

**BOC-PRUDENTIAL EASY-CHOICE
MANDATORY PROVIDENT FUND SCHEME**
中銀保誠簡易強積金計劃 (the “Scheme”)

SECOND ADDENDUM TO THE MPF SCHEME BROCHURE DATED 1 DECEMBER 2020

The amendments to the MPF Scheme Brochure (English version) are hereby shown in italics and underlined for your ease of reference.

This Second Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure dated 1 December 2020 as amended and supplemented by the First Addendum dated 10 June 2021 (collectively, the “**MPF Scheme Brochure**”) for the BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme. All capitalised terms in this Second 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 Suite 1507, 15/F, 1111 King’s Road, Taikoo Shing, Hong Kong.

A. The amendments to the MPF Scheme Brochure set out below shall take effect from 31 August 2022 (the “Effective Date”) :

1. Page 8 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(a) BOC-Prudential Growth Fund”

The second paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“The BOC-Prudential Growth Fund will be primarily invested in the equity sub-funds to form a global equity portfolio, with the balance invested in the bond sub-funds. Under normal circumstances, the sub-funds will invest a substantial portion of assets in global equities and equity-related securities as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines issued by the MPFA from time to time, including but not limited to the United States, Europe, Mainland China, Japan, Hong Kong and other major Asian markets. The balance will be invested in global bonds with currency exposure in the United States, Europe, *Mainland China* and others. The sub-funds may also invest in ITCIS and Other Permitted Securities. Certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares *and/or RMB denominated and settled debt instruments issued or distributed outside and/or within Mainland China*. The BOC-Prudential Growth Fund’s aggregate exposure to any China A-shares shall not exceed 15% of its net asset value *and its aggregate exposure to RMB denominated and settled debt instruments shall not exceed 15% of its net asset value*. The BOC-Prudential Growth Fund will be actively managed to take advantage of both short-term market opportunities and the long-term growth potential that exist around the world. Where appropriate, cash, time deposits or money market securities may be considered.”

2. Page 8 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(a) BOC-Prudential Growth Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks
- PRC market risk
- Specific risks relating to investment in China A-shares
- Specific risks relating to investment in RMB denominated and settled debt instruments”

3. Page 9 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(b) BOC-Prudential Balanced Fund”

The second paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“The BOC-Prudential Balanced Fund will be invested in a mix of equity and bond sub-funds. Under normal circumstances, the sub-funds will invest a big portion of assets in global equities and equity-related securities as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines issued by the MPFA from time to time, including but not limited to the United States, Europe, Mainland China, Japan, Hong Kong and other major Asian markets. The balance will be invested in global bonds with currency exposure in the United States, Europe, Mainland China and others. The sub-funds may also invest in ITCIS and Other Permitted Securities. Certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and/or RMB denominated and settled debt instruments issued or distributed outside and/or within Mainland China. The BOC-Prudential Balanced Fund’s aggregate exposure to any China A-shares shall not exceed 15% of its net asset value and its aggregate exposure to RMB denominated and settled debt instruments shall not exceed 15% of its net asset value. The BOC-Prudential Balanced Fund will be actively managed to take advantage of both short-term market opportunities and the long-term growth potential that exist around the world. Where appropriate, cash, time deposits or money market securities may be considered.”

4. Page 9 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(b) BOC-Prudential Balanced Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks
- PRC market risk
- Specific risks relating to

- Downgrading risk
- Sovereign debt risk
- investment in China A-shares
- Specific risks relating to investment in RMB denominated and settled debt instruments

5. Page 10 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(c) BOC-Prudential Stable Fund”

The second paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“The BOC-Prudential Stable Fund will invest in (1) a combination of sub-funds of the Umbrella Unit Trust or (2) a combination of sub-funds of the Umbrella Unit Trust and ITCIS managed by the Investment Manager. 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). The BOC-Prudential Stable Fund will be invested in a mix of equity and bond sub-funds. Under normal circumstances, the sub-funds will invest in global equities and equity-related securities as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines issued by the MPFA from time to time, including but not limited to the United States, Europe, Mainland China, Japan, Hong Kong and other major Asian markets. The sub-funds will also invest in global bonds with currency exposure in the United States, Europe, Mainland China and other countries. The sub-funds may also invest in ITCIS and Other Permitted Securities. Certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and/or RMB denominated and settled debt instruments issued or distributed outside and/or within Mainland China. The BOC-Prudential Stable Fund’s aggregate exposure to any China A-shares shall not exceed 15% of its net asset value and its aggregate exposure to RMB denominated and settled debt instruments shall not exceed 15% of its net asset value. The BOC-Prudential Stable Fund will be actively managed to take advantage of both short-term market opportunities and the long-term growth potential that exist around the world. Where appropriate, cash, time deposits or money market securities may be considered.”

