中銀國際英國保誠信託有限公司
BOCI-Prudential Trustee Limited

BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme

Notice to Participating Employers and Members

Attention: This notice is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional advice. The Trustee accepts responsibility for the information contained in this document.

10 June 2021

Dear Sir/Madam,

Re: BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme (the "Scheme")

Thank you very much for your participation in the Scheme.

We would like to inform you of the following changes to the Scheme Brochure of the Scheme (the "Scheme Brochure"). The changes will be made by way of the First Addendum to the Scheme Brochure (the "First Addendum") and will be effective from the date as specified in the summary box below.

Unless otherwise defined, capitalised terms used herein shall have the same meaning as defined in the Scheme Brochure.

Summary of key changes (the "Changes") with effect from 2 August 2021 (the "Effective Date"):

Changes

(i) The investment policies of certain constituent funds, namely BOC-Prudential Growth Fund, BOC-Prudential Balanced Fund, BOC-Prudential Stable Fund, BOC-Prudential Global Equity Fund, BOC-Prudential Asia Equity Fund, BOC-Prudential China Equity Fund, BOC-Prudential Hong Kong Equity Fund, BOC-Prudential Japan Equity Fund, BOC-Prudential Bond Fund, BOC-Prudential Core Accumulation Fund and BOC-Prudential Age 65 Plus Fund (the "Relevant CFs"), will be revised in order to reflect the corresponding changes at the underlying sub-funds of the Umbrella Unit Trust, as more particularly described in section 1 of this notice.

(ii) The investment policies of certain sub-funds of the Umbrella Unit Trust, namely BOC-Prudential Global Equity Fund, BOC-Prudential Asia Equity Fund, BOC-Prudential China Equity Fund, BOC-Prudential Hong Kong Equity Fund, BOC-Prudential Global Bond Fund and BOC-Prudential Hong Kong Dollar Bond Fund will be updated, as more particularly described in section 2 of this notice.

(iii) The risk disclosure will be elaborated or enhanced as described in section 3 of this notice.

Impacts on members

(iv) The Changes set out in the First Addendum to the Scheme Brochure are mainly related to (i) the addition of disclosure in relation to investment in China A-shares in light of the recent addition of Shanghai Stock Exchange and Shenzhen Stock Exchange to the list of approved stock exchanges; (ii) the enhancement of disclosure in respect of the Relevant CFs; (iii) the alignment of the underlying disclosure; or (iv) enhancement of risk disclosure. The Trustee believes that the Changes will not have any adverse impact on and are in the interest of the members.

(v) The costs of the Changes will be borne by the Scheme.

Actions required of the scheme participants

(vi) Members who are investing in the Relevant CFs may opt to (i) switch the investment to other Constituent Funds of the Scheme, or (ii) transfer out of the Scheme, or (iii) take no action if no objection to the Changes, as more particularly described in section 5 of this notice.

With effect from the Effective Date, the Registered Address of the Trustee and Custodian and the address of the Customer Service Centre will be changed as follows:

(vii) Registered Address of the Trustee and Custodian will be relocated to Suites 1501-1507 & 1513-1516, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong.

(viii) Customer Service Centre will be relocated to Suite 1507, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong.

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If you have any queries in relation to the changes set out in this notice, please contact our Customer Service Centre at 25/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong or call our Customer Services Representative at 2929 3030.

1. Changes relating to investment policies

The investment policies of the following constituent funds under section 3.4.1. "Investment policies of the Constituent Funds" of the Scheme Brochure will be revised. Details are set out below:

1.1. BOC-Prudential Growth Fund, BOC-Prudential Balanced Fund and BOC-Prudential Stable Fund ("these 3CFs")

Nature of Change	Details
Addition of disclosure relating to investment in ITCIS	The investment policies of these 3CFs will be amended by adding a flexibility that the Investment Manager may at its discretion to invest in other ITCIS not managed by the Investment Manager, and as such, **the following sentence shall be added** under the heading "Investment objective" for (a) BOC-Prudential Growth Fund and (b) BOC-Prudential Balanced Fund; and under the heading "Balance of investments" for (c) BOC-Prudential Stable Fund: **"*Where appropriate, the Investment Manager also has a discretion to invest in other ITCIS not managed by the Investment Manager for purposes such as risk diversification or to gain exposure to the relevant market(s).*"**
Addition of disclosure relating to underlying investment in China A-shares	The investment policies of these 3CFs will be **enhanced by disclosing** in the last paragraph under the heading "Balance of investments" **that certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and that the aggregate exposure to China A-shares shall not exceed 15% of the net asset value**.

Change of disclosure relating to balance description	The investment policies of these 3CFs will be (a) modified by removing "fixed income securities" under the "0-20%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash, time deposits, money market or fixed income securities*" to "*Cash, time deposits or money market securities*")** so as to avoid confusion and reflect the actual asset allocation; and (b) enhanced by **adding the following sentence** at the end of the last paragraph under the heading "Balance of investments": ***"Where appropriate, cash, time deposits or money market securities may be considered."***
Enhancement of risk disclosure	The risk disclosure of these 3CFs shall be enhanced by **adding the bullet point *"Specific risks relating to investment in China A-shares"*** to the general risk factors under the heading "Risks".

1.2. BOC-Prudential Global Equity Fund ("BPGEF")

Nature of Change	Details
Addition of disclosure relating to investment in ITCIS	The investment policy of BPGEF will be amended by **adding a flexibility** that the Investment Manager may at its discretion to invest in other ITCIS not managed by the Investment Manager, and as such, **the following sentence shall be added** at the end of the paragraph under the heading "Investment objective": ***"Where appropriate, the Investment Manager also has a discretion to invest in other ITCIS <u>not managed by the Investment Manager</u> for purposes such as risk diversification or to gain exposure to the relevant market(s)."***
Addition of disclosure relating to allocation of portfolio between countries and regions	The investment policy of BPGEF will be enhanced by **adding**, immediately after the aforesaid newly added sentence, **the disclosure that the allocation of BPGEF's portfolio between countries and regions may vary according to the Investment Manager's discretion and perception of prevailing and anticipated market conditions and as a result, BPGEF's portfolio may be concentrated in certain country(ies) or region(s).**
Change relating to normal asset allocation	The normal asset allocation of BPGEF under the heading "Balance of investments" will be revised by **changing the percentage** relating to investment in the **Umbrella Unit Trust *from "40-100%" to "20-100%"***; the percentage relating to investment in "**Global equity sub-fund" *from "20-80%" to "10-80%"*** and the percentage relating to investment in **ITCIS *from "0-60%" to "0-80%"*** so as to add flexibility in case some country(ies) or region(s) outperformed others in significant margin.
Change of disclosure relating to balance description	The investment policy of BPGEF will be modified by adding "money market or fixed income securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash and time deposits*" to "*Cash, time deposits, money market or fixed income securities*")** so as to align with the last sentence of the last paragraph under the heading "Balance of investments".
Addition of disclosure relating to underlying investment in China A-shares	The investment policy of BPGEF will be **enhanced to disclose** in the last paragraph under the heading "Balance of investments" **that certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and that the aggregate exposure to China A-shares shall not exceed 15% of the net asset value**.

Enhancement of risk disclosure	The risk disclosure of BPGEF shall be enhanced by **adding the bullet points *"Concentration risk"*** and ***"Specific risks relating to investment in China A-shares"*** to the general risk factors under the heading "Risks".

