BCOM Joyful Retirement MPF Scheme (the "Scheme")

**DIS Pre-Implementation Notice
to Participating Employers and Members**

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

This notice only summarises the changes to the Scheme with regard to Default Investment Strategy ("DIS"). Details of the DIS are set out in the First and Second Addenda of the Principal Brochure of the Scheme ("Principal Brochure"). Members should refer to the Principal Brochure for details of the DIS. The Principal Brochure and its addenda will be available on our website at www.bocomtrust.com.hk or you may request copies of them by contacting our customer service hotline at (852) 22395559.

You should consider your own risk tolerance level and financial circumstances before investing in the DIS. You should note that the BCOM Core Accumulation Fund ("CAF") and the BCOM Age 65 Plus Fund ("A65F") (collectively the "DIS Funds") may not be suitable for you, and there may be a risk mismatch between the CAF and the A65F and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and / or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.

---

12 December 2016

Dear Participating Employers and Members,

We are writing to you because important changes to the Mandatory Provident Fund Schemes Ordinance will take effect on 1 April 2017 ("**Effective Date**"). From the Effective Date, the default investment arrangement of the Scheme will be the DIS replacing the existing default fund of the Scheme.

You should read this notice carefully because the changes made to the MPF legislation may affect the investment of both your accrued benefits and future contributions. Capitalised terms not defined in this notice have the same meanings as ascribed to them in the Principal Brochure of the Scheme.

1. What is DIS?

- DIS is a default investment arrangement as stipulated in accordance with the Mandatory Provident Fund Schemes Ordinance. **For members who do not make a fund choice for their MPF account, their accrued benefits and future investments (i.e. future contributions and accrued benefits transferred from another MPF scheme) (the "Future Investments") will be invested in the DIS.** The DIS is also available as an investment choice itself for members.

- The DIS is not a fund - it is a strategy that uses two constituent funds, namely the CAF and A65F to automatically reduce the risk exposure as the member approaches retirement age. The DIS Funds will invest in a globally diversified manner and invest in different assets (e.g. equities, bonds, money market instruments, etc.). Details of the investment objectives and policies of each of the DIS Funds are set out in the **Appendix** to this notice. The DIS Funds are subject to fee and expense caps as imposed by the legislation.

2. How does DIS affect you?

If you have accounts in the Scheme that are set up before the Effective Date ("**pre-existing account**"), depending on whether you have previously made any fund choices, it may affect you in different ways:

- If you have already given a valid investment instruction for the accrued benefits and Future Investments in your pre-existing account or you are 60 years old or above before the Effective Date, you will not be affected by the implementation of the DIS.

- If **all** your accrued benefits in a pre-existing account are invested in the existing default fund (BCOM MPF Conservative Fund (prior to 1 June 2008) and the BCOM Stable Growth (CF) Fund (on and after 1 June 2008 but before 1 April 2017) (each, the "**Relevant Existing Default Fund**") of the Scheme) as at the Effective Date and you have not given a valid investment instruction for the pre-existing account, you will receive a separate notice (i.e. the "**DIS Re-Investment Notice**") sent to you on or before the end of September 2017. The DIS Re-Investment Notice will explain that if you do not make an investment choice by replying within a specified period, your accrued benefits in the Relevant Existing Default Fund will be redeemed in whole and re-invested in accordance with the DIS. **Therefore, if you receive the DIS Re-Investment Notice, please pay special attention to the contents and make appropriate arrangement.** You should note that the risk of the Relevant Existing Default Fund may be different from that of the DIS and you may be exposed to market risks as a result of any reinvestment of your accrued benefits in the DIS.

- There are special circumstances. Where the accrued benefits in the pre-existing account are transferred from another account within the Scheme (e.g. in the case of cessation of employment, where accrued benefits in your contribution account are transferred to a personal account within the Scheme), your accrued benefits in the pre-existing account will be invested in the same manner as they were invested immediately before the transfer but your Future Investments may be invested in the DIS after the implementation of the DIS, unless otherwise instructed. Please refer to the section headed "C. Implications for New and Pre-existing Accounts on or after DIS Implementation" below for further details.

3. Do you need to do anything?

- Apart from the above, there are other circumstances where your accrued benefits or Future Investments may be affected by the implementation of the DIS. If you have any query on how it will affect you and what actions you need to take, you should visit our website at www.bocomtrust.com.hk or call our Customer Service Hotline at (852) 223 95559.

