MY CHOICE MANDATORY PROVIDENT FUND SCHEME
我的強積金計劃 (the "Scheme")
FIRST ADDENDUM TO
THE MPF SCHEME BROCHURE DATED 31 MARCH 2020 (the "MPF Scheme Brochure")

This First Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure for the Scheme. All capitalised terms in this First Addendum shall have the same meaning as in the MPF Scheme Brochure, unless otherwise stated.

You may visit our website at www.bocpt.com for the MPF Scheme Brochure of the Scheme or obtain a copy of the MPF Scheme Brochure at our Customer Service Centre at 25/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

The amendments to the MPF Scheme Brochure (shown in italics and underlined) set out below shall take effect from 19 June 2020.

1. Page 5 – "3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" – "3.1 Structure of the Scheme"

The diagram contained in section 3.1 shall be replaced in its entirety with the diagram in the Appendix I to this First Addendum.

2. Page 6 – "3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" – "3.2 Constituent Funds"

(a) The row no. 4 contained in the table in section 3.2 shall be replaced in its entirety with the following:

"

4	My Choice Global Equity Fund	N/A	Feeder Fund	Equity Fund (Global)	*60 – 100% in global equities and 0 - 40% in cash or cash equivalents* ~~Up to 100% in equities with balance in bonds, preferred stocks, convertible securities, fixed income securities and other publicly traded securities~~

"

(b) The row no. 9 contained in the table in section 3.2 shall be replaced in its entirety with the following:

"

9	My Choice Global Bond Fund	N/A	Feeder Fund	Bond Fund (Global)	*At least 70% in debt securities and may indirectly invest up to 10% in onshore Mainland China debt securities* ~~Up to 100% in bond market of the world with balance in cash or cash equivalents~~

"

(c) The diagram contained in section 3.2 after incorporating the amendments set out in (a) and (b) above, will be shown as the diagram in the Appendix II to this First Addendum.

3. Page 10 – "3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" – "3.4 Investment policy"

The paragraph "(d) My Choice Global Equity Fund" under section 3.4.1 "Investment policies of the Constituent Funds" shall be replaced in its entirety with the following:

"*Investment objective*

The My Choice Global Equity Fund is an equity fund and seeks to achieve *long term* capital growth ~~over the medium to longer term~~ by investing into the ~~Templeton~~ *Schroder MPF* ~~Global Equity~~ *International* Fund *of Schroder MPF Umbrella Fund* ~~of The Templeton MPF Investment Funds~~, an APIF managed by ~~Franklin Templeton Investments (Asia~~ *Schroder Investment Management (Hong Kong*) Limited. *The long term return is expected to be modestly in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A)*.

Balance of investments

The underlying APIF ~~intends to primarily invest in equity securities (common stocks) of companies listed on stock markets globally. Other investment assets used by~~ *invests its non-cash assets in other funds managed by Schroder Investment Management (Hong Kong) Limited and ITCISs. The underlying APIF is a globally diversified portfolio and intends to allocate 60% to 100% in equities and 0% to 40% in cash or cash equivalents. The principal underlying investments of* the underlying APIF ~~include debt obligation (bonds) and other publicly traded securities, including preferred stocks, convertible~~ *are quoted* securities and ~~fixed income securities~~ *cash deposits worldwide.*

~~The underlying APIF has no prescribed allocations for investments in any single country or specified industry and may invest in a wide choice of securities in accordance with its global mandate. Under normal market conditions, the underlying APIF intends to invest a majority of its assets in equity securities. During periods in which the investment manager believes changes in economic, financial or political conditions make it advisable to do so, the underlying APIF may, for temporary defensive purpose, hold cash or short term fixed income investment without any limit. Such temporary measures in investment allocation will cease as and when the investment manager believes it is appropriate to do so in light of the then existing market conditions.~~ The My Choice Global Equity Fund will, through investing into the underlying APIF, maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its NAV.

Security lending and repurchase agreements

Neither the My Choice Global Equity Fund nor the underlying APIF will engage in security lending or enter into repurchase agreements.

Futures and options

The My Choice Global Equity Fund will not enter into financial futures and options contracts, but the underlying APIF may enter into *currency forward contracts,* financial futures and options contracts for hedging purposes.

