

Updates to the Invesco Strategic MPF Scheme - Termination of Guaranteed Fund

11 September 2023

Important Information

- Invesco Strategic MPF Scheme (the “Master Trust”) currently offers the Default Investment Strategy and 14 Constituent Funds, comprising the following fund types: equity fund (including index-tracking fund), bond fund, money market fund, guaranteed fund and mixed asset fund.
- The Guaranteed Fund of the Master Trust invests solely in an insurance policy issued by Principal Insurance Company (Hong Kong) Limited, which is also the guarantor (the “Guarantor”). Your investments in the Guaranteed Fund are therefore subject to the credit risk of the Guarantor. The Guarantor of the Guaranteed Fund will provide a guarantee of capital and a prescribed guaranteed rate of return only (i) if a qualifying event occurs and the Guarantor receives a valid claim or (ii) in other situations (as described in the sub-section headed “Description of the Guaranteed Fund” in the MPF Scheme Brochure). You should read the offering documents (including the Key Scheme Information Document and the MPF Scheme Brochure) carefully before investing in the Guaranteed Fund. Please refer to the risk factors section and the sub-section headed “Description of the Guaranteed Fund” in the MPF Scheme Brochure for details of the credit risk, guarantee features and guarantee conditions.
- The MPF Conservative Fund of the Master Trust does not guarantee the repayment of capital.
- Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) member’s account by way of unit deduction. The MPF Conservative Fund of the Master Trust uses method (i) and, therefore, unit prices/NAV/fund performance quoted have incorporated the impact of fees and charges.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices or invest according to the Default Investment Strategy. When, in your selection of funds or the Default Investment Strategy, you are in doubt as to whether a certain fund or the Default Investment Strategy is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and make investment choice(s) most suitable for you taking into account your circumstances.
- In the event that you do not make any investment choices, your contributions made and/or accrued benefits transferred into the Master Trust will automatically be invested in accordance with the Default Investment Strategy, which may not necessarily be suitable for you. Please refer to the section headed “Default Investment Strategy” for further information.
- Investment involves risks. Past performance is not indicative of future performance. You should not invest solely based on the information provided in this material and should read the offering documents (including the Key Scheme Information Document and the MPF Scheme Brochure for details, including the risk factors and product features.

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Important Notice





Important Notice

Invesco Strategic MPF Scheme "Guaranteed Fund" will be officially terminated, effective from November 30, 2023. Please refer to the relevant notice and FAQ for further details.



Reasons for termination of Guaranteed Fund

Guaranteed Fund currently invests its assets in an approved pooled investment fund ("APIF"), namely, Principal Guaranteed Umbrella Fund – Principal Long Term Guaranteed Fund ("Relevant APIF"), which is under the Principal Guaranteed Umbrella Fund policy ("Policy") issued by Principal Insurance Company (Hong Kong) Limited ("Guarantor"). The trustee of the Master Trust, Bank Consortium Trust Company Limited ("Trustee"), has received notice from the Guarantor that it has decided to terminate the Policy.

On receipt of the notice from the Guarantor, the Trustee has considered alternative arrangements for the Guaranteed Fund (e.g. (a) potential replacement of the Relevant APIF and (b) termination of the Guaranteed Fund). After considering these alternatives from various angles and their potential impacts on the members of the Master Trust ("Members"), the Trustee has concluded that terminating the Guaranteed Fund is the only viable option.

Characteristics of Guaranteed Fund

Guarantor: Principal Insurance Company (Hong Kong) Limited

Guaranteed rate of return[^]: The guaranteed rate of return for contributions made on or after 1 October 2004 is 1% p.a

The guarantee of capital and return is only offered if:

- (i) the contributions invested in the investment funds are withdrawn upon the occurrence of a **"qualifying event"**; and
- (ii) the Guarantor receives a valid claim[#] of the accrued benefit of the Member.

Qualifying conditions:

- Attainment of the normal retirement age or retirement at or after the early retirement age but before the normal retirement age;
- Total incapacity, terminal illness or death;
- Permanent departure from Hong Kong;
- Claim of "small balance"; or
- Termination of the Member's employment and the continuous period ("specific period") for which the Member has been investing in the Guaranteed Fund up to and including the last day of his/her employment is **at least 36 complete months**.

Nominal account balance and qualifying balance

Nominal account balance:

- Reflective of market capitalisation
- Reflective of NAV of units of Guaranteed Fund (equities/bonds/cash)
- NAV of units of Guaranteed Fund may go down as well as up



Qualifying balance:

- Reflective of guaranteed returns
- Guaranteed rate compounded annually

Members who withdraw/transfer their accrued benefits under qualifying conditions that comply with the terms for guaranteed return receive a higher market value or guaranteed capital and return over the investment period.