- If you receive the DIS Re-Investment Notice after the Effective Date, you are advised to pay special attention to the contents and make appropriate arrangement.

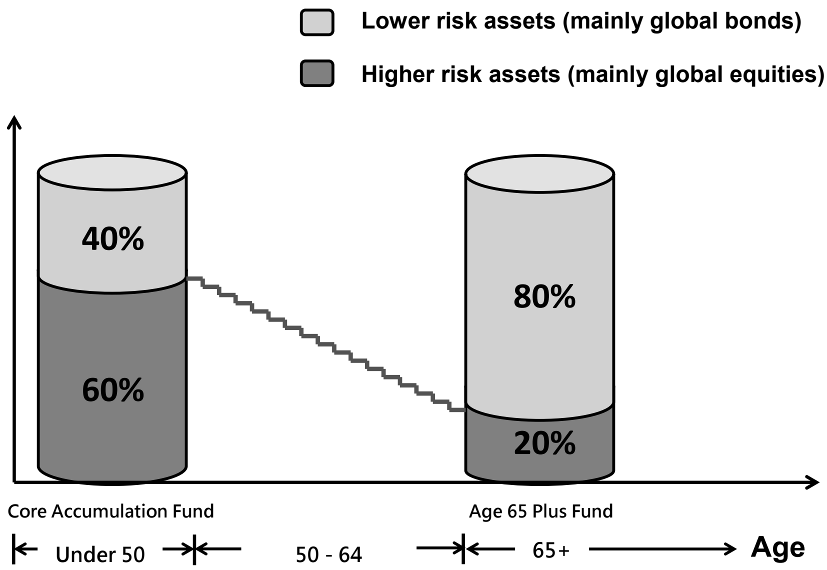
A. What is DIS?

DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not make an investment choice, their Future Investments will be invested in accordance with the DIS. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all MPF schemes.

(a) *Objective and Strategy*

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the CAF and the A65F, according to the pre-set allocation percentages at different ages. The CAF will invest around 60% in higher risk assets (higher risk assets generally mean equities or similar investments) and 40% in lower risk assets (lower risk assets generally mean bonds or similar investments) of its net asset value whereas the A65F will invest around 20% in higher risk assets and 80% in lower risk assets. The DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, fixed income, money market and cash, and other types of assets allowed under the MPF legislation.

Diagram 1: Asset Allocation between the DIS Funds according to the DIS



Note: The exact proportion of the portfolio in higher / lower risk assets at any point in time may deviate from the target glide path due to market fluctuations.

(b) *Annual de-risking*

Accrued benefits invested through the DIS will be invested in a way that adjusts risk depending on a member's age. The DIS will manage investment risk exposure by **automatically** reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older. Such de-risking is to be achieved by way of reducing the holding in the CAF and increasing the holding in the A65F over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

In summary, under the DIS:

(1) When a member is below the age of 50, all existing accrued benefits and Future Investments will be invested in the CAF.

(2) When a member is between the ages of 50 and 64, all existing accrued benefits and Future Investments will be invested according to the allocation percentages between the CAF and A65F as shown in the DIS de-risking table (see Diagram 2 below). The de-risking of the existing accrued benefits and Future Investments will be automatically carried out as described above.

(3) When a member reaches the age of 64, all existing accrued benefits and Future Investments will be invested in the A65F.

(4) If the relevant member has reached 60 years of age before 1 April 2017, unless the member has given a specific investment instruction (as defined in section F below), the member's accrued benefits (including Future Investments) will be invested in the same manner as at 31 March 2017.

(5) For a deceased member, de-risking will cease once the Approved Trustee has received proof of the death of the member to the Approved Trustee's satisfaction. If de-risking has already been taken place between the death of the member and the time at which the Approved Trustee received the satisfactory proof of such death, such de-risking will not be undone, although no further de-risking will take place in respect of the deceased member.

If the Approved Trustee does not have the full date of birth of the relevant member:

- If only the year and month of birth is available, the annual de-risking will use the last calendar day of the birth month, or if it is not a Valuation Date, the next available Valuation Date.

- If only the year of birth is available, the annual de-risking will use the last calendar day of the year, or if it is not a Valuation Date, the next available Valuation Date.

- If no information at all on the date of birth, member’s accrued benefits will be fully invested in A65F with no de-risking applied.