Risks

The risk profile of the My Choice Global Equity Fund is generally regarded as high. The general risk factors set out in section 4 (*Risks*) may apply. Members should be aware of the following key risks, details of which can be seen in section 4 (*Risks*):

- Political, economic and social risks
- Interest rate risk
- Market risk
- ~~Emerging markets risk~~
- Foreign exchange risk
- Security risk
- Liquidity risk
- Risks relating to investing in a single APIF or ITCIS
- Hedging risk"

4. Page 15 – "3. FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" – "3.4 Investment policy"

The paragraph (i) My Choice Global Bond Fund under section 3.4.1 "Investment policies of the Constituent Funds" shall be replaced in its entirety with the following:

"*Investment objective*

The My Choice Global Bond Fund is a bond fund and seeks to ~~achieve investment return over the medium to longer term~~ *produce returns that are related to those achieved on the major bond market indices while limit the volatility of returns in the short term* by investing into the ~~Templeton MPF Global~~ *World* Bond Fund of ~~The Templeton MPF~~ *the Fidelity Global* Investment ~~Funds~~ *Fund*, an APIF managed by ~~Franklin Templeton Investments (Asia~~ *FIL Investment Management (Hong Kong)* Limited. ~~The underlying APIF is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.~~

Balance of investments

~~The underlying APIF intends to primarily invest in fixed income securities issued by governments and governmental agencies globally. Assets invested by the underlying APIF include debt obligations (bonds), preferred stocks, corporate debt obligations and convertible securities.~~

The underlying APIF ~~has no prescribed allocations for investments in any single country or currency and may invest in a wide choice of investments in accordance with its global mandate. Under normal market conditions, the underlying APIF intends to invest a majority of its assets in fixed income securities~~ *aims to produce returns that are related to those achieved on the major bond market indices by foucsing investment (i.e. at least 70% of its net asset value) in debt securities (including but are not limited to convertible bonds, corporate bonds and government bonds) globally (including emerging markets). The underlying APIF may indirectly invest up to 10% of its net asset value in onshore Mainland China debt securities* The My Choice Global Bond Fund will, through investing into the underlying APIF, maintain an effective currency exposure to Hong Kong dollars of not less than 30% of its NAV.

Security lending and repurchase agreements

Neither the My Choice Global Bond Fund nor the underlying APIF will engage in security lending or enter into repurchase agreements.

Futures and options

The My Choice Global Bond Fund will not enter into financial futures and options contracts, but the underlying APIF may enter into financial futures and options contracts for hedging purposes.

Risks

The risk profile of the My Choice Global Bond Fund is generally regarded as medium. The general risk factors set out in section 4 (*Risks*) may apply. Members should be aware of the following key risks, details of which can be seen in section 4 (*Risks*):

- Political, economic and social risk
- Interest rate risk
- ~~Market risk~~
- Emerging markets risk
- Foreign exchange risk
- *Investment concentration risk*
- Credit risk
- Counterparty risk
- Risks relating to investing in a single APIF or ITCIS
- Downgrading risk
- Hedging risk
- *Eurozone risk*
- *Derivatives risk*"

5. Page 27– "4. RISKS" – "4.1 Risk factors" – "I. General risk factors"

The following paragraphs shall be added after "(o) China market securities risk":

"*(p) Investment concentration risk*

Constituent Funds (or through their respective underlying funds) which invest in a relatively small number of investments or issuers may experience a more volatile net asset value as a result of this concentration of holdings relative to funds that diversifies across a larger number of investments or issuers.

(q) Eurozone risk

The performance of the investment will be closely tied to the economic, political, regulatory, geopolitical, market, currency or other conditions in the Eurozone and could be more volatile than the performance of more geographically diversified investment. In light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, the relevant investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as the credit downgrade of a sovereign or the exit of European Union members from the Eurozone, may have a negative impact on the value of the relevant investment.

(r) Derivatives risk

Derivatives are financial contracts whose value is derived from the value of an underlying asset, reference rate or index. While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and, in certain cases, greater than, the risks associated with more traditional investments; and exposure to derivatives may lead to significant loss by the relevant fund."