6. Page 10 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(c) BOC-Prudential Stable Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks
- PRC market risk
- Specific risks relating to investment in China A-shares
- Specific risks relating to investment in RMB denominated and settled debt instruments

7. **Page 11 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(d) BOC-Prudential Global Equity Fund”**

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Concentration risk
- PRC market risk
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes/funds
- Listed ITCIS investment risks
- Specific risks relating to investment in China A-shares”

8. **Page 12 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(e) BOC-Prudential Asia Equity Fund”**

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- PRC market risk
- Specific risks relating to investment in China A-shares
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks”

9. **Page 13 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(f) BOC-Prudential China Equity Fund”**

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- PRC market risk
- Specific risks relating to investment in China A-shares
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks”

10. **Page 13 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(g) BOC-Prudential Hong Kong Equity Fund”**

The second paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“Under normal circumstances, the sub-fund will 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), as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines issued by the MPFA from time to time. The sub-fund may invest not more than 10% of its net asset value in China A-shares which are directly or indirectly related to Hong Kong by either being traded through the Stock Connect or having business or operations in or relations to Hong Kong. The Investment Manager also has a discretion to invest in these China A-shares, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds. The sub-fund may also invest in ITCIS and Other Permitted Securities. Where appropriate, cash, time deposits, money market or fixed income securities may be considered.”

11. Page 14 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(g) BOC-Prudential Hong Kong Equity Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Specific risks relating to investment in China A-shares
- Potential conflicts of interest
- Risk involved in fund switching
- PRC market risk
- Concentration risk
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks”

12. Page 15 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(h) BOC-Prudential Japan Equity Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Foreign exchange/currency risk
- Security risk
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks”

13. Page 15 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(i) BOC-Prudential Bond Fund”

The second paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“Under normal circumstances, the sub-fund will 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. Overall, bonds will be denominated in various major world currencies. Major world currencies include but are not limited to Hong Kong dollar, U.S. dollar, British Sterling, Euro, and Japanese Yen and RMB. The sub-fund may invest less than 15% of its net asset value in RMB denominated and settled debt instruments issued or distributed (i) outside Mainland China and/or (ii)

within Mainland China (which may be invested through the Bond Connect). The sub-fund may also invest in ITCIS and Other Authorized Unit Trusts or Authorized Mutual Funds (up to 10% of the total NAV of the sub-fund). Where appropriate, cash, time deposits or money market securities may be considered.”

14. Page 15 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(i) BOC-Prudential Bond Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:
“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Listed ITCIS investment risks
- PRC market risk
- Specific risks relating to investment in RMB denominated and settled debt instruments”

15. Page 17 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(j) BOC-Prudential CSI HK 100 Tracker Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:
“

- Political, economic and social risks
- Market risk
- Security risk
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- Risks related to potential performance difference between index-tracking constituent funds and/or ITCIS
- General tax risk
- Listed ITCIS investment risks
- Risk of investing in other collective investment schemes /funds
- Tracking error risk
- Geographical concentration risk
- Passive management risk
- Index calculation risk”

16. Page 19 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(k) BOC-Prudential North America Index Tracking Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:
“

- Political, economic and social risks
- Market risk
- Foreign exchange/currency risk
- Security risk
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- Risks related to potential performance difference between index-tracking constituent funds and/or ITCIS
- Tracking error risk
- Geographical concentration risk
- Passive management risk
- Index calculation risk

- Risk of investing in other collective investment schemes /funds
- Foreign security risk
- North America economic risk
- Tax risk relating to certain ITCIS

17. Page 21 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(l) BOC-Prudential European Index Tracking Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Market risk
- Foreign exchange/currency risk
- Security risk
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- Risk of investing in other collective investment schemes /funds
- Risks related to potential performance difference between index-tracking constituent funds and/or ITCIS
- Tracking error risk
- Geographical concentration risk
- Passive management risk
- Index calculation risk
- Foreign security risk
- European economic and Eurozone risk
- Tax risk relating to certain ITCIS