The execution of guaranteed return is subject to specific terms and conditions. Please refer to the prospectus, including illustrative examples, for details of how the guaranteed return entitlement works. Qualifying events (a) to (f) corresponding to the circumstances prescribed under sections 159 to 162 of the Mandatory Provident Fund Schemes (General) Regulation.

[^]The guaranteed rate of return for contributions made prior to 1 October 2004 was 4.5% p.a # "Valid Claim" means a claim of all accrued benefits submitted by or in respect of a Member (or his/her personal representative) pursuant to, and with all the necessary supporting documentation as prescribed by and within the time required by, the applicable regulations and the Trust Deed (other than qualifying event (c) where such employee member continues to be in employment, only accrued benefits paid as mandatory contributions can be claimed by such employee member and such claim is considered as a valid claim).

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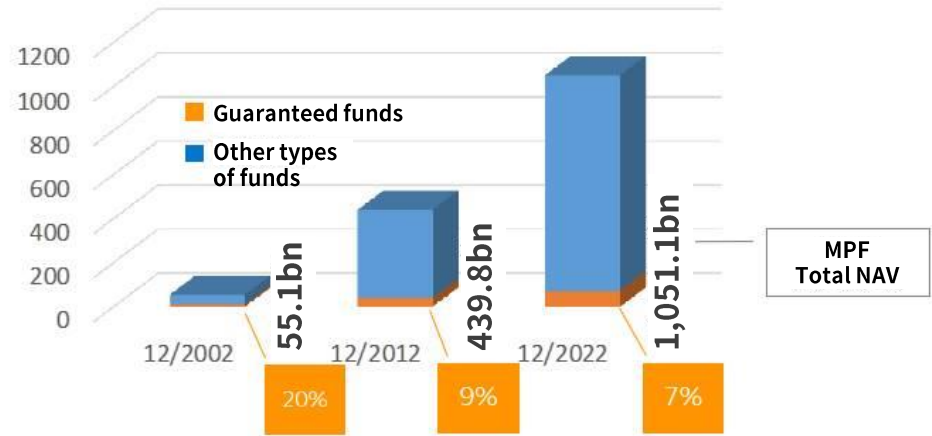
Guaranteed Fund: A Product of the Bygone Era

This previously popular investment product has become less favoured with evolution of the markets.

In the past, MPF members used to choose guaranteed funds for the following reasons:

1. They struggled to make timely investment decisions suitable for their needs;
2. Guaranteed funds provide loss protection for at least seven “qualifying conditions”;
3. However, most members were not aware of the high fees charged by guaranteed fund.

Guaranteed funds as % of total NAV



Source: MPF Schemes Statistical Digest

Thanks to the active promotion efforts by various stakeholders, investor education has witnessed remarkable improvement over the past two decades

The investment environment has changed

Guaranteed funds aim to preserve capital/provide stable returns. However, the investment market is becoming increasingly volatile...

In order to preserve capital and/or provide stable returns, guaranteed funds generally invest in:

Low-risk fixed income products, such as bond markets;

Mainly **HKD bonds** and **global bonds**;

Modest allocation to global equities as needed to enhance long-term return.

However, the investment market environment is not as expected...

	Global Equities	HKD Bonds	Global Bonds
2018	-8.76%	1.78%	0.15%
2019	26.29%	3.78%	5.96%
2020	15.65%	7.33%	8.43%
2021	20.26%	-0.57%	-5.02%
2022	-16.98%	-8.51%	-16.49%

Source : DataStream, as of 31 December 2022

The increasingly volatile investment environment has made it more difficult for guaranteed funds to provide stable returns and hedge against inflation.

The end of zero interest rates: With interest rates normalisation, money markets can also offer opportunities for stable, low returns

"Prescribed Savings Rates" determined by the MPFA

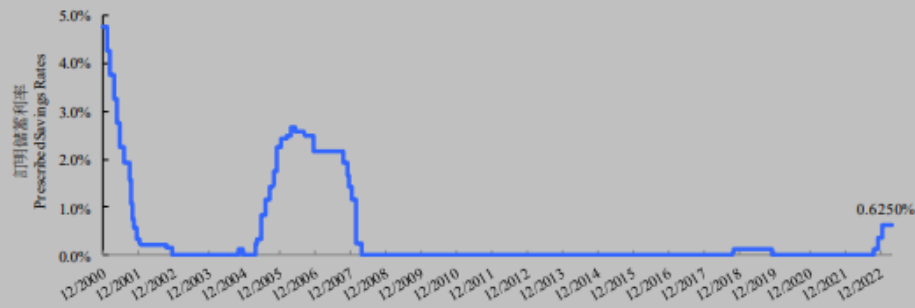
Members choose guaranteed funds for:

Capital preservation “without loss”/or stable, low returns.

In the current rate environment, stable and low returns can also be found in money markets:

The Prescribed Savings Interest Rate set by the MPFA has also been significantly raised.

