

**INVESCO STRATEGIC MPF SCHEME (“MASTER TRUST”)
NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS**

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional financial advice. The sponsor of the Master Trust, Invesco Hong Kong Limited (“Sponsor”), and the trustee of the Master Trust, Bank Consortium Trust Company Limited (“Trustee”), accept responsibility for the information contained in this document.

All capitalised terms used in this notice shall have the meanings as ascribed to them in the MPF Scheme Brochure of the Master Trust (as amended) (“Brochure”), unless otherwise stated.

Dear Participating Employers and Members,

Thank you for your continued support for the Master Trust.

We are writing to inform you of the following change to the Master Trust, which will take effect on 30 November 2023 (“Effective Date”).

This information box summarises the change to the Master Trust, which is elaborated in the main body of this notice:

Termination of Guaranteed Fund

Background

Guaranteed Fund (“**Terminating CF**”), a constituent fund (“**CF**”) under the Master Trust, currently invests its assets in an approved pooled investment fund (“**APIF**”), namely, Principal Guaranteed Umbrella Fund – Principal Long Term Guaranteed Fund (“**Relevant APIF**”), which is under the Principal Guaranteed Umbrella Fund Policy (“**Policy**”) issued by Principal Insurance Company (Hong Kong) Limited (“**Guarantor**”). The Trustee has received notice from the Guarantor that it has decided to terminate the Policy (“**Policy Termination**”) as part of its internal restructuring to demise its guaranteed fund offerings, as suggested by its internal assessment of solvency and sustainability. On receipt of the notice from the Guarantor, the Trustee has considered alternative arrangements for the Terminating CF (e.g. (a) potential replacement of the Relevant APIF and (b) termination of the Terminating CF (“**Termination**”). After considering these alternatives from various angles and their potential impacts on the members of the Master Trust (“**Members**”), the Trustee has concluded that terminating the Terminating CF is the only viable option. For more details of the Termination, please refer to Section 1.

The Terminating CF will no longer be available under the Master Trust following the Termination.

Pursuant to Clause 4.1 of the trust deed of the Master Trust (as amended) (“**Trust Deed**”), the Trustee hereby gives no less than one month’s prior notice to the participating employers and Members in respect of the Termination, which will take effect on the Effective Date.

Key deadlines

Please note the following deadlines which are detailed in Section 4:

Deadline for submitting investment mandate instructions by new Members to invest into the Terminating CF through Membership Enrolment Form submitted by way of delivery, mail or fax	20 November 2023
Deadline for submitting instructions through a duly completed Asset Switch / Change of Investment Mandate Form (“ Switching Form ”) by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline to switch into the Terminating CF (“ Switching In Deadline ”)	before 4 p.m. on 20 November 2023
Deadline for submitting instructions through a duly completed Switching Form by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline to switch out of the Terminating CF (“ Switching Out Deadline ”)	before 4 p.m. on 24 November 2023

Deadline for submitting instructions through a duly completed Switching Form by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline to change your investment choice involving the Terminating CF (" New Investment Choice Deadline ")	before 4 p.m. on 24 November 2023
Deadline for submitting and completion of processing of instructions for regular contribution or transfer in in respect of the Terminating CF ¹	11:59 p.m. on 24 November 2023
Deadline for submitting and completion of processing of instructions for withdrawal or transfer out in respect of the Terminating CF ²	11:59 p.m. on 24 November 2023
Suspension of subscriptions (whether in connection with regular contribution, switching in or transfer in), redemptions (whether in connection with switching out, withdrawal or transfer out) and change of investment choice by Members in respect of the Terminating CF	27 November 2023 to 1 December 2023 (for subscriptions and redemptions) 27 November 2023 (for change of investment choice)
Effective date of the Termination	30 November 2023

For Members who have not submitted a valid switching or change of investment choice instruction by the applicable deadlines, the default fund arrangement would be Age 65 Plus Fund ("**Default CF**"). For more details about the default fund arrangement and the Default CF, please refer to Section 2.

One-off guarantee arrangement

Under the current guarantee mechanism of the Terminating CF, the Guarantor provides a guarantee of capital and a prescribed rate of return ("**Guaranteed Amount**") only if a "qualifying event" occurs (for details of "qualifying events", please refer to Section 3 below) and the Guarantor receives a valid claim. In view of the Termination, the Guarantor has put in place a one-off guarantee arrangement ("**One-off Guarantee Arrangement**") whereby Members will remain entitled to the Guaranteed Amount (essentially means the higher of the nominal account balance and the qualifying balance) for those accrued benefits investing in the Terminating CF prior to the Effective Date even though no "qualifying events" occur, if:

- (i) Members apply for full switching of ALL accrued benefits under the Terminating CF to other CF(s) under the Master Trust or investment in accordance with the Default Investment Strategy ("**DIS**") (collectively referred to as the "**Transferee CF(s)**") between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive); or
- (ii) full withdrawal of ALL accrued benefits under the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023³ (both dates inclusive); or
- (iii) full transfer out of ALL accrued benefits under the Terminating CF to another registered MPF scheme is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023³ (both dates inclusive); or
- (iv) the accrued benefits under the Terminating CF are not switched out to the Transferee CF(s), withdrawn, or transferred out to another registered MPF scheme immediately before the Effective Date (i.e. the accrued benefits investing in the Terminating CF remain under the Master Trust immediately before the Effective Date).

¹ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions and subscription moneys **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023.

² To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023.

³ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

Members should note that, if they apply for partial switching of a portion of their accrued benefits under the Terminating CF to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive), or if partial withdrawal of a portion of their accrued benefits under the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023³ (both dates inclusive), or if partial transfer out of a portion of their accrued benefits under the Terminating CF to another registered MPF scheme is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023³ (both dates inclusive), in accordance with the Trustee's processes, the portion that is switched out, withdrawn or transferred out will not be entitled to the Guaranteed Amount, and only the remaining portion of the accrued benefits that (i) is switched out in full before the Switching Out Deadline, or withdrawn or transferred out in full on or before 24 November 2023³ or (ii) stays until the Effective Date will be entitled to the Guaranteed Amount.

For details, please refer to Section 3.

How will the Termination impact participating employers and Members?

The Trustee and the Sponsor are of the view that, taking into account the arrangements put in place in light of the Termination as described herein (including the default fund arrangement and, in particular, the One-off Guarantee Arrangement), the Termination will not have an adverse impact on the participating employers and Members, and that the interests of the participating employers and Members will be adequately protected. The cost of the Termination will be borne by the Guarantor. As such, no expenses relating to the Termination will be borne by participating employers, Members or the Master Trust.

