Deed will be available for inspection at the principal place of business of the Trustee during its normal business hours from Monday to Friday. All the above documents may be purchased at a reasonable photocopying charge.

Scheme participants are advised to review the Master Trust Deed. If there is any conflict between any of the provisions of this MPF Scheme Brochure and the Master Trust Deed, the provisions of the Master Trust Deed will prevail.

Subject to the prior approval and any notification requirements imposed by the relevant authorities, the Trustee may change all other provisions of the Master Trust Deed and the MPF Scheme Brochure (including without limitation the guarantee feature of the Guaranteed Fund and the fees and charges of the Scheme and the underlying APIF Policy) by giving not less than three months' prior notice (or such shorter period as may be agreed by the MPFA and the SFC) to the scheme participants.

16. GENERAL

- Enquiries about the operation of the Scheme may be made to the Trustee at their hotline, number: 2533-5522.

GLOSSARY

In this MPF Scheme Brochure, unless the context otherwise requires, the following words and expression have the meanings given to them as follows:

"Age 65 Plus Fund", or "A65F"	has the same meaning as given to it from time to time under Section 1 of Schedule 10 of the Ordinance;
"Accrued Benefits"	has the same meaning given to it under the Ordinance;
"Annual Fee"	means the fee charged by the trustee/sponsor of a scheme on an annual basis and payable by the Employers and/or Members of the Scheme;
"APIF Policy"	means the MASS MPF Guaranteed Policy No. MGP002 dated 20 January 2006;
"Bid Spread"	is charged by the trustee/sponsor upon redemption of units of a constituent fund by a member. Bid Spread at the constituent fund level for a transfer of Accrued Benefits will only include Necessary Transaction Costs. Bid spread does not apply to an MPF Conservative Fund. Bid spread may also refer to the Realisation Charge under the Prospectus of the Allianz Global Investors Choice Fund;
"Business Day"	means any day (other than a Saturday, Sunday and public holiday) on which the banks in Hong Kong are open for business;
"Casual Employee"	means an employee who is declared by an order made under Section 2(2) of the Ordinance to be a casual employee for the purposes of the Ordinance, or has such other meaning as is given to it from time to time in Section 2 of the Ordinance;
"Change of Investment Instruction"	means an instruction given by a Member to the eMPF Platform to switch or rebalance existing units or change future investment mandate or otherwise deal with the terms of the Member's Specific Investment Instruction from time to time;
"Contribution Charge"	means the fee charged by the trustee/sponsor of a scheme against any contributions paid to the scheme. This fee is usually charged as a percentage of contributions and will be deducted from the contributions. This charge does not apply to an MPF Conservative Fund;
"Contribution Day"	(a) in relation to a SEP Member, means the last day of the contribution period prescribed by Section 131 of the Regulation; and (b) in relation to an Employer, has the meaning given by Section 122(I) of the Regulation;
"Core Accumulation Fund", or "CAF"	has the same meaning as given to it from time to time under Section 1 of Schedule 10 of the Ordinance;

"Dealing Day"	means every Business Day provided that it is not a day on which the eMPF Platform (or any part of it) is suspended under the Ordinance ("eMPF Platform Suspension Day"), otherwise, the next following Business Day or such other day(s) as the Trustee may from time to time determine either in respect of all the constituent funds or in relation to a particular constituent fund of the Scheme;
"Dealing Deadline"	is 4:00 pm on each Dealing Day or such other time as agreed between the Trustee and the eMPF Platform;
"Default Investment Strategy"	has the same meaning given to it from time to time in Section 2 of the Ordinance;
"DIS Constituent Fund"	means:– (a) Age 65 Plus Fund as defined above; or (b) Core Accumulation Fund as defined above.
"Early Retirement Age"	means, in relation to a Member, 60 years of age or such other age specified from time to time in Schedule 7 of the Ordinance;
"Eligible Employee"	means an employee of 18 years of age or over and below the Normal Retirement Age of an Employer who is not exempt from the provisions of the Ordinance;
"Eligible VC Employee"	means an employee under 18 years of age or is of or more than the Normal Retirement Age or is exempted under Section 4(3) of the Ordinance;
"Employee Member"	means an Eligible Employee of an Employer who has joined the Scheme in accordance with the rules of the Master Trust Deed or a VC Employee Member who automatically became an Employee Member pursuant to the rules of the Master Trust Deed and who has not ceased to be employed by that Employer;
"Employer"	means any person, firm, corporation or body, which participates in the Scheme by executing a participation agreement;
"eMPF Company"	means the eMPF Platform Company Limited, a wholly-owned subsidiary of the MPFA, which operates the eMPF Platform as a public utility;
"eMPF Platform"	means the electronic platform and the scheme administration services and facilities made available by the eMPF Company to provide scheme administration services for Registered Schemes;
"eMPF User Guide"	means the user guide available on the eMPF Platform website (www.empf.org.hk) which provides details about submission of MPF instructions via the eMPF Web Portal or the eMPF Mobile App;