圖 III.5.1 已公布的訂明儲蓄利率¹
Chart III.5.1 Published Prescribed Savings Rates¹

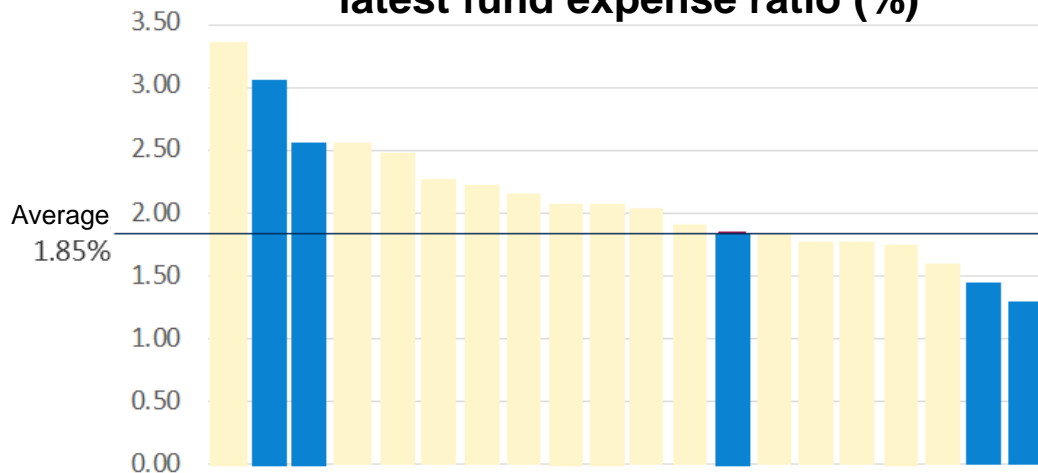


Source: MPF Schemes Statistical Digest by MPFA, March 2023

HK interest rate is no longer at zero: Due to the Hong Kong-US dollar peg, HK interest rate rises with the USD in response to the US tightening cycle.

No free lunch: Guaranteed charge are relatively expensive

**Guaranteed funds:
latest fund expense ratio (%)**



From left to right:

- MASS MPF Scheme - Guaranteed Fund
- Principal Long Term Guaranteed Fund (Class I)
- Principal Long Term Guaranteed Fund (Class D)
- BEA (MPF) Long Term Guaranteed Fund
- Invesco Strategic MPF Scheme - Guaranteed Fund (Unit Class G)
- Manulife Career Average Guaranteed Fund - SHKP
- Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio
- Sun Life MPF Basic Scheme Capital Guaranteed Portfolio
- Hang Seng Mandatory Provident Fund - SuperTrust Plus - Guaranteed Fund
- HSBC Mandatory Provident Fund - SuperTrust Plus - Guaranteed Fund
- China Life Joyful Retirement Guaranteed Fund
- Schroder MPF Capital Guaranteed Portfolio (Ordinary Class)
- Principal Guaranteed Fund
- Manulife MPF Stable Fund
- Manulife MPF Interest Fund
- BCOM Guaranteed (CF) Fund
- Schroder MPF Capital Guaranteed Portfolio (Class B)
- AIA MPF - Prime Value Choice - Guaranteed Portfolio
- Principal Capital Guaranteed Fund (Class I)
- Principal Capital Guaranteed Fund (Class D)

Source: MPFA MPF Fund Platform

The higher the guaranteed rate of return, the higher the guaranteed charge

Implementation Schedule, Important Dates, Default Constituent Fund

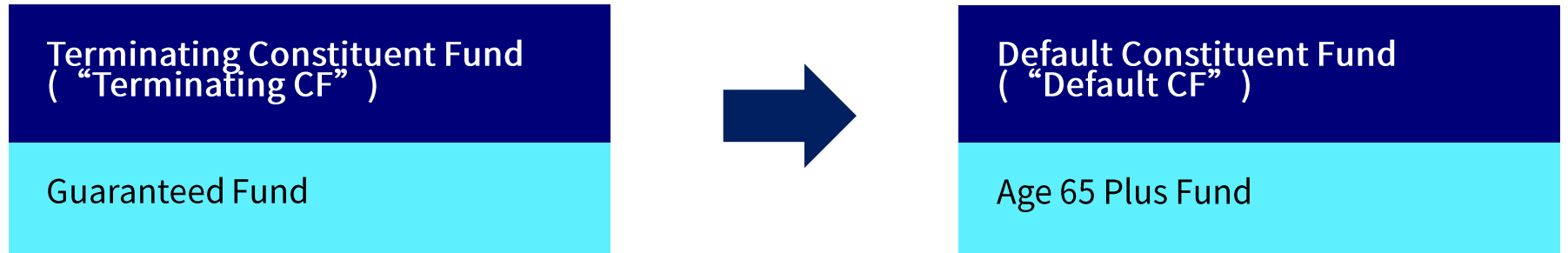
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Termination of Guaranteed Fund – Schedule, Important Dates



Termination of the Guaranteed Fund will take effect on 30 November 2023

Mapping arrangement after termination of the Guaranteed Fund - Default fund arrangement



Taking into consideration of the similarities in terms of the primary target investments (i.e. with diversified asset allocations), allocation to different asset classes and risk and return profiles between the Guaranteed Fund and the Default CF and the lower management fees of the Default CF, the Trustee considers that the Default CF would offer a comparable alternative to the Members.