Actions to be taken

No action is required of the Members to effect the Termination. However, a Member other than employee Members who do not wish to be involved in the Termination may transfer out of the Master Trust. For Members who are employee Members and do not wish to be involved in the Termination, they may, by taking into account the arrangements as described in this notice, in particular the One-off Guarantee Arrangement, (i) switch their existing investment in the Terminating CF to the Transferee CF(s); (ii) change his/her investment choice in respect of any new contributions in respect of the Terminating CF to the Transferee CF(s) and/or (iii) transfer out of the Master Trust to another registered MPF scheme. For details, please refer to Section 6.

Members may also wish to attend the webinar(s) to be organised by us. Such webinar(s) will take place between 30 August 2023 and the Termination Date. Details of such webinar(s) will be blasted to active members via email invitation (if they have previously given consent to receiving email notifications). The registration link and replay of webinar(s) will also be available in pension member portal for Members.

Contact details

Should you have any enquiries regarding the contents of this notice, please contact the INVESCall Member Hotline at (852) 2842 7878. You may also refer to the FAQs we have prepared in relation to the Termination which is available from www.invesco.com/hk.

1. Termination of the Terminating CF

- 1.1. The Terminating CF currently invests its assets in the Relevant APIF under the Policy issued by the Guarantor.
- 1.2. The Trustee has received notice from the Guarantor on the Policy Termination as part of its internal restructuring to demise its guaranteed fund offerings, as suggested by its internal assessment of solvency and sustainability. On receipt of the notice from the Guarantor, the Trustee has considered alternative arrangements for the Terminating CF (e.g. (a) potential replacement of the Relevant APIF and (b) Termination). After considering these alternatives from various angles and their potential impacts on the Members, the Trustee has concluded that terminating the Terminating CF is the only viable option.
- 1.3. The Termination is permitted under Clause 4.1 of the Trust Deed. Pursuant to Clause 4.1 of the Trust Deed, the Trustee hereby gives no less than one month's prior notice to you in respect of the Termination, which will take effect on the Effective Date.
- 1.4. The Terminating CF will no longer be available under the Master Trust following the Termination.

2. Default fund arrangement

- 2.1. Taking into consideration of the similarities in terms of the primary target investments (i.e. with diversified asset allocations), allocation to different asset classes, and risk and return profiles between the Terminating CF and the Default CF and the lower management fees of the Default CF, the Trustee considers that the Default CF (which is not a guaranteed fund), namely, Age 65 Plus Fund, which is one of the two CFs under the Master Trust that constitute the DIS, would offer a comparable alternative to the Members. Please refer to **Appendix 1** to this notice for a more detailed comparison of the features between the Terminating CF and the Default CF.
- 2.2. On the Effective Date, the Trustee will realise all the units of the class relating to the Terminating CF (which will result in realisation of units of the Relevant APIF) and invest the proceeds of realisation in the Default CF (which will result in subscription of units in the underlying APIF of the Default CF). The realisation / subscription prices to be taken are the prices calculated on the same day as the dealing day on which the respective realisation / subscription is effected i.e. the Effective Date. Please refer to **Appendix 2** to this notice for an illustrative example on the mechanism of reinvestment in the Default CF.
- 2.3. According to the existing Clause 4.2 of the Trust Deed, the default arrangement for Members who fail to give a switching or change of investment choice instruction in respect of the termination of a CF would be the DIS. However, taking into consideration of the factors as set out in Section 2.1 above, the Trustee and the Sponsor are of the view that the Default CF is more preferable for the Termination. The Trust Deed will therefore be amended by way of a supplemental deed ("**Supplemental Deed**") to provide that the default arrangement for Members who fail to give a switching instruction or change of investment choice instruction in respect of a termination of a CF would be such CF as determined by the Trustee with the approval of the Sponsor from time to time to be appropriate, taking into account the interests of the Members. The amendments to the Trust Deed by way of the Supplemental Deed will be effective from 28 November 2023 ("**Supplemental Deed Effective Date**").

3. One-off Guarantee Arrangement

- 3.1. The Guarantor will provide the Guaranteed Amount, as detailed in the sub-section headed "**Description of the Guaranteed Fund**" under the section headed "**Other Information**" in the Brochure. Under the current guarantee mechanism of the Terminating CF, the Guaranteed Amount is only offered if (i) the contributions invested in the Relevant APIF (through the Terminating CF) are withdrawn upon the occurrence of a "qualifying event" and (ii) the Guarantor receives a valid claim of the "accrued benefits" of the Member that are invested in the Relevant APIF (through the Terminating CF).

The "qualifying events" include:

- (a) attainment of the normal retirement age or retirement at or after the early retirement age but before the normal retirement age;
 - (b) total incapacity;
 - (c) terminal illness;
 - (d) death;
 - (e) permanent departure from Hong Kong;
 - (f) claim of "small balance"; or
 - (g) (in respect of employee Members only) Termination of the Member's employment and the continuous period for which the Member has been investing in the Relevant APIF (through the Terminating CF) up to and including the last day of his/her employment is at least 36 complete months.
- 3.2. Despite the foregoing, in view of the Termination, the Guarantor has put in place the One-off Guarantee Arrangement.
 - 3.3. Under the One-Off Guarantee Agreement, you will remain entitled to the Guaranteed Amount (essentially means the higher of the nominal account balance and the qualifying balance) offered under the Terminating CF for those accrued benefits investing in the Terminating CF prior to the Effective Date, even though no "qualifying events" occur, if:
 - (i) you apply for full switching of ALL accrued benefits under the Terminating CF to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive); or

- (ii) full withdrawal of ALL accrued benefits under the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁴ (both dates inclusive); or
- (iii) full transfer out of ALL accrued benefits under the Terminating CF to another registered MPF scheme is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁴ (both dates inclusive); or
- (iv) the accrued benefits under the Terminating CF are not switched out to the Transferee CF(s), withdrawn, or transferred out to another registered MPF scheme immediately before the Effective Date (i.e. the accrued benefits investing in the Terminating CF remain under the Master Trust immediately before the Effective Date).

Please note that, if you apply for partial switching of a portion of your accrued benefits under the Terminating CF to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive), or if partial withdrawal of a portion of your accrued benefits under the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁵ (both dates inclusive), or if partial transfer out of a portion of your accrued benefits under the Terminating CF to another registered MPF scheme is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁵ (both dates inclusive), in accordance with the Trustee's processes, the portion that is switched out, withdrawn or transferred out will not be entitled to Guaranteed Amount, and only the remaining portion of the accrued benefits that (i) is switched out in full before the Switching Out Deadline, or withdrawn or transferred out in full on or before 24 November 2023⁵ or (ii) stays until the Effective Date will be entitled to the Guaranteed Amount subject to conditions set out above (and more particularly described in Section 3.4 below).