"Guaranteed Rate of Return"	for an Interest Period means the rate of return higher than or equal to zero percent per annum which is declared by YF Life for such Interest Period pursuant to the provisions of the underlying APIF Policy;
"Guarantee Charge"	refers to an amount that is deducted out of the assets of a guaranteed fund for the purpose of providing the guarantee. This fee is usually charged as a percentage of the net asset value of a guaranteed fund;
"Higher Risk Assets"	means any assets identified as such in the "Guidelines on Default Investment Strategy" (such as global equities);
"HK$"	means the lawful currency of Hong Kong;
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC;
"IRO"	means the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong);
"Interest Period"	means the period of six months commencing on either 1 April or 1 October of each year;
"Issue Price"	means the issue price (including any Offer Spread imposed) per unit at which units of a constituent fund or the underlying APIF Policy (as defined in clause 1 above), as the case may be, are from time to time issued or to be issued;
"Joining Fee"	means the one-off fee charged by the trustee/sponsor of a scheme and payable by the Employers and/or Members upon joining the Scheme;
"Lower Risk Assets"	means any assets other than Higher Risk Assets (such as global bonds and money market instrument);
"Management Fees"	include fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor of a scheme and the Underlying Investment Funds for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund. In the case of the DIS Constituent Fund, Management Fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the Ordinance) be charged as a percentage of the net asset value of each of the DIS Constituent Funds. These Management Fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of each of the DIS Constituent Funds divided by the number of days in the year which applies across both the DIS Constituent Funds and their underlying funds;
"Master Trust Deed"	means the trust deed, which established the Mass Mandatory Provident Fund Scheme, as amended from time to time;

"Member" means an Employee Member, a SEP Member, a VC Employee Member, a Personal Account Member, a SVC Member or a TVC Member and includes any person participating in the Scheme in one or more of the capacities mentioned above;

"MPFA" means the Mandatory Provident Fund Schemes Authority in Hong Kong;

"Necessary Transaction Costs" means the costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer of Accrued Benefits, which are payable to a party other than the Trustee, and must be used to reimburse the relevant constituent fund, and may include, but are not limited to, items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses etc.;

"Normal Retirement Age" means, in relation to a Member, 65 years of age or, if the Regulation prescribes an earlier age, that earlier age;

"Notional Guaranteed Account" means, in respect of monies contributed to the Guaranteed Fund by or for a Member, a notional account (with the necessary sub-accounts) maintained in respect of such Member, the account balance of which shall be the aggregate of:

(i) the amount of all the monies invested in the Guaranteed Fund by or for such Member less any Offer Spreads against such investment; and

(ii) the amount of all interest which would have accrued on the net investment referred to in (i) above as if interest accrues thereon during each Interest Period at the applicable Guaranteed Rate of Return declared for such Interest Period (pro-rated for incomplete Interest Periods) as specified in clause 8.3.2 of this MPF Scheme Brochure;

"Offer Spread" is charged by the trustee/sponsor upon subscription of units of a constituent fund by a scheme member. Offer Spread at the constituent fund level for a transfer of Accrued Benefits will only include Necessary Transaction Costs. Offer Spread does not apply to an MPF Conservative Fund. Offer Spread may also refer to the Initial Charge under the Prospectus of the Allianz Global Investors Choice Fund;