The Guaranteed Fund is switching into the Age 65 Plus Fund

	Terminating CF – Guaranteed Fund	Default CF – Age 65 Plus Fund
Fund type	Guaranteed fund	Mixed asset fund
Investment objective	To provide a competitive, long term, total rate of return, while also providing a minimum guaranteed return rate over the career of the member	To achieve stable growth by investing in a globally diversified manner
Asset allocation	Equities: 10%-55% Bonds: 25%-90% Cash and money market instruments: up to 20%	Equities: around 20% Bonds, cash and money market instruments: around 80%
Risk and Return Profile	Low	Low to medium (the return of Age 65 Plus Fund over the long term is expected to be at least similar to the return of its reference portfolio)
Risk Class	4	4
Total management fee (i.e. aggregate of fees at CF and APIF level)	Class G: 1.425% p.a. of NAV	Class A: 0.75% p.a. of NAV Class H: 0.75% p.a. of NAV

Key Deadlines

	Key dates
Deadline for submitting investment mandate instructions by new Members to invest into the Terminating CF through Membership Enrolment Form submitted by way of delivery, mail or fax:	20 November 2023
Deadline for submitting instructions through a duly completed Asset Switch / Change of Investment Mandate Form by way of delivery, mail, fax, online or through interactive voice response system or via hotline to switch into the Terminating CF :	before 4 p.m. on 20 November 2023
Deadline for submitting instructions through a duly completed Switching Form by way of delivery, mail, fax, online or through interactive voice response system or via hotline to switch out of the Terminating CF or change your investment choice involving the Terminating CF :	before 4 p.m. on 24 November 2023
Deadline for submitting and completion of processing of instructions for regular contribution or transfer in in respect of the Terminating CF or withdrawal or transfer out in respect of the Terminating CF :	11:59 p.m. on 24 November 2023
Effective date of the Termination	30 November 2023

One-off Arrangement for Guaranteed Fund

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One-off Arrangement for Guaranteed Fund

Under the current guarantee mechanism of the Terminating CF, the Guarantor provides a guarantee of capital and a prescribed rate of return (“Guaranteed Amount”) only if a “qualifying event” occurs (for details of “qualifying conditions”, please refer to Section 3.1 in the Notice) and the Guarantor receives a valid claim. In view of the Termination, the Guarantor has put in place a one-off guarantee arrangement (“One-off Guarantee Arrangement”) whereby **Members will remain entitled to the Guaranteed Amount (essentially means the higher of the nominal account balance and the qualifying balance) for those accrued benefits investing in the Terminating CF prior to the Effective Date** even though no “qualifying events” occur, if:

Members apply for full switching of ALL accrued benefits under the Terminating CF between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive):

- to other CF(s) under the Master Trust or investment in accordance with the Default Investment Strategy (“DIS”) (collectively referred to as the “Transferee CF(s)”); or
- **full** withdrawal of ALL accrued benefits under the Terminating CF; or
- **full** transfer out of ALL accrued benefits under the Terminating CF to another registered MPF scheme; or
- the accrued benefits under the Terminating CF are not switched out to the Transferee CF(s), withdrawn, or transferred out to another registered MPF scheme immediately before the Effective Date (i.e. the accrued benefits investing in the Terminating CF remain under the Master Trust immediately before the Effective Date).

Members will remain entitled to the Guaranteed Amount for those accrued benefits investing in the Terminating CF prior to the Effective Date



Members should note that, if they apply for **partial** switching of a portion of their accrued benefits under the Terminating CF to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive), or if **partial** withdrawal of a portion of their accrued benefits under the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023 (both dates inclusive), or if **partial** transfer out of a portion of their accrued benefits under the Terminating CF to another registered MPF scheme is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023 (both dates inclusive), in accordance with the Trustee's processes, **the portion** that is switched out, withdrawn or transferred out **will not be entitled to the Guaranteed Amount.**

One-off Arrangement for Guaranteed Fund

Q: **If nominal account balance (“NB”) < qualifying balance (“QB”), will Members be entitled to “QB”?**

A: Yes, but it shall apply only to:

- 1. Full transfer out** during the Notice Period; or
- 2. Full balance switching into** the Default CF **automatically** on the Effective Date of the Termination.
- 3. The portion** that is transferred out, withdrawn or switched out will not be entitled to the Guaranteed Amount.