3.4. More particularly, this One-off Guarantee Arrangement is specifically made by the Guarantor in response to the Termination subject to the conditions set out below, even though no "qualifying events" occur:

- (i) **Full fund switching**
If you switch your accrued benefits investing in the Terminating CF in full to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive) in accordance with the Trustee's processes, the portion that is fully switched out will be entitled to the Guaranteed Amount.
- (ii) **Partial fund switching**
If you switch your accrued benefits investing in the Terminating CF partially to the Transferee CF(s) between the date of this notice i.e. 30 August 2023 and the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023 (both dates inclusive) in accordance with the Trustee's processes, the portion that is switched out will not be entitled to the Guaranteed Amount. Only the remaining portion of the accrued benefits that (i) is switched out **in full** before the Switching Out Deadline, or withdrawn or transferred out **in full** on or before 24 November 2023⁵ or (ii) stays until the Effective Date will be entitled to the Guaranteed Amount.
- (iii) **Full withdrawal**
If withdrawal of your accrued benefits investing in the Terminating CF in full is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁵ (both dates inclusive) in accordance with the Trustee's processes, the portion that is fully withdrawn will be entitled to the Guaranteed Amount.
- (iv) **Partial withdrawal**
If partial withdrawal of a portion of your accrued benefits investing in the Terminating CF is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁵ (both dates inclusive) in accordance with the Trustee's processes, the portion that is withdrawn will not be entitled to the Guaranteed Amount. Only the remaining portion of the accrued benefits that (i) is switched out **in full** before the Switching Out Deadline, or withdrawn or transferred out **in full** on or before 24 November 2023⁵ or (ii) stays until the Effective Date will be entitled to the Guaranteed Amount.

⁴ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

⁵ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

(v) **Full transfer out**

If transfer out of your accrued benefits investing in the Terminating CF in full to other registered MPF schemes is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁶ (both dates inclusive) in accordance with the Trustee's processes, the portion that is fully transferred out will be entitled to the Guaranteed Amount.

(vi) **Partial transfer out**

If partial transfer out of a portion of your accrued benefits investing in the Terminating CF to other registered MPF schemes is effected between the date of this notice i.e. 30 August 2023 and 24 November 2023⁶ (both dates inclusive) in accordance with the Trustee's processes, the portion that is transferred out will not be entitled to the Guaranteed Amount. Only the remaining portion of the accrued benefits that (i) is switched out **in full** before the Switching Out Deadline, or withdrawn or transferred out **in full** on or before 24 November 2023⁶ or (ii) stays until the Effective Date will be entitled to the Guaranteed Amount.

- 3.5. Where you hold different types of accounts in the Master Trust, please note that if you effect fund switching, withdrawal or transfer out of your accrued benefits investing in the Terminating CF of your mandatory contribution accounts or voluntary contribution accounts but do not effect any fund switching, withdrawal or transfer out of your accrued benefits investing in the Terminating CF of their flexible voluntary contribution ("FVC"), tax deductible voluntary contribution ("TVC") and/or personal accounts ("PA"), or vice versa, those accrued benefits in the other accounts (i.e. FVC, TVC or PA) will still be entitled to the Guaranteed Amount under the One-off Guarantee Arrangement if the conditions as set out and described in Sections 3.3 and 3.4 above are met. In determining your entitlement of the Guaranteed Amount under the One-off Guarantee Arrangement if you have different types of accounts (i.e. contribution, FVC, TVC or PA accounts) that invest in the Terminating CF, the Trustee will refer to the account number of each account type that you hold instead of using your ID card number as identifier.
- 3.6. For the avoidance of doubt, absent any "qualifying events", you will not be entitled to the Guaranteed Amount under the Terminating CF if a particular switching out, withdrawal or transfer out does not fall within any of the scenarios specified in Section 3.4 above. For illustrative examples on the One-off Guarantee Arrangement, please refer to **Appendix 3** to this notice.
- 3.7. With respect to the Guaranteed Amount that the Members are entitled to pursuant to this Section 3, the Trustee will claim against the Guarantor the difference between the nominal account balance and the qualifying balance ("**Guaranteed Return**"). The claimed Guaranteed Return to be received by the Trustee from the Guarantor between the date of this notice and 23 November 2023 will be invested in the Terminating CF in the Members' accounts as far as practicable. The Trustee will credit the claimed Guaranteed Return as soon as practicable to the Member's account but in any event no more than 5 business days upon receipt of the same by the Trustee from the Guarantor. The units for the Guaranteed Return is calculated by dividing the amount of the Guaranteed Return by the unit price of the Terminating CF on the allocation date. On the Effective Date, the Trustee will realise the units of the Terminating CF (in which they will have been invested upon receipt of the claimed Guaranteed Return from the Guarantor) in the Member's accounts and invest the proceeds of realisation in the Default CF in the Members' accounts as far as practicable. In the event that the claimed Guaranteed Return is received by the Trustee from the Guarantor on or after 24 November 2023, the Trustee will invest the same in the Default CF as far as practicable. In the event that a Member's account has been terminated (due to withdrawal in full or transfer out in full) before the Guaranteed Return is received from the Guarantor, the Guaranteed Return received will be handled according to the Member's final instruction before the account termination, such as paying to the Member if he/she has made a claim or transferring to another registered MPF scheme if he/she has instructed for transferring out.
- 3.8. After the One-off Guarantee Arrangement has been processed, we will write to inform the relevant Members of the same by email or SMS (where applicable) within 4 business days.

4. **Transitional arrangement and suspension**

4.1. Switching in

- 4.1.1. Switching in instructions from existing Members to invest into the Terminating CF by way of a duly completed Switching Form submitted by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline received **by the Switching In Deadline i.e. before 4 p.m. on 20 November 2023** will be handled by the Trustee in accordance with normal practice.

⁶ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, the withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

4.2. Switching out

4.2.1. If you have existing investments in the Terminating CF and wish to switch your investments out of the Terminating CF to the Transferee CF(s), you may give to us a switching out instruction by submitting a duly completed Switching Form by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline. Such switching out instructions should be received by the Trustee **by the Switching Out Deadline i.e. before 4 p.m. on 24 November 2023.**

4.3. Change of investment choice

4.3.1. In addition, if you have an investment choice to invest on-going contributions in the Terminating CF and wish to change your investment choice involving the Terminating CF, you may also give us a change of investment choice instruction by submitting a duly completed Switching Form by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline. Such change of investment choice instruction should be received by the Trustee **by the New Investment Choice Deadline i.e. before 4 p.m. on 24 November 2023.**

4.4. Regular contribution or transfer in

4.4.1. For any regular contribution or transfer in in respect of the Terminating CF, the deadline for submitting and completion of processing of instructions is **11:59 p.m. on 24 November 2023¹.**

4.5. Withdrawal or transfer out

4.5.1. For any withdrawal or transfer out in respect of the Terminating CF, the deadline for submitting and completion of processing of instructions is **11:59 p.m. on 24 November 2023².**

4.6. Any instructions for fund switching or change of investment choice in respect of the Terminating CF received after the Switching In Deadline, Switching Out Deadline or the New Investment Choice Deadline (as the case may be) will be rendered invalid and will not be processed, and we will notify you in writing accordingly within 7 business days upon receipt of such instructions.