"Ordinance" means the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) as amended from time to time;

"Out-of-pocket Expenses" has the same meaning as given to it in 34DA of the Ordinance. Please refer to Clause 6.3 of this MPF Scheme Brochure for details;

"Personal Account" means an account (other than a contribution account) within the Scheme:

(a) into which special contributions (if any) are paid in respect of a Member;

(b) in which the Member's Accrued Benefits (if any) in respect of any former employment or former self-employment of a Member are held;

(c) in which the Member's Accrued Benefits (if any) in respect of any current employment of the Member are held; and

(d) in which the Member's benefits (if any) transferred to the Scheme from an ORSO exempted scheme or an ORSO registered scheme are held,

and includes a former contribution account (if any) of the Member in which Accrued Benefits retained under section 147(6) of the Regulation are held and shall be divided into the following sub-accounts:

(a) Mandatory Personal Sub-Account; and

(b) Voluntary Personal Sub-Account;

"Personal Account Member" means,

(a) a person who, having Accrued Benefits in another Registered Scheme, an ORSO exempted scheme or an ORSO registered scheme has joined the Scheme in accordance with the Rules other than as an Employee Member or a SEP Member and has transferred such Accrued Benefits to a Personal Account of the Scheme; or

(b) a person who, having Accrued Benefits in a contribution account in the Scheme, has elected or is taken to have elected to have such Accrued Benefits transferred to a Personal Account of the Scheme in accordance with Part XII of the Regulation;

"Pre-existing Account" means an account of a Member of the Scheme that was opened before the commencement date;

"Redemption Price" means the price per unit at which units of a constituent fund or the underlying APIF Policy, as the case may be, are from time to time redeemed or to be redeemed;

"Reference Portfolio" developed by MPF industry and published by the Hong Kong Investment Funds Association to provide a common reference point for the performance and asset allocation of each of the DIS Constituent Funds. For further details of the Reference Portfolio, please refer to Clause 6.5 of this MPF Scheme Brochure;

"Registered Scheme"	means a provident fund scheme registered under Section 21 of the Ordinance as an employer sponsored scheme or a master trust scheme or registered under Section 21A of the Ordinance as an industry scheme, or has such other meaning given to it from time to time in Section 2 of the Ordinance;
"Regulation"	means the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485A of the Laws of Hong Kong) as amended from time to time;
"Scheme"	means the Mass Mandatory Provident Fund Scheme;
"SEP Member"	means any self-employed person who has joined the Scheme in accordance with the rules of the Master Trust Deed;
"SFC"	means the Securities and Futures Commission in Hong Kong;
"Specific Investment Instructions"	means the instructions given by the Member to the Trustee to invest his/her Accrued Benefits in the account according to the Members' selection of constituent funds and/or DIS as permitted under the Trust Deed;
"SVC Account"	means an account opened for making special voluntary contributions;
"SVC Member"	a Member who has been enrolled to make special voluntary contributions;
"Tax Deductible Voluntary" Contributions" or "TVC"	means the contributions that are paid into a TVC Account under section 11A(2)(a) of the MPFS Ordinance;
"Terminal Illness"	means a terminal illness within the meaning of Section 158(3) of the Regulation;
"Total Incapacity"	has the meaning given to it from time to time in Section 2 of the Ordinance;
"TVC Account"	means an account opened under section 11A(1) of the MPFS Ordinance;
"TVC Member"	means an eligible person who has admitted to participate in the Scheme as TVC Member in accordance with the rules of the Master Trust Deed;

"Underlying Investment Fund" means any one of the Allianz Choice HK$ Liquidity Fund, the Allianz Choice Capital Stable Fund, the Allianz Choice Stable Growth Fund, the Allianz Choice Balanced Fund and the Allianz Choice Hong Kong Fund within the Allianz Global Investors Choice Fund, the Principal European Equity Fund under the Principal Life Style Fund, any one of the Principal Asian Bond Fund and the Principal International Bond Fund under Principal Unit Trust Umbrella Fund, the Advanced Global Equity Fund under Schroder Institutional Pooled Funds, any one of the Smart Asian Equity Fund and the Smart North American Equity Fund under BCT Pooled Investment Fund Series,, the JPMorgan SAR Greater China Fund, and any one of the Age 65 Plus Fund and Core Accumulation Fund within the Invesco Pooled Investment Fund. Underlying Investment Funds shall mean two or more of the above funds;