1.3. BOC-Prudential Asia Equity Fund ("BPAEF")

Nature of Change	Details
Change of disclosure relating to balance description	The investment policy of BPAEF will be modified by adding "money market or fixed income securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "Cash and time deposits" to "Cash, time deposits, money market or fixed income securities"**) so as to align with the last sentence of the last paragraph under the heading "Balance of investments".
Addition of disclosure relating to underlying investment in China A-shares	The investment policy of BPAEF will be **enhanced**, in alignment with the disclosure of the Umbrella Unit Trust, **to disclose** in the last paragraph under the heading "Balance of investments" **that the underlying sub-fund may invest less than 30% of its net asset value in China A-shares directly through the Stock Connect[1] and/or at the discretion of the Investment Manager, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds[2]**.
Enhancement of risk disclosure	The risk disclosure of BPAEF shall be enhanced **by adding the bullet point "Specific risks relating to investment in China A-shares"** to the general risk factors under the heading "Risks".

1.4. BOC-Prudential China Equity Fund ("BPCEF")

Nature of Change	Details
Change relating to balance description	The investment policy of BPCEF will be modified by adding "money market or fixed income securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash and time deposits*" to "*Cash, time deposits, money market or fixed income securities*"**) so as to align with the last sentence of the last paragraph under the heading "Balance of investments".
Addition of disclosure relating to underlying investment in China A-shares	The investment policy of BPCEF will be **enhanced**, in alignment with the disclosure of the Umbrella Unit Trust, **to disclose** in the last paragraph under the heading "Balance of investments" **that the underlying sub-fund may invest less than 30% of its net asset value in China A-shares directly through the Stock Connect and/or at the discretion of the Investment Manager, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds.**
Enhancement of risk disclosure	The risk disclosure of BPCEF shall be enhanced by **adding the bullet point "Specific risks relating to investment in China A-shares" to the general risk factors under the heading "Risks"**.

[1] "Stock Connect" means Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. Each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong. Such defined term shall be added to the "GLOSSARY" section of the Scheme Brochure.

[2] The definition of "Other Authorized Unit Trusts or Authorized Mutual Funds" under the "GLOSSARY" section of the Scheme Brochure shall be elaborated by adding the wording "(including exchange traded funds (ETF))".

1.5. BOC-Prudential Hong Kong Equity Fund ("BPHKEF")

Nature of Change	Details
Change of disclosure relating to balance description	The investment policy of BPHKEF will be modified by adding "money market or fixed income securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash and time deposits*" to "*Cash, time deposits, money market or fixed income securities*"**) so as to align with the last sentence of the last paragraph under the heading "Balance of investments".
Slight modification of disclosure relating to primary investment of the underlying sub-fund	The investment policy of BPHKEF will be **slightly modified**, in alignment with the disclosure of the Umbrella Unit Trust, **to clarify** in the last paragraph under the heading "Balance of investments" **that the underlying sub-fund will, under normal circumstances, invest mainly in the listed equities and equity-related securities of companies having operations or business principally in Hong Kong or linked either directly or indirectly to the Hong Kong economy (including companies whose shares are listed in Hong Kong).**

1.6. BOC-Prudential Japan Equity Fund ("BPJEF")

Nature of Change	Details
Change of disclosure relating to balance description	The investment policy of BPJEF will be modified by adding "money market or fixed income securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash and time deposits*" to "*Cash, time deposits, money market or fixed income securities*"**) so as to align with the last sentence of the last paragraph under the heading "Balance of investments".

1.7. BOC-Prudential Bond Fund ("BPBF")

Nature of Chang	Details
Change of disclosure relating to balance description	The investment policy of BPBF will be modified by adding "money market securities" under the "0-30%" asset allocation range under the heading "Balance of investments" **(i.e. revising the disclosure from "*Cash and time deposits*" to "*Cash, time deposits or money market securities*"**) so as to align with the last sentence of the last paragraph under the heading "Balance of investments".
Update and modification of disclosure relating to investment of the underlying sub-fund	In alignment with the disclosure of the underlying sub-fund of the Umbrella Unit Trust, the investment policy of BPBF will be **updated and modified by changing current disclosure relating to the underlying sub-fund's investment** in the last paragraph under the heading "Balance of investments" **from "*invest in a portfolio of investment grade (rated Baa2 or above by Moody's or other approved credit rating agency as listed in MPF Guidelines III.1) bonds*" to "*invest in a portfolio of international bonds which meet the credit rating requirements as specified in the relevant guidelines issued by the MPFA from time to time***".