4.7. Regular contribution or transfer in in respect of the Terminating CF processed after 11:59 p.m. on 24 November 2023 will be invested in the Default CF. Any instructions for withdrawal or transfer out in respect of the Terminating CF effected after 11:59 p.m. on 24 November 2023 will be processed after the Suspension Period.

4.8. Suspension

4.8.1. With respect to Members with accrued benefits invested in the Terminating CF on the last dealing day of 27 November 2023, subscriptions (whether in connection with regular contribution, switching in or transfer in) and redemptions (whether in connection with withdrawal, switching out or transfer out) in respect of the Terminating CF by Members will not be available from 27 November 2023 to 1 December 2023. With respect to Members with investment choice for investments in the Terminating CF immediately prior to the Effective Date, change of investment choice by Members will not be available on 27 November 2023. The aforesaid suspension is for the Trustee to process and settle all the switching instructions related to the Terminating CF.

4.8.2. Also, to facilitate the processing and settling of all the switching instructions related to the Terminating CF, the dealings of units of the Terminating CF will be suspended from 28 November 2023 to 29 November 2023.

4.8.3. The aforesaid period from 27 November 2023 to 1 December 2023 is referred to as “**Suspension Period**” in this notice. The determination of the net asset value of the Terminating CF will continue up to the business day immediately before the Effective Date and will not be affected by the suspension referred to in Sub-sections 4.8.1 and 4.8.2 above. Further details about the suspension on each business day from 27 November 2023 to 4 December 2023 are as follows:

27 November 2023	Provision of the unit price of the Terminating CF as of 24 November 2023 by the Trustee to Members Placing of instructions for subscriptions (whether in connection with regular contribution, switching in or transfer in) or redemptions (whether in connection with withdrawal, switching out or transfer out) on 24 November 2023 to subscribe / redeem (as the case may be) such units relating to any such subscription / redemption instructions
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	Subscriptions ⁷ , redemptions ⁸ and change of investment choice in respect of the Terminating CF by Members will not be available
28 November 2023	<p>Provision of the unit price of the Terminating CF as of 27 November 2023 by the Trustee to Members</p> <p>Reconciliation of the details of the subscriptions / redemptions instructions placed on 27 November 2023 with the contract notes</p> <p>Subscriptions⁷ and redemptions⁸ in respect of the Terminating CF by Members will not be available</p> <p>Adoption of unit price of the Terminating CF for the purposes of processing the subscription and redemption transactions as of 27 November 2023</p> <p>Members with investment choice for investment in the Terminating CF immediately prior to the suspension may start making change of investment choice for investments from the Default CF to the Transferee CF(s) through a duly completed Switching Form submitted by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline</p> <p>Suspension of dealings</p>
29 November 2023	<p>Provision of the unit price of the Terminating CF as of 28 November 2023 by the Trustee to Members</p> <p>Subscriptions⁹ and redemptions¹⁰ in respect of the Terminating CF by Members will not be available</p> <p>Suspension of dealings</p>
30 November 2023	<p>Provision of the unit price of the Terminating CF as of 29 November 2023 by the Trustee to Members</p> <p>Effective date of the Termination</p> <ul style="list-style-type: none"> • Placing of redemption order for ALL outstanding units in the Terminating CF • Placing of switching in instructions to the Default CF with respect to all redemption proceeds (derived from the redemption of the Terminating CF in the bullet point above) attributable to ALL outstanding units in the Terminating CF immediately before the Effective Date <p>Subscriptions⁹ and redemptions¹⁰ in respect of the Terminating CF by Members will not be available</p> <p>Respective account balances in respect of the Terminating CF switched out and switched into the Default CF</p>
1 December 2023	<p>Provision of the unit price of the Terminating CF as of 30 November 2023 by the Trustee to Members</p> <p>Subscriptions⁹ and redemptions¹⁰ in respect of the Terminating CF by Members will not be available</p> <p>Reconciliation of the details of the switching in instructions placed on 30 November 2023 with the contract notes provided by the fund administrator of the Default CF</p>

⁷ Whether in connection with regular contribution, switching in or transfer in

⁸ Whether in connection with withdrawal, switching out or transfer out

⁹ Whether in connection with regular contribution, switching in or transfer in

¹⁰ Whether in connection with withdrawal, switching out or transfer out

	Completion of fund switching from the Terminating CF to the Default CF
4 December 2023	Members with accrued benefits invested in the Terminating CF on the last dealing day of 27 November 2023 may start making subscriptions (whether in connection with regular contribution, switching in or transfer in) and redemptions (whether in connection with withdrawal, switching out or transfer out) of the Default CF through a duly completed Switching Form submitted by way of delivery, mail, fax or online via www.invesco.com/hk or through interactive voice response system or via hotline

- 4.8.4. To enable the suspension of dealing of units of the Terminating CF from 28 November 2023 to 29 November 2023, the Trust Deed will be amended by way of the Supplemental Deed with effect from the Supplemental Deed Effective Date to provide the Trustee with the flexibility to declare a suspension of dealings for the purpose of implementing any termination, merger and/or change of investment structure of one or more CFs. The Brochure will also be updated to reflect the aforesaid amendment to the Trust Deed.
- 4.8.5. The Trustee believes that the Suspension Period of five business days is reasonable and necessary to ensure the transitional arrangements can be accurately and properly carried out in the interest of the Members. For the avoidance of doubt, the suspension will not impact: (i) Members with no accrued benefits invested in and/or no investment choice for investments in the Terminating CF; or (ii) fund switching and change of investment choice involving CF(s) other than the Terminating CF. Members with investment choice for investments in the Terminating CF immediately prior to the last dealing day of 27 November 2023 may start making change of investment choice from 28 November 2023. Members with accrued benefits invested in the Terminating CF on the last dealing day of 27 November 2023 may start making subscriptions (whether in connection with regular contribution, switching in or transfer in) and redemptions (whether in connection with withdrawal, switching out or transfer out) from 4 December 2023.
- 4.9. The Trustee will continue to accept the existing version of the Membership Enrolment Form containing information related to the Terminating CF. Instructions from prospective Members to invest into the Terminating CF by way of duly completed Membership Enrolment Form received on or before 20 November 2023 will be handled by the Trustee in accordance with the normal practice. For any instructions to invest into the Terminating CF by way of Membership Enrolment Form received after 20 November 2023, the investment allocation percentage in respect of the Terminating CF as specified in the submitted Membership Enrolment Form will be regarded as a shortfall, and the contributions/assets corresponding to such shortfall will be invested in accordance with the DIS. The Membership Enrolment Form will be updated to remove such information related to Terminating CF and be made available in due course.