One-off Arrangement of the Guaranteed Fund: Example (1)

Simplified example (1): Full transfer out of the balance made by Member during the Notice Period

Assumption: Member makes full switching or full transfer out or full withdrawal which takes effect on 30 August 2023.

Date	NB	QB
30 August 2023	\$5,000	\$6,000

Member who makes full transfer out during the Notice Period will be entitled to “QB”.

NB: \$5,000 vs QB: \$6,000

Member will be entitled to HK\$6,000.

One-off Arrangement of the Guaranteed Fund: Example (2)

Simplified example (2): Member's balance being automatically switched into the Default CF upon the Effective Date of the Termination

Assumption: Member does not make fund switching or transfer out or withdrawal of the Guaranteed Fund during the Notice Period.

Date	NB	QB
30 August 2023	\$5,000	\$6,000

Member whose balance being automatically switched into Age 65 Plus Fund upon the Effective Date of the Termination will be entitled to “QB”.

Date	NB	QB
29 November 2023	\$5,000	\$6,015

QB accrued at the guaranteed rate for 3 months = $\$6,000 \times 101\% \wedge (3/12) = \$6,015$

NB: \$5,000 vs QB: \$6,015

Member switches QB on the Effective Date of the Termination: \$6,015 into the Default CF - Age 65 Plus Fund.



One-off Arrangement of the Guaranteed Fund: Example (3)

Simplified example (3): Partial transfer out of the balance made by Member during the Notice Period

Assumption: Member switches out, transfers out or withdraws 60% of his/her accrued benefits with effect from 30 August 2023 (i.e. during the Notice Period).

Date	NB	QB
30 August 2023	\$5,000	\$6,000

Since Member switches out 60% of the balance during the Notice Period, such balance being switched out will not be entitled to “QB”. The amount being switched out of NB is \$3,000 (i.e. \$5,000 x 60%).

After a 60% switch out, $QB = \$6,000 - (\$6,000 \times 60\%) = \$2,400$

Date	NB	QB
29 November 2023	\$2,000	\$2,406

QB accrued at the guaranteed rate for 3 months = $\$2,400 \times 101\% \wedge (3/12) = \$2,406$

NB: \$2,000 vs QB: \$2,406

Member switches QB on the Effective Date of the Termination: \$2,406 into the Default CF - Age 65 Plus Fund.

Invesco Strategic MPF Scheme

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Invesco Strategic MPF Scheme - Investment Choices

Hong Kong and China Equity Fund

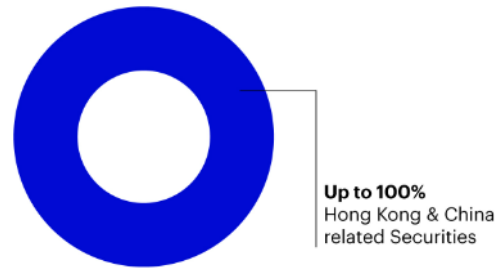
Investment Objective :

To achieve long-term capital appreciation through investments in Hong Kong and China-related securities.

Risk and return profile[^]: High

Risk Class^{*}: 7 (As of 31/07/2023)

Asset Allocation:



Invesco Global Index Tracking Fund-

Investment Objective :

To achieve long-term capital growth by investing directly in Invesco MSCI³ World ESG Universal Screened UCITS ETF⁴.

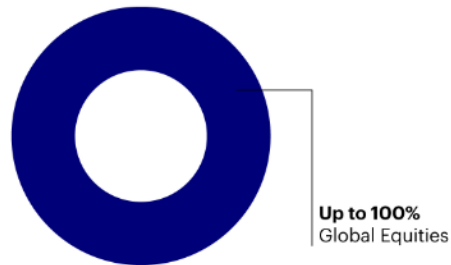
Risk and return profile[^]: High

Risk Class^{*}: -

³ The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Brochure contains a more detailed description of the limited relationship MSCI has with Invesco Hong Kong Limited and any related funds.

⁴ While Invesco MSCI World ESG Universal Screened UCITS ETF is ITCIS approved by the MPFA, it is not offered for sale to the public in Hong Kong.

Asset Allocation:



Invesco Strategic MPF Scheme - Investment Choices

Invesco Hang Seng Index Tracking Fund

Investment Objective :

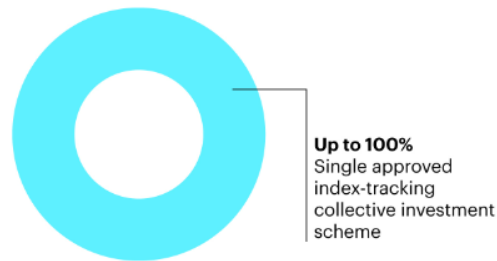
To achieve long-term capital growth by investing directly in the Tracker Fund of Hong Kong ("TraHK")** with a view to providing investment results that closely corresponds to the performance of the Hang Seng Index of Hong Kong.