Diagram 2: DIS De-risking Table

Age	*BCOM Core Accumulation Fund (“CAF”)*	*BCOM Age 65 Plus Fund (“A65F”)*
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%

Age	*BCOM Core Accumulation Fund ("CAF")*	*BCOM Age 65 Plus Fund ("A65F")*
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%
59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between the CAF and A65F is made at the point of annual de-risking and the proportion of the CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

(c) Fees and out-of-pocket expenses of the CAF and A65F

The aggregate of the payments for services of the CAF and A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value ("**NAV**") of each of the DIS Funds divided by the number of days in the year. It includes, but is not limited to, the fees paid or payable for the services provided by the Approved Trustee, the Custodian, the Administrator, the Investment Manager and the Sponsor of the Scheme and the underlying investment funds of the respective DIS Funds, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Funds and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying investment fund(s).

The total amount of all payments that are charged to or imposed on the DIS Funds or members who invest in DIS Funds, for out-of-pocket expenses incurred by the Approved Trustee on a recurrent basis in the discharge of the Approved Trustee's duties to provide services in relation to the DIS Funds, shall not in a single year exceed 0.2% of the NAV of each of the DIS Funds. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund.

Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on the CAF and the A65F. Such fees are not subject to the statutory caps mentioned in the preceding paragraphs.

(d) Key Risks Relating to the DIS

Members should note that the DIS is subject to various risks and limitations, including:

(i) Limitations on the strategy

- *Age as the sole factor in determining the asset allocation under the DIS*

  The DIS does not take into account factors other than age, such as market and economic conditions nor member's personal circumstances.

- *Pre-set asset allocation*

  The CAF and A65F have to follow the prescribed allocation between higher risk assets and lower risk assets at all times. Such prescribed allocation will limit the ability of the investment manager of the underlying funds of the CAF and A65F to adjust asset allocations in response to sudden market fluctuations.

- *Annual de-risking between the CAF and A65F*

  Members should note that de-risking for each relevant member will generally be carried out on a member's birthday, regardless of the prevailing market conditions. Members should be aware that the de-risking operates automatically regardless of the wish of a member to adopt a strategy which might catch market upside or avoid market downside.

- *Potential rebalancing within each of the CAF and A65F*

  In order to maintain the prescribed allocation between the higher risk assets and lower risk assets within each of the CAF and A65F, the investments of each of the CAF and A65F may have to be continuously rebalanced.

- *Additional transaction costs*

  Due to (a) the potential rebalancing of assets and (b) the annual reallocation of accrued benefits for members under the de-risking process, the DIS may incur greater transaction costs than a fund / strategy with more static allocation.

(ii) General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns. Members should note that the DIS which invests in the DIS Funds is subject to the general investment risks that apply to mixed asset funds.

(iii) Risk on early withdrawal and switching

Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.

(iv) Impact on members keeping benefits in the DIS beyond the age of 64

The A65F holds around 20% of its assets in higher risk assets which may not be suitable for all members beyond the age of 64.

(e) *Information on Performance of DIS Funds*

The fund performance of the DIS Funds will be published in the fund fact sheets (and one of which will be attached to annual benefit statement). Members can visit www.bocomtrust.com.hk or call the customer service hotline for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

B. Summary of the Existing Default Fund / Arrangement and the DIS

Please find below the key features of the existing default fund / arrangement and the DIS for reference:

	Existing Default Fund / Arrangement (prior to 1 June 2008)	Existing Default Fund / Arrangement (on and after 1 June 2008 but before 1 April 2017)	The DIS comprising CAF and A65F with a de-risking strategy	
Name	BCOM MPF Conservative Fund	BCOM Stable Growth (CF) Fund	BCOM Core Accumulation Fund	BCOM Age 65 Plus Fund
Fund Type	Money Market Fund	Mixed Assets Fund (Global)	Mixed Assets Fund (Global)	Mixed Assets Fund (Global)
De-risking Feature	No	No	Yes	Yes
Total Management Fees	0.8975% p.a. of NAV	1.61% p.a. of NAV	0.75% p.a. of NAV	0.75% p.a. of NAV
Daily Fee Cap	No	No	Yes	Yes
Risk*	Little risk of loss of capital	Medium	Medium to high	Low to medium
Guarantee Feature	No	No	No	No

*The risk level categorization is determined on the basis of the investment mix of the constituent fund and its underlying investment funds. The risk profile is for reference only.