5. Consequence of the Termination and impact on Members

- 5.1. If you do not exercise your rights to switch out of the Terminating CF by the Switching Out Deadline under Sub-section 4.2.1 above and remain invested in the Terminating CF immediately before the Effective Date, you will become investing in the Default CF on and after the Effective Date.
- 5.2. In addition, if you do not exercise your rights to change your investment choice from the Terminating CF to the Transferee CF(s) by the New Investment Choice Deadline under Sub-section 4.3.1 above, any future contributions/transfer-in benefits received that would have been invested in the Terminating CF (had it not been transferred to the Default CF) will be invested in the Default CF.
- 5.3. If you exercise your rights to switch your investments out of or change your investment choice from the Terminating CF to the Transferee CFs by the Switching Out Deadline and New Investment Choice Deadline (as the case may be), such instruction, so long as it is valid, will be processed by the Trustee in accordance with the normal practice.
- 5.4. On the Effective Date, the number of units (including any fraction of units, rounded down to 5 decimal places) in the Default CF to be allocated in respect of each Member concerned will be calculated by dividing the total value of holdings of the Terminating CF attributable to the Member as at the Effective Date by the unit price of the Default CF as at the Effective Date. Because the unit price of the Terminating CF may differ from that of the Default CF, the number of units in the Default CF allocated in respect of a Member immediately after the Effective Date may not be the same as the number of units in the Terminating CF attributable to the Member immediately before the Effective Date. Please be assured that the switching out amount of a Member investing in the Terminating CF on the Effective Date will be the same as the switching in amount of the Default CF on the Effective Date.

- 5.5. We will ensure that proper arrangements (including but not limited to administrative and operational arrangements) are put in place for the transition and a smooth transfer of accrued benefits of the Members from the Terminating CF to the Default CF or the Transferee CFs (as the case may be) as the Members may instruct. There will be no bid/offer spread or extra switching/transfer fees in relation to the realisation of the units of the Terminating CF and the subsequent subscriptions in the units of the Default CF or the Transferee CFs (as the case may be).
- 5.6. There will be no bid/offer spread or extra switching/transfer fee imposed on any switching or change of investment choice instruction described in this Section 5.
- 5.7. The cost of the Termination (including amendments to the Trust Deed and Brochure per Sections 2.3 and 4.8 above as well as Section 7 below) will be borne by the Guarantor. As such, no expenses relating to the Termination will be borne by participating employers, Members or the Master Trust.
- 5.8. The Trustee and the Sponsor are of the view that, taking into account the arrangements put in place in light of the Termination as described herein (including the default fund arrangement and, in particular, the One-off Guarantee Arrangement), the Termination (including amendments to the Trust Deed and Brochure per Sections 2.3 and 4.8 above as well as Section 7 below) will not have an adverse impact on the participating employers and Members, and that the interests of the participating employers and Members will be adequately protected.
- 5.9. Instructions for withdrawal and transfer out in respect of the Terminating CF that are received by 11:59 p.m. on 24 November 2023 will continue to be processed until the last dealing day of 27 November 2023.¹¹

6. Actions to be taken

- 6.1. No action is required of the Members to effect the Termination.
- 6.2. Members other than employee Members who do not wish to be involved in the Termination (including amendments to the Trust Deed and Brochure per Sections 2.3 and 4.8 above as well as Section 7 below) may, by taking into account the arrangements as described in this notice, in particular the One-off Guarantee Arrangement, transfer out of the Master Trust in accordance with sub-section headed “**Transfers and Cessation of Membership**” under the section headed “**Administrative Procedures**” in the Brochure. However, a Member who is an employee Member will not be entitled to transfer out of the Master Trust unless his/her Participating Employer elects to do so. Nevertheless, a Member who is an employee Member may transfer his accrued benefits derived from the employee's mandatory contributions under the Employee Choice Arrangement once in every calendar year.
- 6.3. Alternatively, a Member who does not wish to be involved in the Termination (including amendments to the Trust Deed and Brochure per Sections 2.3 and 4.8 above as well as Section 7 below) may, by taking into account the arrangements as described in this notice, in particular the One-off Guarantee Arrangement, (i) switch his/her existing investment in the Terminating CF to the Transferee CF(s) by submitting to the Trustee a duly completed Switching Form or online via www.invesco.com/hk or through interactive voice response system or via hotline in accordance with the sub-section headed “**Switching**” under the section “**Administrative Procedures**” in the Brochure; and/or (ii) change his/her investment choice in respect of any new contributions in respect of the Terminating CF to the Transferee CF(s) by submitting to the Trustee a duly completed Switching Form or online via www.invesco.com/hk or through interactive voice response system or via hotline in accordance with the sub-section headed “**Changing Investment Mandate**” under the section “**Administrative Procedures**” in the Brochure.
- 6.4. There will be no bid/offer spread or extra switching/transfer fee imposed on any transfer out of the Master Trust or switching or change of investment choice instruction described in this Section 6. Members should review all terms and conditions under the Master Trust and CFs before making any decision.

7. Other changes to the Trust Deed

The Trust Deed will also be amended by way of the Supplemental Deed with effect from the Supplemental Deed Effective Date to provide for suspension of determination of the net asset value for the purpose of implementing any termination, merger and/or change of investment structure of one or more CFs and in any other exceptional circumstances which the Trustee and the Sponsor may consider appropriate having regard to the interest of the Members. Such amendment is to provide flexibility in dealing with contingency or any unforeseen circumstances which may arise during the process of Termination. The Brochure will also be updated to reflect the aforesaid amendment to the Trust Deed. For the avoidance of doubt, in the absence of any contingency or unforeseen

¹¹ Such instructions will continue to be processed until the last dealing day of 27 November 2023 only if all administrative issues pertaining to such instructions are also properly and completely resolved by 11:59 p.m. on 24 November 2023.

circumstances there will not be any suspension of determination of the net asset value of the Terminating CF in connection with the Termination. The price of the Terminating CF will be determined as normal up to the business day immediately before the Effective Date to provide Members with the relevant information.

The current Brochure, key scheme information document for the Master Trust (“**KSID**”) and the Trust Deed are available via the following link: www.invesco.com.hk/mpf/en/mpf/literature. Copies of the updated Brochure and KSID will be available from the Effective Date, and the Supplemental Deed (per Sections 2.3, 4.8 and 7 above) will be available from the Supplemental Deed Effective Date via the following link: www.invesco.com.hk/mpf/en/mpf/literature.