18. Page 22 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(m) BOC-Prudential MPF RMB & HKD Money Market Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Potential conflicts of interest
- Risk involved in fund switching
- Concentration risk
- Liquidity risk
- General tax risk
- Risk of investing in other collective investment schemes /funds
- PRC market risk
- Specific risks relating to investment in RMB denominated and settled debt instruments
- ~~Currency risk~~
- ~~Limited pool of investments~~
- ~~Credit/insolvency risk of counterparties~~
- ~~Liquidity risk for RMB debt securities investment~~
- ~~Interest rate risk for RMB debt securities investment~~

19. Page 23 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(n) BOC-Prudential Core Accumulation Fund”

The third paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“In order to achieve the investment objective, the BOC-Prudential Core Accumulation Fund will be structured as a portfolio management fund investing in two or more sub-funds of the Umbrella Unit Trust and/or ITCIS which may be the ITCIS managed by the Investment Manager or the ITCIS selected from those available in the markets. Certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and/or RMB denominated and settled debt instruments issued or distributed outside and/or within Mainland China. The BOC-Prudential Core Accumulation Fund’s aggregate exposure to any China A-shares shall not exceed 10% of its net asset value and its aggregate exposure to RMB denominated and settled debt instruments shall not exceed 15% of its net asset value. The sub-funds of the Umbrella Unit Trust may invest in ITCIS and Other Permitted Securities (which include up to 10% of its total NAV in Other Authorized Unit Trusts or Authorized Mutual Funds).”

20. Page 24 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(n) BOC-Prudential Core Accumulation Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- | | |
|---|--|
| • Political, economic and social risks | • <u>General tax risk</u> |
| • Interest rate risk | • <u>Risk of investing in other collective investment schemes /funds</u> |
| • Market risk | • Potential conflicts of interest |
| • Emerging markets risk | • Risk involved in fund switching |
| • Foreign exchange/ <u>currency</u> risk | • Liquidity risk |
| • Security risk | • Listed ITCIS investment risks |
| • Credit/ <u>counterparty</u> risk | • Risks relating to the DIS (where investment in the BOC-Prudential Core Accumulation Fund is part of the DIS) |
| • <u>Credit rating risk</u> | • <u>PRC market risk</u> |
| • <u>Downgrading risk</u> | • <u>Specific risks relating to investment in RMB denominated and settled debt instruments”</u> |
| • <u>Sovereign debt risk</u> | |
| • Specific risks relating to investment in China A-shares | |

21. Page 25 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(o) BOC-Prudential Age 65 Plus Fund”

The third paragraph under the heading “Balance of investments” shall be amended and restated as follow:

“In order to achieve the investment objective, the BOC-Prudential Age 65 Plus Fund will be structured as a portfolio management fund investing in two or more sub-funds of the Umbrella Unit Trust and/or ITCIS which may be the ITCIS managed by the Investment Manager or the ITCIS selected from those available in the markets. Certain sub-funds of the Umbrella Unit Trust and/or ITCIS may invest in China A-shares and/or RMB denominated and settled debt instruments issued or distributed outside and/or within Mainland China. The BOC-Prudential Age 65 Plus Fund’s aggregate exposure to any China A-shares shall not exceed 10% of its net asset value and its aggregate exposure to RMB denominated and settled debt instruments shall not exceed 15% of its net asset value. The sub-funds of the Umbrella Unit Trust may invest in ITCIS and Other Permitted Securities (which include up to 10% of its total NAV in Other Authorized Unit Trusts or Authorized Mutual Funds).”

22. Page 26 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(o) BOC-Prudential Age 65 Plus Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Emerging markets risk
- Foreign exchange/currency risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Specific risks relating to investment in China A-shares
- General tax risk
- Risk of investing in other collective investment schemes /funds
- Potential conflicts of interest
- Risk involved in fund switching
- Liquidity risk
- Listed ITCIS investment risks
- Risks relating to DIS (where investment in the BOC-Prudential Age 65 Plus Fund is part of the DIS)
- PRC market risk
- Specific risks relating to investment in RMB denominated and settled debt instruments”

23. Page 26 – “3.4. Investment policy” – “3.4.1. Investment policies of the Constituent Funds” – “(p) BOC-Prudential MPF Conservative Fund”

The risk factors under the heading “Risks” shall be amended and restated as follow:

“

- Political, economic and social risks
- Interest rate risk
- Market risk
- Security risk
- Credit/counterparty risk
- Credit rating risk
- Downgrading risk
- Sovereign debt risk
- Potential conflicts of interest
- Concentration risk
- Liquidity risk
- General tax risk”

24. Page 28 – “3.4. Investment policy” – “3.4.2. Investment policies of Umbrella Unit Trust” - “(e) BOC-Prudential Hong Kong Equity Fund”

The first paragraph to the last paragraph shall be amended and restated as follow:

“The BOC-Prudential Hong Kong Equity 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), as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines issued by the MPFA from time to time. The BOC-Prudential Hong Kong Equity Fund may invest not more than 10% of its net asset value in China A-shares which are directly or indirectly related to Hong Kong by either being traded through the Stock Connect or having business or operations in or relations to Hong Kong. The Investment Manager also has a discretion to invest in these China A-shares, indirectly through investments in ITCIS and/or Other Authorized Unit Trusts or Authorized Mutual Funds.”