"Unrestricted Investment" means any debt security permitted to be held by APIFs pursuant to the MPF Regulation, and which are issued by, or the repayment of principal and the payment of interest on which is unconditionally guaranteed by, an exempt authority (as defined in the MPF Regulation from time to time);

"VC Employee Member" means an Eligible VC Employee of an Employer who has joined the Scheme in accordance with the rules of the Master Trust Deed, and who has not ceased to be employed by that Employer;

"Withdrawal Charge" means the fee charged by the trustee/sponsor of a scheme upon withdrawal of Accrued Benefits from the scheme. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to an MPF Conservative Fund;

"YF Life " means YF Life Insurance International Limited.

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ON-GOING COST ILLUSTRATIONS FOR MASS MANDATORY PROVIDENT FUND SCHEME

Issued on 28 June 2024

ABOUT THIS ILLUSTRATION

This is an illustration of the total effect of fees and charges on each HK$1,000 contributed in the funds named below. The fees and charges of a fund are one of the factors that you should consider in making investment decisions across funds. You should however also consider other important information such as the risks of the fund, the nature of the fund, the attributes of relevant parties, the range and quality of services being offered and, most importantly, your own personal circumstances and expectations. The information about fees and charges set out in this table is intended to help you compare the cost of investing in one constituent fund with the cost of investing in other constituent funds.

The Illustration has been prepared based on some assumptions that are the same for all funds. The Illustration assumes the following:

(a) a gross contribution of HK$1,000 is made in the respective constituent fund now and, being eligible to do so, you withdraw all of your accrued benefits arising from this contribution at the end of each time period indicated;

(b) for the purpose of this illustration only, the contribution has a 5% gross return each year [It is important that you note that the assumed rate of return used in this document for illustrative and comparative purposes only. The return is neither guaranteed nor based on past performance. The actual return may be different.]; and

(c) the expenses of the funds (expressed as a percentage called the 'fund expense ratio' below) remain the same for each fund for all the periods shown in this illustration.

BASED ON THE ABOVE ASSUMPTIONS, YOUR COSTS ON EACH HK$1,000 CONTRIBUTED ARE ILLUSTRATED IN THE FOLLOWING TABLE. PLEASE NOTE THAT THE ACTUAL COSTS WILL DEPEND ON VARIOUS FACTORS AND MAY BE DIFFERENT FROM THE NUMBERS SHOWN BELOW.

Name of constituent fund	Fund expense ratio for financial period ended Dec. 2023	Cost on each HK$1,000 contributed		
		After 1 year (HK$)	After 3 years (HK$)	After 5 years (HK$)
Guaranteed Fund	3.37451%	35	108	182
Global Growth Fund	1.51986%	16	50	85
Global Stable Fund	1.51947%	16	50	85
Global Equity Fund	1.63973%	17	53	92
Asian Bond Fund	1.63940%	17	53	92
Global Bond Fund	1.55776%	16	51	88
Asian Pacific Equity Fund	1.74510%	18	57	98
European Equity Fund	1.71262%	18	56	96
Hong Kong Equities Fund	1.48871%	16	49	84
US Equity Fund	1.08660%	11	36	62
Greater China Equity Fund	1.54653%	16	50	87
Core Accumulation Fund	0.83938%	9	28	48
Age 65 Plus Fund	0.84822%	9	28	48

ILLUSTRATIVE EXAMPLE FOR MPF CONSERVATIVE FUND OF THE MASS MANDATORY PROVIDENT FUND SCHEME

Issued on 1 May 2013

PURPOSE OF THE EXAMPLE

This example is intended to help you compare the total amounts of annual fees and charges payable under this Scheme with those under other registered schemes.