Copies of the Brochure and KSID as well as the Trust Deed and the Supplemental Deed (per Sections 2.3, 4.8 and 7 above) can also be obtained free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of Invesco Hong Kong Limited at 45/F., Jardine House, 1 Connaught Place, Central, Hong Kong.

If you have any queries, please do not hesitate to call the INVESCall Member Hotline at (852) 2842 7878.

Invesco Hong Kong Limited
Bank Consortium Trust Company Limited
30 August 2023

Appendix 1

	Terminating CF	Age 65 Plus Fund
Fund Type	Guaranteed fund	Mixed assets fund
Fund Structure	Investing in a single APIF that invests in two or more APIFs and/or approved ITCIS	Investing in a single APIF that invests in two other APIFs
Investment Objective	To provide a competitive, long term, total rate of return, while also providing a minimum guaranteed return rate over the career of the member	To achieve stable growth by investing in a globally diversified manner
Balance of Investments	To invest in an APIF guaranteed by the Guarantor, which invests in two or more APIFs and/or approved ITCIS. The underlying investments will consist of around 25% to 90% in debt securities, 10% to 55% in equity securities both denominated in HK dollars, US dollars or other currencies and up to 20% in cash and short term investments	To feed into an APIF, namely, Invesco Pooled Investment Fund – Age 65 Plus Fund, that invests in two other APIFs, which in turn invest directly in a portfolio of global equities, and a portfolio of global fixed income securities, as well as cash and money market instruments as allowed under the Mandatory Provident Fund Schemes (General) Regulation
Asset allocation	Equities: 10-55% Debts: 25%-90% Cash and money market instruments: up to 20%	Equities: around 20% Bonds, cash and money market instruments: around 80%
Risk and Return Profile	Low	Low to medium (the return of Age 65 Plus Fund over the long term is expected to be at least similar to the return of its reference portfolio)
Risk class	4	4
Investment Manager	Invesco Hong Kong Limited	Invesco Hong Kong Limited
Net Asset Value (as at 30 June 2023)	HK\$1,000,446,840.97	HK\$264,227,548.32
Management Fees at CF level	Class G: 1.425% p.a. of net asset value	Class A: 0.67% p.a. of net asset value Class H: 0.67% p.a. of net asset value
Investment Management Fee	Class G: 0.8% p.a. of net asset value	Class A: 0.35% p.a. of net asset value Class H: 0.35% p.a. of net asset value
Total management fees (i.e. aggregate of fees at CF and APIF level)	Class G: 1.425% p.a. of NAV	Class A: 0.75% p.a. of NAV Class H: 0.75% p.a. of NAV
Fund expense ratio (calculated for the period from 1 April 2021 to 31 March 2022)	Class G: 2.47% of NAV	Class A: 0.82% of NAV Class H: 0.81% of NAV

Appendix 2

Members with unit balance in the Terminating CF as of the Effective Date

Fund position immediately before the redemption of Terminating CF and reinvestment in Default CF on the Effective Date (as assumed below in terms of units, unit price and value):

Date	Unit Balance of Terminating CF (In Unit)	Unit Price of Terminating CF (HK\$)	Account Balance (HK\$)
30 November 2023	200	12	2,400.00

On the Effective Date, unit balance of Terminating CF will be 100% redeemed and 100% reinvested into the Default CF within same day (at the unit price of the Default CF as assumed below).

Date	Unit Balance of Terminating CF (In Unit)	Unit Price of Terminating CF (HK\$)	Switching Out Amount of Terminating CF (HK\$)
30 November 2023	200	12	2,400.00

Date	Switching In Amount from Terminating CF (HK\$)	Unit Price of Default CF (HK\$)	Unit Balance of Default CF (In Unit)
30 November 2023	2,400.00	10	240

Fund position immediately after the reinvestment in Default CF on the Effective Date:

Date	Unit Balance of Default CF (In Unit)	Unit Price of Default CF (HK\$)	Account Balance (HK\$)
30 November 2023	240	10	2,400.00

Appendix 3

Illustrative examples of the One-off Guarantee Arrangement:

“Notice Period” means, in the case of fund switching out, the period starting from the date of this notice (i.e. 30 August 2023) to the Switching Out Deadline (i.e. before 4 p.m. on 24 November 2023) (both dates inclusive) and, in the case of withdrawal and transfer out, the period from the date of this notice (i.e. 30 August 2023) to 11:59 p.m. on 24 November 2023¹² (both dates inclusive) during which the withdrawal and/or transfer out instructions are processed.

1. Full fund switching / full transfer out / full withdrawal

Assumptions:

- (i) Member makes full fund switching or full transfer out or full withdrawal of his/her investment in the Terminating CF during the Notice Period, assuming the full switching or full transfer out or full withdrawal takes effect on 30 August 2023.

Fund position immediately before making any fund switching or transfer out or withdrawal:

Date	Nominal Account Balance (“NB”) (reflects actual investments) (HK\$)	Qualifying Balance (“QB”) (HK\$)
30 August 2023	5,000.00	6,000.00

Example below illustrates how guarantee will apply under the One-off Guarantee Arrangement when the Member switches out or transfers out or withdraws the full amount during the Notice Period.

Since One-off Guarantee Arrangement applies to full fund switching or full transfer out or full withdrawal during the Notice Period, the greater of the total QB or the NB will be paid.

QB = HK\$6,000.00

NB = HK\$5,000.00

Since QB > NB, Member will be entitled to HK\$6,000, which will be paid in the following manner:

- **HK\$5,000.00 (NB) will be redeemed and switched into the Transferee CF(s), transferred out to another registered MPF scheme, or paid to the Member in accordance with Member’s instruction.**
- **The Guaranteed Return of HK\$1,000.00 (being HK\$6,000.00 – HK\$5,000.00) will be claimed by the Trustee against the Guarantor and invested in Terminating CF under the relevant account, transferred out to another registered MPF scheme, or paid to the Member in accordance with the Member’s instruction.**

Fund position immediately before the Effective Date (assuming the Guaranteed Return of HK\$1,000.00 received from the Guarantor is invested in the Terminating CF under the relevant account on 15 September 2023):

Date	NB (reflects actual investments) (HK\$)	QB (HK\$)
29 November 2023	1,000.00	1,002.08

The remaining balance will be invested into the Default CF on the Effective Date (please refer to Appendix 2 for the mechanism of reinvestment in Default CF). The amount to be invested into the Default CF will be as follows:

NB = HK\$1,000.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

¹² To enable the proper and complete processing of the relevant instructions in accordance with the Trustee’s processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

$$\begin{aligned}
 \text{QB} &= \text{QB accrued at the guaranteed rate (assuming it is 1\% in this example) for 2.5 months} \\
 &= \text{HK\$1,000.00} \times 101\% \wedge (2.5 / 12) \\
 &= \text{HK\$1,002.08}
 \end{aligned}$$

Since QB > NB, the balance to be invested into the Default CF will be HK\$1,002.08.