The normal asset allocation (including underlying investments of ITCIS and Other Permitted Securities) of the BOC-Prudential Hong Kong Equity Fund is expected to be:

Hong Kong equities	70 – 100%
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Mainland China-related equities 0 – 10%

Cash, time deposits, money market or fixed income securities 0 – 30%

The BOC-Prudential Hong Kong Equity Fund may also invest in ITCIS and Other Permitted Securities. The sub-fund will maintain 30% HKD effective currency exposure.”

25. Page 29 – “3.4. Investment policy” – “3.4.2. Investment policies of Umbrella Unit Trust” - “(g) BOC-Prudential Global Bond Fund”

The first paragraph shall be amended and restated as follow:

“The BOC-Prudential Global Bond Fund aims to provide a stable income stream and long-term capital appreciation through 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. The sub-fund is invested in bonds denominated in various major world currencies, including but not limited to Hong Kong dollar, U.S. Dollar, British Sterling, Euro, ~~and~~ Japanese Yen and RMB. The sub-fund may invest less than 15% of its net asset value in RMB denominated and settled debt instruments issued or distributed (i) outside Mainland China and /or (ii) within Mainland China (which may be invested through the Bond Connect).”

26. Page 31 – “4. RISKS” – “4.1. Risk factors”

(i) Under “I. General risk factors”, the risk factor “(e) Foreign exchange risk” on page 31 shall be amended and restated as follows:

“(e) Foreign exchange/currency risk

Investment may be made in currencies other than HKD which may be subject to exchange rate fluctuations with a consequential reduction in the HKD value of investments. Repatriation of capital invested may be hampered by changes in regulations applicable to foreign investors which may have an adverse impact on the performance of the investments. The markets in which foreign exchange transactions are effected may be highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. These risks may have adverse impact on the performance of investments. Any changes in exchange control regulations may cause difficulties in the repatriation of funds. Dealings in the relevant Constituent Fund or the underlying funds may be suspended if the relevant Constituent Fund or the underlying funds is unable to repatriate funds for the purpose of making payments on the redemption of units.”

(ii) Under “I. General risk factors”, the risk factor “(g) Credit risk” on page 31 shall be amended and restated as follows:

“(g) Credit/counterparty risk

The relevant Constituent Fund or the underlying funds are exposed to the credit/default risk of issuers of the debt securities or financial instruments that the underlying funds may invest in. If the issuer of any of the ~~fixed interest~~ debt securities or financial instruments in which the underlying funds’ assets are invested defaults, the performance of the relevant Constituent Fund or the ~~investments~~ underlying funds will be adversely affected. In

addition, when economic conditions appear to be deteriorating, or where an adverse event happens to the issuer of such securities (e.g. credit rating downgrading), such securities may not be objectively priced and may decline in market value. Such securities may also decline in market value due to changing market conditions, other significant adverse market event affecting valuation or investors' heightened concerns and perceptions over credit quality. If a counterparty becomes bankrupt, the value of investment in the sub-fund may decline and the relevant Constituent Fund or the underlying fund may experience significant delays in obtaining any recovery in a bankruptcy or other proceedings or may obtain only limited recovery or may obtain no recovery in some circumstances."

- (iii) Under "I. General risk factors", the following risk factors shall be added immediately after the revised risk factor "(g) Credit/counterparty risk" on page 31.

"(h) Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. The credit ratings assigned by credit rating agencies are a generally accepted barometer of credit risk of a fixed income security. They are, however, subject to certain limitations. For example, the rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is often a time lag in updating the credit ratings in response to recent credit events.

(i) Downgrading risk

The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the instrument, and hence the relevant sub-fund may be adversely affected. The manager may or may not be able to dispose of the debt instruments that are being downgraded. The relevant Constituent Fund or the underlying fund may continue to hold such investment, and higher risks may result as the investment may be subject to higher volatility, liquidity and credit risk.

(j) Sovereign debt risk

The relevant Constituent Fund or the underlying fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the sub-fund to participate in restructuring such debts. The relevant Constituent Fund or the underlying fund may suffer significant losses when there is a default of sovereign debt issuers."