1.8. BOC-Prudential Core Accumulation Fund and BOC-Prudential Age 65 Plus Fund ("these 2CFs")

Nature of Change	Details
Addition of disclosure relating to underlying investment in China A-shares	The investment policies of these 2CFs will be **enhanced to disclose** under the heading "Balance of investments" **that certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and that the aggregate exposure to China A-shares shall not exceed 10% of the net asset value**.
Enhancement of risk disclosure	The risk disclosure of these 2CFs shall be enhanced **by adding the bullet point "Specific risks relating to investment in China A-shares"** to the general risk factors under the heading "Risks".

The summary table under "3.2. Constituent Funds" shall be updated to reflect the relevant changes mentioned above and the details are set out in the Appendix I to the First Addendum.

The Trustee confirms that the risk level of each Relevant CF will remain unchanged.

2. The investment policies of the sub-funds of the Umbrella Unit Trust under section 3.4.2. "Investment Policies of Umbrella Unit Trust" of the Scheme Brochure will be amended, in alignment with the disclosure of the offering documents of the Umbrella Unit Trust, for clarification and/or enhancement of disclosure purposes. Details are set out below:

2.1. BOC-Prudential Global Equity Fund

Nature of Change	Details
Addition of disclosure relating to allocation of portfolio between countries and regions	The investment policy of this sub-fund of the Umbrella Unit Trust will be enhanced by disclosing at the end of the first paragraph that **the allocation of the sub-fund's portfolio between countries and regions may vary according to the Investment Manager's discretion and perception of prevailing and anticipated market conditions and as a result, the constituent fund's portfolio may be concentrated in certain country(ies) or region(s).**

2.2. BOC-Prudential Asia Equity Fund

Nature of Change	Details
Addition of disclosure relating to investment in China A-shares	The investment policy of this sub-fund of the Umbrella Unit Trust will be enhanced by disclosing in the last paragraph that **the sub-fund may invest less than 30% of its net asset value in China A-shares directly through the Stock Connect and/or at the discretion of the Investment Manager, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds.**

2.3. BOC-Prudential China Equity Fund

Nature of Change	Details
Addition of disclosure relating to investment in China A-shares	The investment policy of this sub-fund of the Umbrella Unit Trust will be enhanced by **disclosing** in the last paragraph **that the sub-fund may invest less than 30% of its net asset value in China A-shares directly through the Stock Connect and/or at the discretion of the Investment Manager, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds so as to gain exposure to the stock markets of the PRC**.

2.4. BOC-Prudential Hong Kong Equity Fund

Nature of Change	Details
Slight modification of disclosure relating to primary investment	The investment policy of this sub-fund of the Umbrella Unit Trust will be **slightly modified to clarify** in the first paragraph **that the sub-fund aims to provide investors with long-term capital growth through investment mainly in the listed equities and equity-related securities of companies having operations or business principally in Hong Kong or linked either directly or indirectly to the Hong Kong economy (including companies whose shares are listed in Hong Kong).**

2.5. BOC-Prudential Global Bond Fund

Nature of Change	Details
Update and modification of disclosure relating to primary investment	To update the disclosure in line with the credit rating requirements as specified in the relevant MPF guidelines, the investment objectives and policies of this sub-fund of the Umbrella Unit Trust will be revised by replacing the wording "***investment grade (rated Baa2 or above by Moody's or other approved credit rating agency as listed in MPF Guidelines III.1) bonds***" with "***bonds which meet the credit rating requirements as specified in the relevant guidelines issued by the MPFA from time to time***".