The remaining portion of HK\$1,000 (NB) will be redeemed and invested into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$2.08 (being HK\$1,002.08 – HK\$1,000.00) will be claimed by the Trustee against the Guarantor and invested into the Default CF under the relevant account.

2. Partial fund switching / partial transfer out / partial withdrawal

Fund position immediately before making any partial fund switching, partial transfer out or partial withdrawal:

Date	NB (reflects actual investments (HK\$))	QB (HK\$)
30 August 2023	5,000.00	6,000.00

This example illustrates how the guarantee will be applied when the Member switches out, transfers out or withdraws the partial amount under the One-off Guarantee Arrangement and how the remaining balance will be treated on or after the Effective Date.

The Member switches out, transfers out or withdraws 60% of his accrued benefit (“**first partial fund switching, partial transfer out or partial withdrawal**”) with effect from 30 August 2023 i.e. during the Notice Period. Under the One-off Guarantee Arrangement, the switching out, transfer out or withdrawal amount will be deducted from the NB and QB as follows:

$$\begin{aligned}
 &\text{NB after the first partial fund switching, partial transfer out or partial withdrawal} \\
 &= \text{HK\$5,000.00} - (\text{HK\$5,000.00} \times 60\%) = \text{HK\$2,000.00}
 \end{aligned}$$

$$\begin{aligned}
 &\text{QB after the first partial fund switching, partial transfer out or partial withdrawal} \\
 &= \text{HK\$6,000.00} - (\text{HK\$6,000.00} \times 60\%) = \text{HK\$2,400.00}
 \end{aligned}$$

By way of the first partial fund switching, partial transfer out or partial withdrawal, HK\$3,000.00 (NB) will be redeemed and switched into the Transferee CF(s), transferred out to another registered MPF scheme, or paid to the Member in accordance with the Member’s instruction. Since it is a partial fund switching, partial transfer out or partial withdrawal, the Member will not be entitled to the Guaranteed Return in respect of the portion that is partially switched out, partially transferred out or partially withdrawn.

Fund position immediately after making the first partial fund switching, partial transfer out or partial withdrawal:

Date	NB (reflects actual investments (HK\$))	QB (HK\$)
30 August 2023	2,000.00	2,400.00

(A) After the first partial fund switching, partial transfer out or partial withdrawal, the remaining balance remains in the Terminating CF until the Effective Date. On the Effective Date, the remaining balance will be invested into the Default CF.

Fund position immediately before the Effective Date (assuming no further contribution or withdrawal after the partial fund switching or partial transfer out or partial withdrawal):

Date	NB (reflects actual investments (HK\$))	QB (HK\$)
29 November 2023	2,000.00	2,406.00

The remaining balance will be invested into the Default CF on the Effective Date (please refer to Appendix 2 for the mechanism of reinvestment in Default CF). The amount to be invested into the Default CF will be as follows:

NB = HK\$2,000.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 3 months
= $HK\$2,400.00 \times 101\% ^{(3/12)}$
= HK\$2,406.00

Since QB > NB, the balance to be invested into the Default CF will be HK\$2,406.00.

The remaining portion of HK\$2,000 (NB) will be redeemed and invested into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$406.00 (being HK\$2,406.00 – HK\$2,000.00) will be claimed by the Trustee against the Guarantor and invested into the Default CF under the relevant account.

(B) After the first partial fund switching, partial transfer out or partial withdrawal, the Member further switches out, transfers out or withdraws 20% of the remaining accrued benefit (“second partial fund switching, partial transfer out or partial withdrawal”) with effect from 30 October 2023. Thereafter, the remaining balance remains until the Effective Date.

Fund position immediately before making the second partial fund switching, partial transfer out or partial withdrawal

Date	NB (reflects actual investments (HK\$))	QB (HK\$)
29 October 2023	2,000.00	2,404.00

NB = HK\$2,000.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 2 months
= $HK\$2,400.00 \times 101\% ^{(2/12)}$
= HK\$2,404.00

In respect of the second partial switching, partial transfer out or partial withdrawal of 20%:

NB = $HK\$2,000.00 \times 20\% = HK\400.00

QB = $HK\$2,404.00 \times 20\% = HK\480.80 (not entitled)

Since partial switching, partial transfer out or partial withdrawal is not a qualifying event, the portion that is partially switched, transferred out or withdrawn will not be entitled to QB.

By way of the second partial fund switching, partial transfer out or partial withdrawal, HK\$400.00 (NB) will be redeemed and switched into the Transferee CF(s), transferred out to another registered MPF scheme, or paid to the Member in accordance with Member's instruction. Since it is a partial fund switching, partial transfer out or partial withdrawal, the Member will not be entitled to the Guaranteed Return in respect of the portion that is partially switched out, partially transferred out or partially withdrawn.

As the One-off Guarantee Arrangement does not apply to partial fund switching, partial transfer out or partial withdrawal, the switching out, transfer out or withdrawal amount will be deducted from the NB and QB as follows:

NB after the second partial fund switching, partial transfer out or partial withdrawal
= $HK\$2,000.00 - (HK\$2,000.00 \times 20\%)$
= HK\$1,600.00

QB after the second partial fund switching, partial transfer out or partial withdrawal
= HK\$2,404.00 – (HK\$2,404.00 x 20%)
= HK\$1,923.20

Fund position immediately before the Effective Date (assuming no further contribution or withdrawal after the second partial fund switching, partial transfer out or partial withdrawal)

Date	NB (reflects actual investments (HK\$))	QB (HK\$)
29 November 2023	1,600.00	1,924.80

The remaining balance remains in Terminating CF until the Effective Date. The remaining balance will be invested into the Default CF on the Effective Date (please refer to Appendix 2 for the mechanism of reinvestment in Default CF). The amount to be invested into the Default CF will be as follows:

NB = HK\$1,600.00 (NB is subject to the market movement, assuming zero gain/loss in this example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 1 month
= HK\$1,923.20 x 101% ^{^(1/12)}
= HK\$1,924.80

Since QB > NB, the balance to be invested into the Default CF will be HK\$1,924.80.

The remaining portion of HK\$1,600 (NB) will be redeemed and invested into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$324.80 (being HK\$1,924.80 – HK\$1,600.00) will be claimed by the Trustee against the Guarantor and invested into the Default CF under the relevant account.

(C) After the second partial fund switching, partial transfer out or partial withdrawal, the Member further switches out, transfers out or withdraws **all** the remaining balance before the applicable cut-off dates.