- (iv) Under "I. General risk factors", the original risk factors "(h) Potential conflicts of interest", "(i) Risk involved in fund switching", "(j) Concentration risk" and "(k) Liquidity risk" on page 32 shall respectively be rearranged as "(k)", "(l)", "(m)" and "(n)", and the third sentence under the rearranged risk factor "(m) Concentration risk" shall be amended and restated as follows:

"Investors should be aware that such Constituent Funds or their underlying APIFs or ITCIS are likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as they are more susceptible to fluctuations in value resulting from limited number of holdings or adverse conditions in their respective countries/regions."

- (v) Under "I. General risk factors", the following risk factors shall be added immediately after the rearranged risk factor "(n) Liquidity risk":

“(o) General tax risk

Dividends and certain interests or other income paid to certain Constituent Fund(s) or the underlying fund may be subject to tax on trading profits or on certain securities transaction, transfer or stamp duty or withholding tax which may negatively impact on the relevant Constituent Fund or the underlying funds’ performance and distributions (if applicable) that the unitholders may receive from the relevant Constituent Fund or the underlying funds.

(p) Risk of investing in other collective investment schemes/funds

Investors should be aware of the consequences of investing in other collective investment schemes/funds by the Constituent Fund or the underlying APIFs or ITCIS. Investment decisions are made at the level of those specific collective investment schemes/funds. The relevant Constituent Fund or the underlying APIFs or ITCIS will be subject to the same type of risks in proportion to their holdings of those specific collective investment schemes/funds. Different collective investment schemes/funds invested by the Constituent Fund or the underlying APIFs or ITCIS have different underlying investments. The risks relating to such underlying investments may include any of the general risk factors mentioned in the offering documents of the relevant underlying APIFs or ITCIS.

(q) PRC market risk

Investing in the PRC market involves special risks and consideration which are different from other markets.

The value of the underlying APIFs’ or ITCIS’ assets may be subject to varying degrees of impact due to the PRC government policies, foreign exchange and monetary policies and tax regulations. Such measures may have associated impact on the economy or financial market of Mainland China. The PRC government may from time to time adopt corrective measures to control the pace of the PRC economic growth. The PRC government’s regulation on currency conversion and future movements in exchange rates may have corresponding effect on the operations and financial results of the companies invested in by the underlying APIFs or ITCISs. Furthermore, the PRC is developing and improving its clearance and settlement systems and procedures.

In recent years the PRC is experiencing an economic reform with Chinese characteristics and the PRC government is developing and improving the regulatory and legal framework for securities markets. It is uncertain how such reforms will impact on the stock markets as well as the performance of an underlying APIFs or ITCIS.

Companies in Mainland China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be varying degrees of differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.”

- (vi) Under “II. Specific risks relating to investment in China A-shares”, the risk factor “(a) PRC market risk” shall be deleted entirely, and the original risk factors “(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” shall respectively be rearranged as “(a)”, “(b)” and “(c)”.
- (vii) Under “III. Specific risks on investment in ITCIS”, the risk factor “(j) Tax risk” on page 35 shall be renamed as “(j) Tax risk relating to certain ITCIS”.

- (viii) The heading of “IV. Specific risks related to BOC-Prudential MPF RMB & HKD Money Market Fund” shall be renamed as “IV. Specific risks relating to investment in RMB denominated and settled debt instruments”.
- (ix) Under the renamed heading “IV. Specific risks relating to investment in RMB denominated and settled debt instruments”, the risk factor “(a) Currency risk” on page 35 shall be amended and restated as follows:

“(a) Currency risk

RMB is not freely convertible and is subject to policies of exchange controls and repatriation restrictions. If such policies or restrictions change in the future, the position of the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ or its investors may be adversely affected. Further, conversion between RMB and other currencies is subject to policy restrictions relating to RMB and the relevant regulatory requirements in Hong Kong. There is no guarantee that the RMB will not depreciate or RMB will not be subject to devaluation. Any depreciation or devaluation of RMB could adversely affect the value of the investors’ investments in the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~.

~~In addition, the~~ With respect to BOC-Prudential MPF RMB & HKD Money Market Fund, the Constituent Fund is denominated in HKD only and not in RMB whereas it is expected to hold not less than 50% of its NAV in assets denominated and settled in RMB. The performance of the BOC-Prudential MPF RMB & HKD Money Market Fund may be adversely affected by changes in the HKD/RMB exchange rate if the RMB depreciates against the HKD. The risk is minimised to the extent that the BOC-Prudential MPF RMB & HKD Money Market Fund’s effective currency exposure to HKD will at all times be maintained at a level of not less than 30% of its NAV.”