For details of the key features of the existing default fund / arrangement and the DIS, please refer to the Principal Brochure (or contact the Approved Trustee).

C. Implications for New and Pre-existing Accounts on or after DIS Implementation

(a) Implications on accounts opened on or after 1 April 2017

When members join the Scheme or set up a new account in the Scheme on or after 1 April 2017, they have the opportunity to give a specific investment instruction (as described in section F below) for their Future Investments. If members fail to or do not want to submit to the Approved Trustee a specific investment instruction at the time of their requests to join / set up a new account in the Scheme, the Approved Trustee shall invest any of their Future Investments into the DIS.

(b) Implications on accounts opened before 1 April 2017

There are special rules to be applied for pre-existing accounts and these rules only apply to members who are under or becoming 60 years of age on 1 April 2017

(1) For a member's pre-existing account with all accrued benefits being invested into the Relevant Existing Default Fund which was generally resulted from no investment instruction being given on the existing accrued benefits (known as "**DIA account**"):

There are special rules and arrangements to be applied to determine whether accrued benefits in a DIA account will be transferred to the DIS. If your pre-existing account is considered as a DIA account, you will receive a notice called the DIS Re-investment Notice explaining the impacts on your pre-existing account and giving you an opportunity to give a specific investment instruction to the Approved Trustee before the accrued benefits are invested into the DIS.

For details of the arrangement, members should refer to the DIS Re-investment Notice.

(2) For a member's pre-existing account which, as at 31 March 2017:

(i) has part of the accrued benefits in it invested in the Relevant Existing Default Fund (as a result of no valid investment instruction being given in respect of that part of the accrued benefits), or

(ii) has all of the accrued benefits in it invested in constituent funds other than the Relevant Existing Default Fund after scheme restructuring whereby all or any of the accrued benefits in the pre-existing account were transferred to the pre-existing account from an account in another scheme in a restructuring to which the MPFA consented under section 34B(5) of the Mandatory Provident Fund Schemes Ordinance,

unless the Approved Trustee has received any specific investment instructions (as defined in Section F below), the member's accrued benefits as well as Future Investments paid to the member's pre-existing account on or after 1 April 2017 will be invested in the same manner as at 31 March 2017.

(3) For a member's pre-existing account which, as at 31 March 2017, has all of the accrued benefits in it invested in constituent funds other than the original default investment arrangement for whatever reasons (e.g. as a result of switching instructions or accrued benefits from another account within the Scheme being transferred to the pre-existing account) and no investment mandate has ever been given for the pre-existing account in respect of Future Investments, unless the Approved Trustee has received any specific investment instructions, the member's accrued benefits will be invested in the same manner as they were invested as at 31 March 2017, while the Future Investments paid to the member's pre-existing account on or after 1 April 2017 will be invested in the DIS.

D. Rules and Procedures Applicable to Investment through the DIS

(a) Fund Choice Combination

Members who join the Scheme or set up a new account in the Scheme on or after the 1 April 2017 may choose to invest their Future Investments into:

(1) the DIS; or

(2) one or more constituent funds of their own choice from the list of constituent funds set out in Annexure A to the Principal Brochure (including the CAF and the A65F as standalone investments) and according to their assigned allocation percentage(s) to relevant fund(s) of their choice.

Members should note that, if they choose the CAF and / or A65F as standalone investments, those investments / benefits will not be subject to the de-risking process. If a member's accrued benefits are invested in any combination of (i) CAF and / or A65F as standalone investments and (ii) the DIS (no matter by default or by member's specific investment instruction), accrued benefits invested under (i) will not be subject to the de-risking process whereas for accrued benefits under (ii) will be subject to the de-risking process. In this connection, members should pay attention to the different on-going administration arrangements applicable to accrued benefits invested in (i) and (ii). In particular, members will, when giving a fund switching instruction, be required to specify to which part of the benefits (namely, under (i) or (ii)) the instruction relates.

(b) Switching / transfer in and out of the DIS

Members can switch into or out of the DIS at any time, subject to the rules of the Scheme. No partial switching of DIS is allowed. Members should note that switching instructions will only apply to the accrued benefits. Where the relevant member's existing investment in an account is under the DIS, he / she may only switch out of the DIS if he / she elects to have all the accrued benefits in that account invested outside of the DIS. Conversely, where the relevant member wishes to switch into the DIS, he / she must elect to have all the accrued benefits in that account transferred into the DIS. Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. A member is free to choose how his Future Investments are to be invested by giving a specific investment instruction (as defined in Section F below). Also, members may change their investment mandate to invest in the DIS at any time.