Risk and return profile[^]: High

Risk Class^{*}: 7 (As of 31/07/2023)

**TraHK is an Index-Tracking Collective Investment Scheme approved by the MPFA (the "ITCIS"). Please read the disclaimer in relation to the Hang Seng Index in MPF scheme brochure.

Asset Allocation:



Invesco US Index Tracking Fund-

Investment Objective :

To achieve long-term capital growth by investing directly in Invesco MSCI³ USA ESG Universal Screened UCITS ETF⁵.

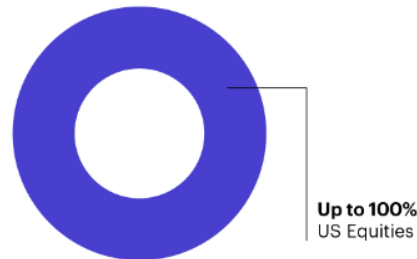
Risk and return profile[^]: High

Risk Class^{*}: -

³ The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based. The Brochure contains a more detailed description of the limited relationship MSCI has with Invesco Hong Kong Limited and any related funds.

⁵ While Invesco MSCI USA ESG Universal Screened UCITS ETF is ITCIS approved by the MPFA, it is not offered for sale to the public in Hong Kong.

Asset Allocation:



Invesco Strategic MPF Scheme - Investment Choices

Asian Equity Fund

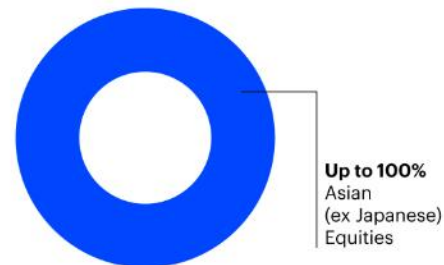
Investment Objective :

To achieve long-term capital appreciation through investments in Asian (excluding Japanese) equities.

Risk and return profile[^]: High

Risk Class*: 6 (As of 31/07/2023)

Asset Allocation:



Growth Fund

Investment Objective :

To achieve long term capital appreciation through investments in global equities.

Risk and return profile[^]: High

Risk Class*: 6 (As of 31/07/2023)

Asset Allocation:



Invesco Strategic MPF Scheme - Investment Choices

Balanced Fund

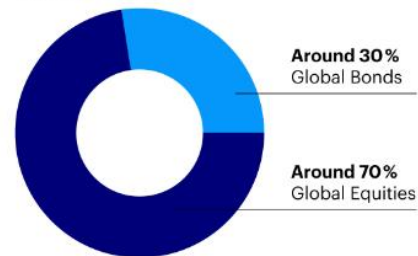
Investment Objective :

To achieve capital appreciation in excess of Hong Kong salary inflation over the long term.

Risk and return profile[^]: Medium to High

Risk Class^{*}: 5 (As of 31/07/2023)

Asset Allocation^{*}:



^{*} Investor should note that the ranges of asset allocation is for indication only and long term allocations may vary with changing market conditions.

Core Accumulation Fund

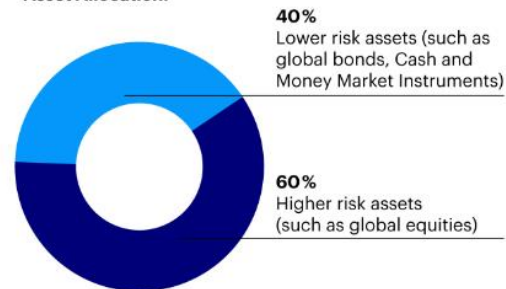
Investment Objective :

To achieve capital growth by investing in a globally diversified manner.

Risk and return profile[^]: Medium to High

Risk Class^{*}: 5 (As of 31/07/2023)

Asset Allocation:



Invesco Strategic MPF Scheme - Investment Choices

RMB Bond Fund

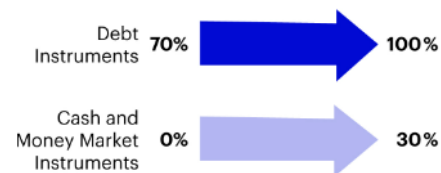
Investment Objective :

To achieve steady growth over the long term by investing primarily into RMB denominated debt instruments and money market instruments issued or distributed outside and within Mainland China, with a primary focus on RMB denominated bonds issued in Hong Kong.

Risk and return profile[^]: Medium

Risk Class^{*}: 3 (As of 31/07/2023)

Asset Allocation^{*}:



^{*} Investor should note that the ranges of asset allocation is for indication only and long term allocations may vary with changing market conditions.