- (x) Under the renamed “IV. Specific risks relating to investment in RMB denominated and settled debt instruments”, the risk factor “(b) Limited pool of investments” on pages 35 to 36 shall be renamed as “(b) The “Dim Sum” bond (i.e. bonds issued outside Mainland China but denominated in RMB) market risks” and amended and restated as follows:

~~“(b) Limited pool of investments~~ The “Dim Sum” bond (i.e. bonds issued outside Mainland China but denominated in RMB) market risks

The “Dim Sum” bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The quantity of RMB debt securities issued or distributed outside Mainland China is currently limited. In particular, many of the offshore RMB debt securities available in the market may not meet the current requirements under Schedule 1 to the Regulation and therefore the offshore RMB debts securities available for investment by the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ may be limited. Due to the limited availability of offshore RMB debt securities, such securities held by the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ may be issued by a limited number of issuer(s), although investments by the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ will be subject to the diversification requirements under Schedule 1 to the Regulation. Accordingly, the credit risk of the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ will be concentrated on these limited issuers and the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ may suffer a significant loss if such issuers default or become insolvent.

Further, due to the possibility of limited supply, new issues of offshore RMB debt securities may be oversubscribed and may be priced higher than and/or traded with a lower yield than equivalent onshore RMB debt securities. If the onshore RMB debt securities market subsequently opens up, this may lead to the convergence of the yields in the two markets. This may increase the yields for the offshore RMB debt securities and, consequently, lower the price of such offshore RMB debt securities. This may, in turn, adversely affect the NAV of the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~.

The Constituent Funds or the underlying funds may not be able to find suitable debt instruments to invest in and hold a significant portion of assets in RMB bank deposits or term deposits with substantial financial institutions if there are not sufficient RMB debt securities for the Constituent Funds or the underlying funds to invest in or when such instruments held are of short duration and are at maturity, until suitable RMB debt instruments are available in the market. This may adversely affect the Constituent Funds' or the underlying funds' return and performance.

The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the NAV of the Constituent Funds or the underlying funds should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s)."

- (xi) Under the renamed "IV. Specific risks relating to investment in RMB denominated and settled debt instruments", the risk factor "(c) Credit/insolvency risk of counterparties" on page 36 shall be amended and restated as follows:

"The Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ is are exposed to the credit/insolvency risk of issuers of the HKD and RMB denominated instruments that it may invest in. The debt instruments that the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ invests in are typically unsecured debt obligations and are not supported by any collateral. The relevant debt instruments will likely be ranked equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of debt instruments only after all secured claims have been satisfied in full. The Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ will therefore be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor. All these will adversely affect the NAV of the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ that has invested in such debt instruments. In the worst case scenario, the value of such debt instruments may become worthless when the issuers of the debt instruments default."

- (xii) Under the renamed "IV. Specific risks relating to investment in RMB denominated and settled debt instruments", the risk factor "(d) Liquidity risk for RMB debt securities investment" on page 36 shall be renamed as "(d) Liquidity and volatility risk for RMB debt securities investment" and amended and restated as follows:

"(d) Liquidity and volatility risk for RMB debt securities investment

There may not be a liquid or active market for the trading of RMB denominated debt instruments. The prices of securities traded in such market may be subject to fluctuations. The bid and offer spreads of the price of RMB debt securities may be large. Therefore, the Constituent Funds or the underlying funds ~~BOC Prudential MPF RMB & HKD Money Market Fund~~ may incur significant trading and realisation costs and may suffer significant losses when selling such investments.

In the absence of an active secondary market for ~~offshore~~ RMB debt securities, the Constituent Funds or the underlying funds-BOC Prudential MPF RMB & HKD Money Market Fund may encounter difficulties in selling the RMB denominated debt instruments and may need to hold investments until their maturity date. If sizeable redemption requests are received, the Constituent Funds or the underlying funds-BOC Prudential MPF RMB & HKD Money Market Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Constituent Funds or the underlying funds-BOC Prudential MPF RMB & HKD Money Market Fund may suffer significant losses in trading such investments.”