THIS EXAMPLE ASSUMES THAT :

Your MPF Account Activities

(a) your monthly relevant income is HK$8,000

(b) you have put all your accrued benefits into the MPF Conservative Fund; you have not switched your accrued benefits to other constituent funds during the financial period

(c) you have not transferred any accrued benefits into or out of this Scheme during the financial period

Your Company Profile

(d) 5 employees (including yourself) of your employer participate in this Scheme

(e) the monthly relevant income of each employee is $8,000

(f) no voluntary contribution is made

(g) each of the other 4 employees has the same MPF account activities as yours

Investment Return and Savings Rate

(h) the monthly rate of investment return is 0.5% on total assets

(i) the prescribed savings rate is 3.25% per annum throughout the financial period.

Based on these assumptions, the ***total amounts of annual fees*** you need to pay under this Scheme (including those payable to the underlying approved pooled investment fund) in one financial period would be HK$44.03.

Warning : This is just an illustrative example. The actual amounts of fees you need to pay may be ***higher or lower***, depending on your choice of investments and activities taken during the financial period.

MASS Mandatory Provident Fund Scheme (the "Scheme")
First Addendum to the MPF Scheme Brochure

This first Addendum forms part of the MPF Scheme Brochure of the Scheme, and should be read in conjunction with the MPF Scheme Brochure dated 26 June 2024.Terms used in this addendum have the same meaning as that in the MPF Scheme Brochure unless otherwise defined.

The amendments to the MPF Scheme Brochure for the name change of BCT Pooled Investment Fund Series shall take effect from 2 July, 2024 and the changes to Page 24 - "4.2 FEE TABLE shall take effect from 26 September, 2024:

<u>Change of name of BCT Pooled Investment Fund Series</u>
With effect from 2 July, 2024, the name of BCT Pooled Investment Fund Series will be changed to "Bonitas Pooled Investment Fund Series".

Page 24 - "4.2 FEE TABLE – Effective from 26 September 2024

The entirety of table (C) will be updated as follows:

<u>(C) FEES, EXPENSES AND CHARGES OF CONSTITUENT FUNDS AND UNDERLYING INVESTMENT FUNDS</u>

Type of fees, expenses & charges	**Name of constituent fund**	**Current level**	**Payable by**
Offer Spread	MPF Conservative Fund	Nil	Relevant Underlying Investment Fund assets
	Guaranteed Fund		
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	Greater China Equity Fund		
	Other constituent funds	N/A	
Bid Spread	MPF Conservative Fund	Nil	Relevant Underlying Investment Fund assets
	Guaranteed Fund		
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	Greater China Equity Fund		
	Other constituent funds	N/A	

Type of fees, expenses & charges	Name of constituent fund	Current level	Deducted from
Management Fees (For the definition, please refer to section of "Glossary" under P.85 of the MPF Scheme Brochure)	Guaranteed Fund	0.91% p.a. of the net asset value [Note G**]	Relevant constituent fund assets and Underlying Investment Fund assets
	Global Stable Fund		
	Global Growth Fund		
	Hong Kong Equities Fund		
	MPF Conservative Fund	Up to 0.73% p.a. of the net asset value [Note D, G**]	
	Global Bond Fund	1.02% p.a. of the net asset value [Note G]	
	Greater China Equity Fund	Up to 1.0395% p.a. of the net asset value [Note G****]	
	US Equity Fund	0.98% p.a. of the net asset value [Note B5, G]	
	Asian Bond Fund	1.02% p.a. of the net asset value [Note G]	
	Asian Pacific Equity Fund		
	Global Equity Fund		
	European Equity Fund		
	Age 65 Plus Fund	0.67% p.a. of the net asset value [Note G****]	
	Core Accumulation Fund		
Guarantee Charge [Note F2]	Guaranteed Fund	1.75% p.a. of the net asset value	Underlying insurance policy assets