Capital Stable Fund

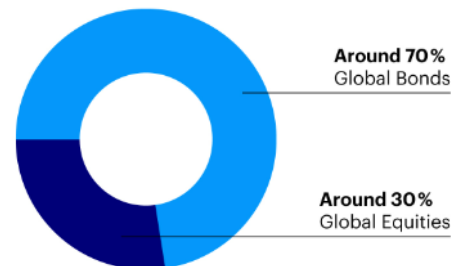
Investment Objective :

To achieve capital preservation over the long term while seeking to enhance returns through limited exposure to global equities.

Risk and return profile[^]: Low to Medium

Risk Class^{*}: 4 (As of 31/07/2023)

Asset Allocation^{*}:



^{*} Investor should note that the ranges of asset allocation is for indication only and long term allocations may vary with changing market conditions.

Invesco Strategic MPF Scheme - Investment Choices

Age 65 Plus Fund

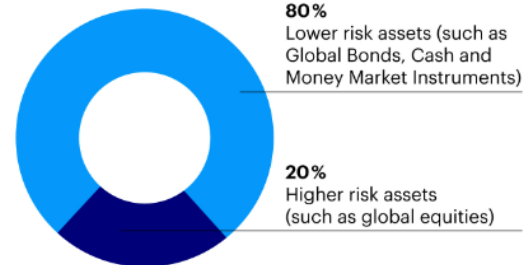
Investment Objective :

To achieve stable growth by investing in a globally diversified manner.

Risk and return profile[^]: Low to Medium

Risk Class*: 4 (As of 31/07/2023)

Asset Allocation:



Global Bond Fund

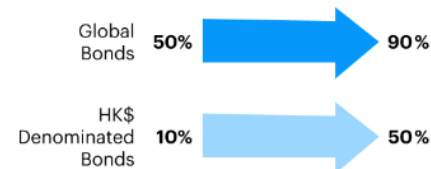
Investment Objective :

To achieve steady growth over the long term through investments in global bonds.

Risk and return profile[^]: Low

Risk Class*: 4 (As of 31/07/2023)

Asset Allocation*:



* Investor should note that the ranges of asset allocation is for indication only and long term allocations may vary with changing market conditions.

Invesco Strategic MPF Scheme - Investment Choices

Guaranteed Fund¹

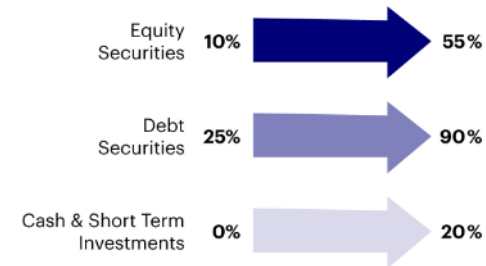
Investment Objective :

To provide a competitive, long-term, total rate of return, while also providing a minimum guaranteed return rate over the career of the members.

Risk and return profile[^]: Low

Risk Class^{*}: 4 (As of 31/07/2023)

Asset Allocation^{*}:



^{*} Investor should note that the ranges of asset allocation is for indication only and long term allocations may vary with changing market conditions.

MPF Conservative Fund²

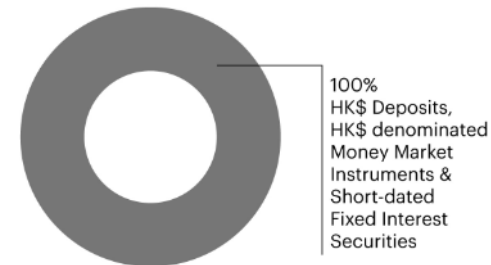
Investment Objective :

To preserve capital with minimal risk.

Risk and return profile[^]: Minimal

Risk Class^{*}: 1 (As of 31/07/2023)

Asset Allocation:



Invesco Strategic MPF Scheme - Investment Choices

~ Invesco Global Index Tracking Fund and Invesco US Index Tracking Fund are not ESG funds in Hong Kong.

^ Risk and return profile of the constituent funds is determined by Invesco Hong Kong Limited based on the volatility, investment objectives and asset allocations of the constituent funds. Generally, higher volatility represents higher risk. Equity funds are of higher volatility when compared to bond funds and money market funds, and thus higher risk. Members should note that this is provided for reference only, and may be updated periodically based on prevailing market conditions.

Investment involves risks. Past performance is not indicative of future performance. Investors should read the offering documents (including the Key Scheme Information Document and the MPF Scheme Brochure) for details, including the fees and charges, risk factors and product features.