- (xiii) Under the renamed “IV. Specific risks relating to investment in RMB denominated and settled debt instruments”, the risk factor “(e) Interest rate risk for RMB debt securities investment” on page 36 shall be amended and restated as follows:

“(e) Interest rate risk for RMB debt securities investment

Changes in interest rate may affect the values of fixed income securities as well as the financial markets in general. Bonds and other fixed income securities are generally more susceptible to fluctuations in interest rates and may fall in value if interest rates change. In general, the prices of fixed income securities may rise when interest rates fall, whilst their prices may fall when interest rates rise. Generally, the longer the maturity or duration of a fixed income security, the greater the impact of a rise in interest rate on the security’s value. Any increase in interest rates may have a direct effect on the prices of fixed income securities which in turn may adversely affect the NAV of the Constituent Funds or the underlying funds-BOC Prudential MPF RMB & HKD Money Market Fund or the income received by the investors and the Constituent Funds or the underlying funds-BOC Prudential MPF RMB & HKD Money Market Fund may suffer a loss in its investments.”

- (xiv) Under the renamed “IV. Specific risks relating to investment in RMB denominated and settled debt instruments”, the risk factor “(f) Risks associated with the Bond Connect and the China interbank bond market” shall be inserted immediately after the risk factor “(e) Interest rate risk for RMB debt securities investment” on page 36 as follows:

“(f) Risks associated with the Bond Connect and the China interbank bond market

The Constituent Funds or the underlying funds may invest in debt securities through the Bond Connect and may be exposed to liquidity and volatility risks, as low trading volume of certain debt securities in the China interbank bond market may cause market volatility and potential lack of liquidity. These may result in prices of certain debt securities traded on such market fluctuating significantly. The bid and offer spread of the prices of such securities may be large, and the Constituent Funds or the underlying funds may incur significant trading and realisation costs and may potentially suffer losses when disposing of such investments.

Where the Constituent Funds or the underlying funds enter into transactions through the Bond Connect, the Constituent Funds or the underlying funds may also be subject to risks associated with settlement procedures and counterparties and generally to default risks. The counterparty which has entered into a transaction with the Constituent Funds or the underlying funds may default in its obligation to settle the transaction by delivery of relevant security or payment for value.

The Constituent Funds or the underlying funds may also be subject to the risks of default or errors on the part of third parties, including without limitation, the offshore custody agent, registration agents, or other third parties (as the case may be), given that the relevant filings or registration with the People’s Bank of China (“PBOC”) and the account opening and

operations in relation to investments through the Bond Connect shall be carried out via such third parties.

The Constituent Funds or the underlying funds may also be exposed to regulatory risks relating to the Bond Connect. The relevant rules and regulations on the Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening of the Bond Connect or trading through the Bond Connect, the Constituent Funds' or the underlying funds' ability to invest in the China interbank bond market and hence to achieve its investment objective may be adversely affected.

Further, if there is any non-compliance with the applicable PRC laws, regulations and rules relating to trading through the Bond Connect or the China interbank bond market or the relevant undertakings given by the Investment Manager or other service providers, trading of the bonds will be adversely affected or even suspended which may result in liquidity or other risks. Please also refer to the risk factor "liquidity risk" under sub-section "I. General risk factors" under the section headed "RISKS" above.

Trading through the Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such platforms and systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant platforms and systems fails to function properly, trading through the Bond Connect may be disrupted and the Constituent Funds' or the underlying funds' ability to trade through the Bond Connect and hence to pursue its investment strategy may be negatively affected. Besides, the Constituent Funds or the underlying funds may be subject to risks of delays inherent in the order placing and/or settlement systems for its investment through the Bond Connect.

Currently, the bonds acquired by the Constituent Funds or the underlying funds through the Bond Connect are registered in the name of the CMU as nominee and held in its account with the onshore custody agents. The CMU will in turn provide bond registration and depository service for overseas investors trading under the Bond Connect. The Constituent Funds or the underlying funds are exposed to potential risk where the precise nature and rights of the Constituent Funds or the underlying funds in the bonds through CMU as nominee holder is not well defined under PRC law, due to a lack of clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law and there are limited cases involving nominee account structure in the PRC courts. The Constituent Funds or the underlying funds may be exposed to uncertainty in the exact nature and methods of enforcement of the rights and interests of the Constituent Funds or the underlying funds under PRC law through CMU or directly. Accordingly, the Constituent Funds' or the underlying funds' ability to enforce its rights and interests in the bonds acquired through the Bond Connect may be affected or may suffer delay.

In the absence of specific taxation rules on Northbound Trading of the Bond Connect, the Constituent Funds or the underlying funds may also be subject to uncertainty in relation to the tax arrangement for investment via the Bond Connect."