(i) Further switching out of all the remaining balance

If the member has decided to switch out **all** the remaining balance by the Switching Out Deadline, the NB (i.e. HK\$1,600) will be redeemed and switched into the Transferee CF(s) in accordance with Member's instruction since One-off Guarantee Arrangement applies to full fund switching during the Notice Period.

(ii) Further transfer out or withdrawal of all the remaining balance

If transfer out or withdrawal of **all** the remaining balance is effected by 11:59 p.m. on 24 November 2023¹³, the NB (i.e. HK\$1,600) will be transferred out to another registered MPF scheme or paid to the Member in accordance with Member's instruction since One-off Guarantee Arrangement applies to full transfer out or full withdrawal during the Notice Period.

Since QB > NB, Member will be entitled to HK\$1,924.80, which will be paid in the following manner:

- **HK\$1,600.00 (NB) will be redeemed and switched into the Transferee CF(s), transferred out to another registered MPF scheme, or paid to the Member in accordance with Member's instruction.**
- **The Guaranteed Return of HK\$324.80 (being HK\$1,924.80 – HK\$1,600.00) will be claimed by the Trustee against the Guarantor and invested in Terminating CF under the relevant account, transferred out to another registered MPF scheme, or paid to the Member in accordance with the Member's instruction.**

¹³ To enable the proper and complete processing of the relevant instructions in accordance with the Trustee's processes, the receipt of such instructions **AND** the resolution of all administrative issues pertaining thereto will have to be completed by 11:59 p.m. on 24 November 2023. Due to forward dealing, the withdrawal and transfer out of accrued benefits effected on 24 November 2023 will be executed on 27 November 2023.

3. Multiple accounts

Assumptions:

- (i) Member has various accounts (e.g. contributions accounts, tax deductible voluntary contribution account (“**TVC**”), personal account, flexible voluntary contribution (“**FVC**”)) under the Master Trust and the Member makes full fund switching, full transfer out or full withdrawal of his/her investment in the Terminating CF in one of the accounts only.
- (ii) The Guaranteed Return remains to be invested in the Terminating CF immediately before the Effective Date. The remaining balance will be invested into the Default CF on the Effective Date.

Fund position immediately before making any fund switching, transfer out or withdrawal:

Date	Accounts	NB (reflects actual investments (HK\$))	QB (HK\$)
30 August 2023	Contribution account	5,000.00	6,000.00
30 August 2023	Personal account	2,000.00	2,500.00
30 August 2023	TVC	1,000.00	1,100.00
30 August 2023	FVC	2,500.00	3,000.00

This example illustrates how the guarantee will be applied when the Member switches out, transfers out or withdraws the full amount from one of the accounts only under the One-off Guarantee Arrangement and how the remaining accrued benefit will be treated on or after the Effective Date.

The Member makes a full switch, full transfer out or full withdrawal of the accrued benefit from his/her contribution account that takes effect on 30 August 2023. Under the One-off Guarantee Arrangement, the Member will be entitled to QB amount (HK\$6,000.00), HK\$5,000.00 (NB) of which will be redeemed and switched into the Transferee CF(s), transferred out to another registered MPF scheme, or paid to the Member in accordance with Member’s instructions. Subsequently, the Guaranteed Return of HK\$1,000.00 (being HK\$6,000.00 – HK\$5,000.00) will be claimed by Trustee against the Guarantor, and invested in Terminating CF under the Member’s contribution account or, if a Member’s account is terminated due to transfer out in full or withdrawal in full, transferred out to the other registered MPF scheme or paid to the Member accordingly.

Fund position after making the fund switching, transfer out or withdrawal:

Date	Accounts	NB (reflects actual investments (HK\$))	QB (HK\$)
30 August 2023	Contribution account	1,000.00	1,000.00
30 August 2023	Personal account	2,000.00	2,500.00
30 August 2023	TVC	1,000.00	1,100.00
30 August 2023	FVC	2,500.00	3,000.00

Fund position immediately before the Effective Date (assuming that no further contribution or withdrawal after the full fund switching, full transfer out or full withdrawal from contribution account):

Date	Accounts	NB (reflects actual investments (HK\$))	QB (HK\$)
29 November 2023	Contribution account	1,000.00	1,002.50
29 November 2023	Personal account	2,000.00	2,506.25
29 November 2023	TVC	1,000.00	1,102.75
29 November 2023	FVC	2,500.00	3,007.50

The remaining balance remains to be invested in the Terminating CF under the Member’s contribution account immediately before the Effective Date. The remaining balance will be switched into the Default CF on the Effective Date (please refer to Appendix 2 for the mechanism of reinvestment in Default CF). The amount to be invested will be as follows:

For Contribution Account:

NB = HK\$1,000.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 3 months
= $HK\$1,000.00 \times 101\% ^{(3/12)}$
= HK\$1,002.50

Since QB > NB, the balance to be invested into the Default CF will be HK\$1,002.50 in which HK\$1,000.00 (NB) will be redeemed and invested into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$2.50 (being HK\$1,002.50 – HK\$1,000.00) will be claimed by Trustee against the Guarantor and invested in the Default CF under the contribution account.

For Personal Account:

NB = HK\$2,000.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 3 months
= $HK\$2,500.00 \times 101\% ^{(3/12)}$
= HK\$2,506.25

Since QB > NB, the balance to be invested into the Default CF will be HK\$2,506.25 in which HK\$2,000 (NB) will be redeemed and switched into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$506.25 (being HK\$2,506.25 – HK\$2,000.00) will be claimed by the Trustee against the Guarantor and invested in the Default CF under the personal account.

For TVC Account:

NB = HK\$1,000.00 (NB is subject to the market movement, assumed zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 3 months
= $HK\$1,100.00 \times 101\% ^{(3/12)}$
= HK\$1,102.75

Since QB > NB, the balance to be invested to the Default CF will be HK\$1,102.75 in which HK\$1,000 (NB) will be redeemed and switched into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$102.75 (being HK\$1,102.75 – HK\$1,000.00) will be claimed by the Trustee against the Guarantor and invested in the Default CF under the TVC account.

For FVC Account:

NB = HK\$2,500.00 (NB is subject to the market movement, assuming zero gain/loss in the above example.)

QB = QB accrued at the guaranteed rate (assuming it is 1% in this example) for 3 months
= $HK\$3,000.00 \times 101\% ^{(3/12)}$
= HK\$3,007.50

Since QB > NB, the balance to be invested into the Default CF will be HK\$3,007.50 in which HK\$2,500 (NB) will be redeemed and invested into the Default CF on the Effective Date. Subsequently, the Guaranteed Return of HK\$507.50 (being HK\$3,007.50 – HK\$2,500.00) will be claimed by the Trustee against the Guarantor and invested in the Default CF under the FVC account.