Other expenses at constituent fund level	The following major charges, fees and expenses shall be deducted from the assets of the relevant constituent fund: 1. Compensation fund levy (if any); 2. Indemnity insurance▲; 3. Legal charges▲; 4. Auditor's fees▲; and 5. Fund Accounting fees▲ (at an annual rate of US$7,500 per constituent fund)]; and 6. Establishment cost for the Hong Kong Equities Fund, Asian Pacific Equity Fund, European Equity Fund, US Equity Fund and Greater China Equity Fund is HKD5,000 each. This cost is the application fee which is payable to the MPFA and will be deducted from the net asset value of the respective constituent fund within 12 months after the approval of the constituent fund. The establishment cost for the A65F and the CAF will be borne by the Trustee, no establishment cost is charged on the DIS Constituent Funds. For details of other expenses▲ in constituent funds, please refer to Item B of the Explanatory Notes. Certain recurrent expenses (i.e. Out-of-pocket Expenses) relating to the CAF and the A65F are subject to a statutory annual limit of 0.20%* of the net asset value of each of those funds and will not be charged to or imposed on the fund in excess of that amount. (* Note: the rate will be reduced to 0.1% with effect from 1 January 2025.) Please refer to Clause 6.3 of the MPF Scheme Brochure for details. ▲ this charge will be deducted from the assets of all constituent funds except Guaranteed Fund (the relevant charges under the Guaranteed Fund are collected at the underlying investment fund level).
Other expenses at Underlying Investment Fund level	The following major charges, fees and expenses shall be deducted from the assets of the relevant Underlying Investment Funds: 1. Indemnity insurance▼; 2. Legal charges##; and 3. Auditor's fees##; For details of other expenses in Underlying Investment Funds, please refer to Item C of the Explanatory notes. ▼ This charge will be deducted from the assets of MASS MPF Guaranteed Policy only. ## For Mass MPF Guaranteed Policy, these charges include expenses at both constituent fund and policy levels.

** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Registrar of the Underlying Investment Fund and transaction fees as may from time to time be agreed between the investment manager and the trustee of the Underlying Investment Fund.

*** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, indemnity insurance, publishing fee, investment transaction fees, and legal expenses of the Underlying Investment Fund.

**** Such rate is exclusive of certain costs and expenses, including but not limited to, the fees and expenses of the Auditors, the Registrar and the custodian(s) of the Underlying Investment Fund's investments. The custodian charges will include a custody market value fee based on the investments size and the markets invested in, and a custody volume fee based on the number of transactions.

G. Management Fees

<u>Fee breakdown at constituent fund level</u>

<table>
<tr><th>Constituent Fund</th><th>Trustee Fee Note 5</th><th>Investment Management Fee</th><th>Fee payable to eMPF Platform Company Limited Note 6</th></tr>
<tr><td>Guaranteed Fund Note 2</td><td>Nil</td><td>Nil</td><td rowspan="7">0.37% p.a.</td></tr>
<tr><td>Global Stable Fund Note 2</td><td rowspan="3">Up to 0.14% p.a. of net asset value</td><td rowspan="3">0.33%-0.43% p.a. of net asset value Note 1</td></tr>
<tr><td>Global Growth Fund Note 2</td></tr>
<tr><td>Hong Kong Equities Fund Note 2</td></tr>
<tr><td>MPF Conservative Fund Note 3</td><td rowspan="10">0.14% p.a. of net asset value</td><td>Nil</td></tr>
<tr><td>Global Bond Fund</td><td>0.51% p.a. of net asset value</td></tr>
<tr><td>Greater China Equity Fund</td><td>Up to 0.50% p.a. of net asset value</td></tr>
<tr><td>US Equity Fund</td><td>0.39% p.a. of net asset value</td><td>0.33% p.a.</td></tr>
<tr><td>Asian Bond Fund</td><td>0.51% p.a. of net asset value</td><td rowspan="6">0.37% p.a.</td></tr>
<tr><td>Asian Pacific Equity Fund</td><td>0.39% p.a. of net asset value</td></tr>
<tr><td>Global Equity Fund</td><td>0.51% p.a. of net asset value</td></tr>
<tr><td>European Equity Fund</td><td>0.51% p.a. of net asset value</td></tr>
<tr><td>Age 65 Plus Fund</td><td rowspan="2">Nil</td></tr>
<tr><td>Core Accumulation Fund</td></tr>
</table>