6. Page 35 – "5. FEES AND CHARGES"

The table under section "5.1 Fee tables" – "*5.1.2 Explanatory Notes"* – "(b) Breakdown of management fees (current level)" – "***Underlying fund level***" shall be replaced in its entirety with the following:

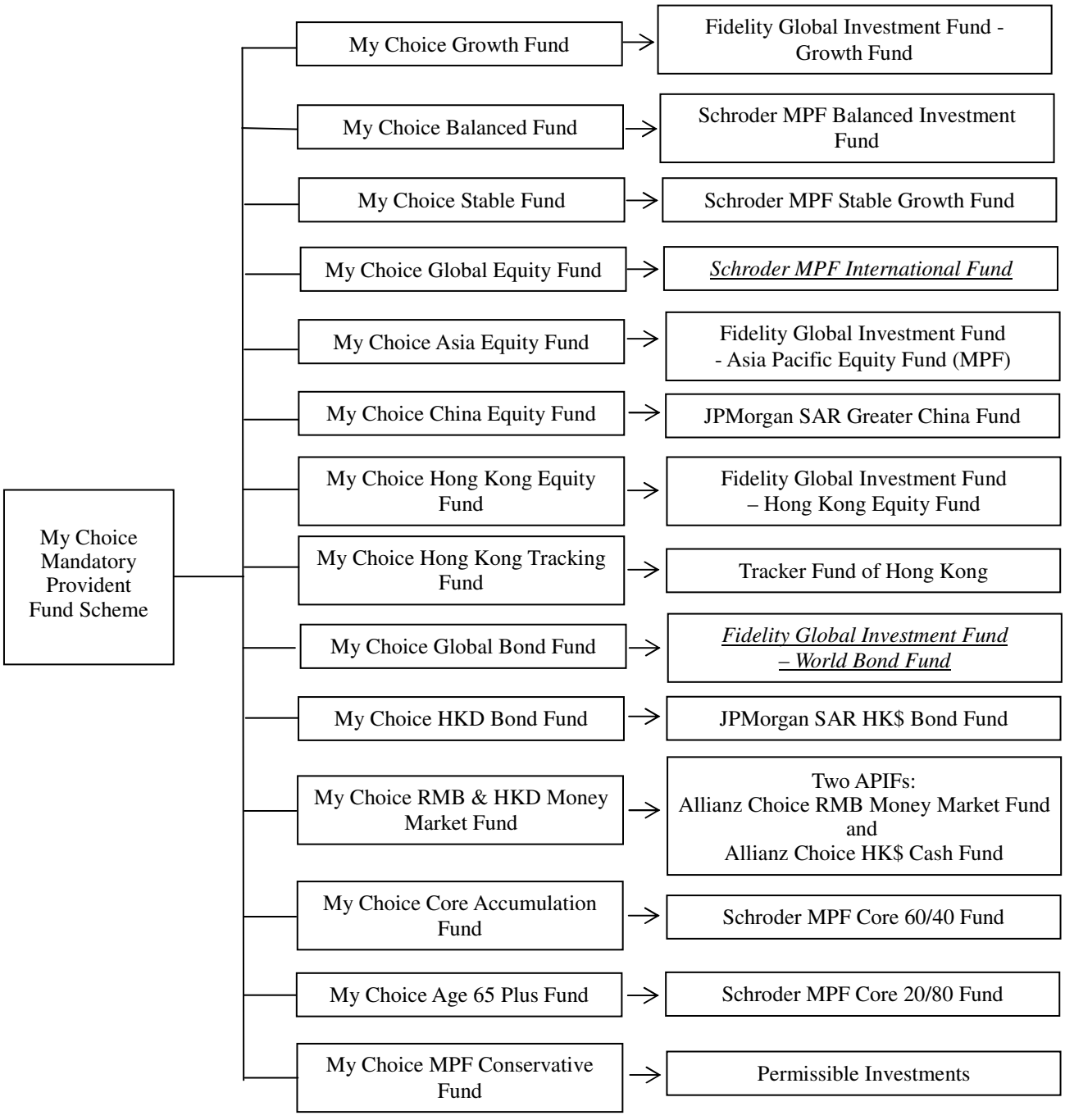
"***Underlying fund level***

Name of fund	Trustee fee	Investment management fee	*Management fees (in total)*
	(% of NAV per annum)		
My Choice Growth Fund My Choice Asia Equity Fund My Choice Hong Kong Equity Fund	0.1%	0.35%*	0.45%
My Choice HKD Bond Fund My Choice China Equity Fund	0.0295%	0.4205%*	0.45%
My Choice Balanced Fund My Choice Stable Fund	0.1%	0.32%*	0.42%
My Choice Global Equity Fund My Choice Global Bond Fund	~~0.02%~~*0.1%*	~~0.41%*~~*0.33%**	0.43%
My Choice RMB & HKD Money Market Fund	Up to 0.07%	0.18%*	up to 0.25%
My Choice MPF Conservative Fund^	N/A	N/A	N/A
My Choice Core Accumulation Fund My Choice Age 65 Plus Fund	NIL	NIL	NIL
My Choice Hong Kong Tracking Fund	0.025 - 0.050%	0.025 - 0.050%	0.050 - 0.10%

"

15 May 2020

APPENDIX I TO THE FIRST ADDENDUM TO THE MPF SCHEME BROCHURE



APPENDIX II TO THE FIRST ADDENDUM TO THE MPF SCHEME BROCHURE

No.	Name of Constituent Fund	Investment manager	Fund structure	Fund description	Investment focus
1	My Choice Growth Fund	N/A	Feeder Fund	Mixed Assets Fund (Global) Maximum equity - around 90%	90% in equities, 7% in bonds and 3% in cash or cash equivalents
2	My Choice Balanced Fund	N/A	Feeder Fund	Mixed Assets Fund (Global) Maximum equity - 85%	45 - 85% in equities, 0 - 40% in bonds and 0 - 20% in cash or cash equivalents
3	My Choice Stable Fund	N/A	Feeder Fund	Mixed Assets Fund (Global) Maximum equity - 60%	30 - 60% in equities, 20 - 60% in bonds and 0 - 20% in cash or cash equivalents
4	My Choice Global Equity Fund	N/A	Feeder Fund	Equity Fund (Global)	60 – 100% in global equities and 0 - 40% in cash or cash equivalents