27. **Page 66 – "6. ADMINISTRATIVE PROCEDURES" – the following shall be inserted as sub-section 6.12A after the sub-section 6.12:**

"6.12A Arrangement for Unpresented Cheques

If a cheque payment of accrued benefits made to a member becomes an Unpresented Cheque, on or after 1 April 2017, subject to the MPFS Ordinance, the Regulation and the Trust Deed, the Trustee shall have the discretion, and at such time the Trustee may reasonably determine, to arrange for a personal account to be established for such ex-member who will become a personal account member.

The amount of the Unpresented Cheque shall be invested in the BOC-Prudential Core Accumulation Fund and /or the BOC-Prudential Age 65 Plus Fund according to the MPF Default Investment Strategy.

It should also be noted that:

(i) for Unpresented Cheques which remained unpresented prior to 4 July 2005, subject to the applicable administrative procedures, such amount had been invested in the BOC-Prudential MPF Conservative Fund, which was then invested in the BOC-Prudential Core Accumulation Fund and / or the BOC-Prudential Age 65 Plus Fund according to the MPF Default Investment Strategy from April 2017; and

(ii) for Unpresented Cheques which remained unpresented between 4 July 2005 and 31 March 2017 (both dates inclusive), subject to the applicable administrative procedures, such amount had been invested in the BOC-Prudential Stable Fund, which was then invested in the BOC-Prudential Core Accumulation Fund and / or the BOC-Prudential Age 65 Plus Fund according to the MPF Default Investment Strategy from April 2017.”

28. Page 80 – “GLOSSARY”

The glossary “Bond Connect” shall be inserted immediately after glossary “BOCI” as follow:

“Bond Connect” means a mutual bond market access scheme between Mainland China and Hong Kong. Under the Northbound trading of the Bond Connect, eligible foreign investors can invest in the China interbank bond market.”

The glossary “Unpresented Cheque(s)” shall be inserted immediately after glossary “Umbrella Unit Trust” as follow:

“Unpresented Cheque(s)” a cheque payment of accrued benefits paid to a member but not being presented after 6 months from the date of issuance. ”

B. The amendments to the MPF Scheme Brochure set out below shall take immediate effect:

1. Page 4 – “2. DIRECTORY OF TRUSTEE AND OTHER SERVICE PROVIDERS”

The following paragraph under Section 2 “DIRECTORY OF TRUSTEE AND OTHER SERVICE PROVIDERS” shall be amended and restated as follows:

“Auditors Ernst & Young
~~22/F, CITIC Tower~~27/F, One Taikoo Place
~~1 Tim Mei Avenue~~979 King’s Road
Central Quarry Bay
Hong Kong”

2. Page 78 – “7. Other Information” – “7.11. Index disclaimer”

Under “7.11. Index disclaimer”, the section headed “7.11.2. FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged)” shall be amended and restated as follow:

“7.11.2. FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged)”

The BOC-Prudential North America Index Fund and the BOC-Prudential European Index Fund (the “Funds”), which are the ITCIS invested by the BOC-Prudential North America Index Tracking Fund and the BOC-Prudential European Index Tracking Fund, have been developed solely by BOCI-Prudential Asset Management Limited. The Funds are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the “LSE Group”). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) (the “Indices”) vest in the relevant LSE Group company which owns the Indices. “FTSE®” is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

The Indices are calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Indices or (b) investment in or operation of the Funds. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from the Funds or the suitability of the Indices for the purpose to which it is being put by BOCI-Prudential Asset Management Limited.

The BOC Prudential North America Index Tracking Fund, the BOC Prudential European Index Tracking Fund (the “Funds”) and the ITCIS invested by each of the Funds are not in any way sponsored, endorsed, sold or promoted by the FTSE or the London Stock Exchange Group companies (together the “Licensor Parties”) and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE MPF North America Index (unhedged) or the FTSE MPF Europe Index (unhedged) (together the “Indices”) (upon which the BOC Prudential North America Index Fund and the BOC Prudential European Index Fund are based), (ii) the figure at which the Indices are said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the Indices for the purpose to which they are being put in connection with the BOC Prudential North America Index Tracking Fund, the BOC Prudential European Index Tracking Fund, the BOC Prudential North America Index Fund and the BOC Prudential European Index Fund. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the Indices to the Investment Manager or to its clients. The Indices are calculated by FTSE or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the Indices or (b) under any obligation to advise any person of any error therein.

The Investment Manager is licensed by FTSE to use and/or refer to the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) in this MPF Scheme Brochure. All rights in the Indices vest in FTSE. “FTSE®” is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence.”

27 July 2022