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<u>**Fee breakdown at APIF level**</u>

<table>
<tr><th>Constituent Fund</th><th>Underlying Trustee Fee</th><th>Investment Management Fee</th><th>Custodian/ Administration fee</th></tr>
<tr><td>Guaranteed Fund [Note 2]</td><td>Up to 0.14% p.a. of net asset value charged by the trustee at APIF Policy level

Up to 0.07% p.a. of net asset value [Note 1] charged by the trustee at APIF level</td><td>0.33% - 0.43% p.a. of net asset value [Note 1]</td><td rowspan="14">Nil</td></tr>
<tr><td>Global Stable Fund [Note 2]</td><td rowspan="3">Up to 0.07% p.a. of net asset value [Note 1]</td><td rowspan="3">Nil</td></tr>
<tr><td>Global Growth Fund [Note 2]</td></tr>
<tr><td>Hong Kong Equities Fund [Note 2]</td></tr>
<tr><td>MPF Conservative Fund [Note 3]</td><td>Up to 0.07% p.a. of net asset value</td><td>Up to 0.25% p.a. of net asset value</td></tr>
<tr><td>Global Bond Fund</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Greater China Equity Fund</td><td>0.0295% p.a. of net asset value</td><td>Nil</td></tr>
<tr><td>US Equity Fund</td><td>0.12% p.a. of net asset value</td><td rowspan="5">Nil</td></tr>
<tr><td>Asian Bond Fund</td><td>Nil</td></tr>
<tr><td>Asian Pacific Equity Fund</td><td>0.12% p.a. of net asset value</td></tr>
<tr><td>Global Equity Fund</td><td>Nil</td></tr>
<tr><td>European Equity Fund</td><td>Nil</td></tr>
<tr><td>Age 65 Plus Fund</td><td rowspan="2">0.08% p.a. of the net asset value</td><td rowspan="2">0.08% p.a. of the net asset value</td></tr>
<tr><td>Core Accumulation Fund</td></tr>
</table>

[Note 1] Investment manager charges a lump sum fee of up to 0.43% p.a. (a lower fee of 0.40% will be charged when prescribed fund size is reached) of net asset value which including (i) the trustee fee charged by the trustee of the Underlying Investment Funds (“Underlying Trustee Fee”) at Underlying Investment Fund level of up to 0.07% p.a. of net asset value and (ii) investment management fee (being net difference between the lump sum fee of up to 0.43% p.a. of net asset value and the Underlying Trustee Fee).

[Note 2] The total Management Fees at current level charged for the above constituent funds and their corresponding Underlying Investment Funds are **fixed at 0.91% per annum of net asset value**. To maintain the aggregate management fee at 0.91% p.a. of net asset value, the Trustee has partly waived the trustee fee for the above constituent funds.

[Note 3] The total Management Fees at current level (after taking into account of rebate mentioned in above Note D) charged for the above constituent fund and its corresponding Underlying Investment Fund is **up to 0.73% per annum of net asset value**.

[Note 4] After taking into account of rebate mentioned in above Note E.

[Note 5] The Trustee Fee is payable to the Trustee for its performance of its duties as Trustee and Custodian of the Scheme and other duties related to connectivity to the eMPF Platform.

[Note 6] The eMPF Company charges fees on the Trustee for the scheme administration services it provides and the Trustee will charge such fees to the assets of the Scheme in respect of which the said services are provided.

PAGE 70 – “Glossary”

Update for the term “Management Fees” as below:

“**Management Fees**”	include fees paid to the trustee, custodian, eMPF Company, investment manager (including fees based on fund performance, if any) and sponsor of a scheme and the Underlying Investment Funds for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund. In the case of the DIS Constituent Fund, Management Fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the Ordinance) be charged as a percentage of the net asset value of each of the DIS Constituent Funds. These Management Fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of each of the DIS Constituent Funds divided by the number of days in the year which applies across both the DIS Constituent Funds and their underlying funds;

YF Life Trustees Limited
26 June 2024