5	My Choice Asia Equity Fund	N/A	Feeder Fund	Equity Fund	70 - 100% in equities and 0 - 30% in bonds
6	My Choice China Equity Fund	N/A	Feeder Fund	Equity Fund (China)	70 - 100% in Greater China equities, 0 - 30% in other equities and 0 - 30% in bonds
7	My Choice Hong Kong Equity Fund	N/A	Feeder Fund	Equity Fund (Hong Kong)	70 - 100% in Hong Kong equities and 0 - 30% in bonds
8	My Choice Hong Kong Tracking Fund	State Street Global Advisors Asia Limited	Feeder Fund	Equity Fund (Hong Kong)	Up to 100% in equities with balance in cash or cash equivalents
9	My Choice Global Bond Fund	N/A	Feeder Fund	Bond Fund (Global)	At least 70% in debt securities and may indirectly invest up to 10% in onshore Mainland China debt securities
10	My Choice HKD Bond Fund	N/A	Feeder Fund	Bond Fund (Hong Kong)	70 - 100% in Hong Kong dollar denominated bonds and 0 - 30% in US dollar denominated bonds

11	My Choice RMB & HKD Money Market Fund	Allianz Global Investors Asia Pacific Limited	Portfolio Management Fund	Money Market Fund (China and Hong Kong)	60 - 70% in RMB denominated certificates of deposit, bank deposits, fixed interest securities and other monetary instruments and balance in HKD denominated bank deposits, fixed interest securities and other monetary instruments
12	My Choice Core Accumulation Fund	Schroder Investment Management (Hong Kong) Limited	Feeder Fund	Mixed Assets Fund (Global) Maximum equity - 65%	55 - 65% in higher risk assets with balance in lower risk assets
13	My Choice Age 65 Plus Fund	Schroder Investment Management (Hong Kong) Limited	Feeder Fund	Mixed Assets Fund (Global) Maximum equity - 25%	15 - 25% in higher risk assets with balance in lower risk assets
14	My Choice MPF Conservative Fund	Schroder Investment Management (Hong Kong) Limited	Direct investment	Money Market Fund (Hong Kong)	100% in deposits and debt securities