1 Guaranteed Fund invests in an Approved Pooled Investment Fund ("APIF"), which is an insurance policy issued by Principal Insurance Company (Hong Kong) Limited ("the Guarantor"). When benefits are withdrawn or transferred upon the occurrence of any of the following qualifying events, the Guarantor will provide the higher of the Fund's actual return or guaranteed capital and return (currently 1% p.a. compounded annually) over the investment period: (a) Retirement or early retirement; (b) Total incapacity; (c) Terminal illness; (d) Death; (e) Permanent Departure from Hong Kong; (f) Small balance; (g) Termination of employment with a continuous investment period of at least 36 complete months. (The above qualifying events (a) to (f) apply to all members, while qualifying event (g) only applies to employee members.)

If benefits are withdrawn or transferred for reasons other than those stated above, the guaranteed return will not apply. Instead, members will be subject to the actual market value of the Fund. When you apply for either claim of benefits or transfer of funds, it is essential to complete and return all necessary forms and documents to the trustee as soon as possible. Special terms and conditions apply regarding how the guaranteed return operates. Please refer to the offering documents (including the Key Scheme Information Document and the MPF Scheme Brochure), including the illustrative examples for full details of how the guaranteed return operates.

2 The MPF Conservative Fund is not subject to the supervision of the Hong Kong Monetary Authority. Investment in the Fund is not equivalent to placing funds on deposit with a bank or deposit taking company. The Fund does not provide guarantee on capital. The rights to benefits of a member in the Fund are limited to price of the units at redemption, which may be more or less than the price at which such units were purchased.

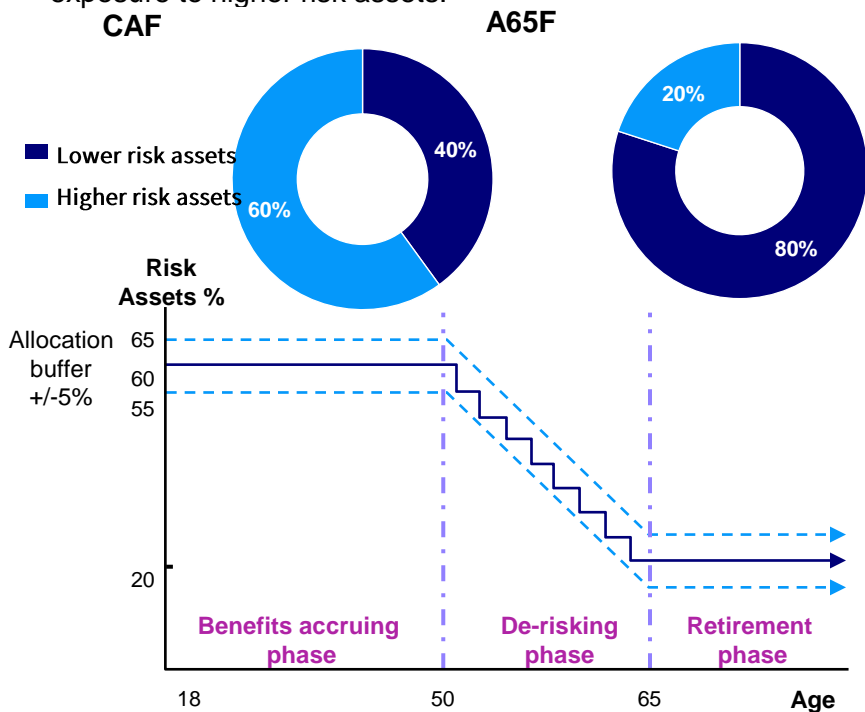
All fees and charges will only be payable out of the Fund to the extent permitted by relevant MPF Regulations, there is possibility that fee deductions would affect the net investment return. Please note that where a Fund has cash holdings which are held by various financial institutions, such cash holdings will be subject to counterparty risk of such party.

- * (i) The risk class is assigned to each constituent fund according to the seven-point risk classification which is based on the latest fund risk indicator of the constituent fund;
- (ii) The risk class is prescribed by the Mandatory Provident Fund Schemes Authority according to the Code on Disclosure for MPF Investment Funds;
- (iii) The risk class has not been reviewed or endorsed by the Securities and Futures Commission; and
- (iv) Volatility is measured by the annualized standard deviation of the fund, based on its monthly rates of return over the past 3 years. Funds with performance history of less than 3 years since inception to the reporting date of the Fund factsheet is not required to show this item.



How does the Default Investment Strategy (“DIS”) work for the two CFs?

DIS is a ready-made investment arrangement investing in two CFs, namely the Core Accumulation Fund (“CAF”) and the Age 65 Plus Fund (“A65F”). As an MPF member approaches his/her retirement age, the portfolio is automatically adjusted to gradually reduce the exposure to higher risk assets.



De-risking phase		
Age	CAF	A65F
Aged under 50 years	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	67.7%	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%
Aged 64 years and above	0.0%	100.0%

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Disclaimer

All data is as of the date of this document and sourced from Invesco unless otherwise stated. Portfolio weightings and allocations are subject to change.

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