2.6. BOC-Prudential Hong Kong Dollar Bond Fund

Nature of Change	Details
Update and modification of disclosure relating to primary investment	To update the disclosure in line with the credit rating requirements as specified in the relevant MPF guidelines, the investment objectives and policies of this sub-fund of the Umbrella Unit Trust will be revised by replacing the wording "***investment grade (rated Baa2 or above by Moody's or other approved credit rating agency as listed in MPF Guidelines III.1) bonds***" with "***bonds which meet the credit rating requirements as specified in the relevant guidelines issued by the MPFA from time to time***".
Enhancement of disclosure relating to bond investment	The investment policy of this sub-fund of the Umbrella Unit Trust will be enhanced by **adding the disclosure** in the first paragraph **that the sub-fund's fixed income investment will focus on short-to-medium term bonds and aims to maintain a portfolio with weighted average duration not exceeding five years so as to seek to reduce exposure to interest rate risks. In addition, the sub-fund's fixed income investment will focus on high quality credit bonds in order to reduce credit risks**.

3. Section 4.1. "Risk factors" of the Scheme Brochure will be elaborated or enhanced. Details are set out below:

(i) The risk disclosure relating to **"(j) Concentration risk"** will be elaborated.

(ii) The risk disclosure will be enhanced by **adding the specific risks relating to investment in China A-shares**, which include the following risk factors: "(a) PRC market risk", "(b) Risk associated with high volatility of the equity market in Mainland China", "(c) Risk associated with regulatory/ exchanges requirements/ policies of the equity market in Mainland China" and "(d) Risks **associated** with Stock Connect".

4. Certain minor changes will also be made to the "GLOSSARY" section of the Scheme Brochure. Details are set out below:

(i) The term **"Other Authorized Unit Trusts or Authorized Mutual Funds"** under the "GLOSSARY" section shall be slightly modified by adding the wording **"*(including exchange traded funds (ETF)*"**.

(ii) The term **"Stock Connect"** shall be added under the "GLOSSARY" section.

5. Actions required of the scheme participants:

5.1 A scheme participant who thinks that the Changes do not suit his/her needs/expectations may switch his/her existing investment from the Relevant CF(s) to other Constituent Fund(s) under the Scheme. Any instruction relating to transfer within the Scheme will be processed in accordance with the normal procedures set out in section 6.6 of the Scheme Brochure applicable to transferring accrued benefits within the Scheme.

5.2 Alternatively, a scheme participant may transfer out of the Scheme to another MPF scheme. Any instruction to transfer out of the Scheme will be processed in accordance with the normal procedures set out in section 6.13 of the Scheme Brochure applicable to transferring accrued benefits out of the Scheme.

5.3 No action is required of the scheme participants if they do not object to the Changes.

6. Costs of the Changes

6.1 All costs and expenses associated with the Changes will be borne by the Scheme.

6.2 No fees or penalty, bid/offer spread or transfer fee will be imposed on any transfer out of the Scheme or switching existing investments out of the Relevant CF(s).

7. Change of Registered Address of the Trustee and Custodian and Address of Customer Service Centre

With effect from the Effective Date, the Registered Address of the Trustee and Custodian will be relocated to Suites 1501-1507 & 1513-1516, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong and the Customer Service Centre will be relocated to Suite 1507, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong. The hotline, fax numbers and email address will remain unchanged.

8. Amendments to the Scheme Brochure

This notice gives a summary of the major changes to the Scheme. For details, please refer to the First Addendum to the Scheme Brochure. These amendments will not have any adverse impact on the interests of the Members of the Scheme.

If you wish to obtain a copy of the latest Scheme Brochure (including the First Addendum), you can download it from our website at www.bocpt.com or request a copy in writing or verbally. You may write to our Customer Service Centre at 25/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong or call our Customer Services Representative at 2929 3030.

9. Enquiry

Should you have any enquiries relating to the contents of this notice, please do not hesitate to call our Customer Services Representative at 2929 3030.

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Yours faithfully,
BOCI-Prudential Trustee Limited

Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the MPF Scheme Brochure.