For the avoidance of doubt, where a member gives a switching instruction with regard to his / her existing investment, such instruction only applies to existing investments and not Future Investments. As such, where a member elects to transfer his/her accrued benefits out of the DIS, in the absence of a Specific Investment Instruction for Future Investments, his/her Future Investments will be invested in the DIS.

E. Rules and Procedures of Annual De-Risking

The de-risking is to be achieved by annual adjustments of asset allocation gradually from CAF to A65F under the DIS. Save for the circumstances set out in this section, switching of the existing accrued benefits among CAF and A65F will be automatically carried out each year on a member’s birthday and according to the allocation percentages as shown in the DIS De-risking Table as shown in Diagram 2 above. If the member’s birthday is not on a Valuation Date, then the investments will be moved on the next available Valuation Date. Alternatively, if the member's birthday falls on the 29th of February and in the year which is not a leap year, then the investments will be moved on 1st of March or the next available Valuation Date. If there is any exceptional circumstance, e.g. market closure or suspension of dealing, on the member's birthday which makes it impossible for the investments to be moved on that day, the investments will be moved on the next available Valuation Date.

If the relevant member notifies the Approved Trustee of his / her updated birthday, then the Approved Trustee will, as soon as practicable, and in any case, within 4 Business Days, after being so notified and receipt of the relevant documents evidencing such an update, adjust the allocation between the CAF and A65F according to his / her updated birthday, and effect the de-risking in the future years according to the DIS De-risking Table in Diagram 2 above and his / her updated birthday. When one or more of the specified instructions (including but not limited to subscription, redemption / withdrawal or switching instructions) are received prior to or on the annual date of de-risking for a relevant member and being processed on that date, the annual de-risking may be deferred and the annual de-risking will only take place after completion of these specified instructions. In particular, members should refer to the cut-off time and the required time to complete (after the date of receipt of completed instruction) as set out in the “Trustee Service Comparative Platform” in the MPFA’s website (collectively, the "**required timeframe**") before submitting a valid switching instruction or change of investment mandate instruction in order to ensure that the instruction can be processed on or prior to the de-risking date. Any valid switching instruction or change of investment mandate instruction received by the Approved Trustee before the annual de-risking but not meeting the required timeframe may only be completed after the annual de-risking. The number of units of the CAF and A65F that can be issued in the annual de-risking under the DIS shall be rounded down to 3 decimal places.

Members should be aware that the above de-risking will not apply where the member chooses CAF and A65F as standalone investments (rather than as part of the DIS).

F. Rules and Procedures relating to Investment Instructions

An instruction to invest accrued benefits and Future Investments; change investment mandate for Future Investments or switch investments for existing accrued benefits must be in a form of a specific investment instruction.

A specific investment instruction means:

(I) an instruction for investment allocations meeting the following requirements:

- if a member opts for (a)(1) under Section D above, the investment allocation must be 100%;
- if a member opts for (a)(2) under Section D above:
  (i) the minimum investment allocation in any constituent fund selected must be an integer (e.g. 12% and not 12.5%) and should not be less than 10%; and
  (ii) the total (or in the case of any switching instruction, the switch-in total) must be 100%;

(II) any confirmation (whether through hard copy or online submission of the relevant administration forms prescribed by the Approved Trustee or IVRS (interactive voice recording system)) by a Member with regard to any investment arrangements of the existing accrued benefits and/or Future Investments,

Any investment mandate, change of investment mandate or switching instruction must meet the requirements for a "specific investment instruction".

A specific investment instruction applies to all types of contributions and accrued benefits attributable to any type of contributions, paid by or in respect of the member under the Scheme. If members cannot provide a specific investment instruction upon set up of a new account, then the Future Investments will be automatically invested into DIS.

G. Means to obtain further Information

Members may obtain information about the DIS through visiting www.bocomtrust.com.hk or calling the customer service hotline at (852) 223 95559.

This notice only gives a summary of features relating to the DIS. A copy of the latest deed of variation amending the trust deed constituting the Scheme to reflect the DIS will be made available for inspection by the scheme participants at our office at 1st Floor, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong during normal office hours. In addition, you may visit our website www.bocomtrust.com.hk for the Principal Brochure of the Scheme or obtain a copy of the Principal Brochure (together with the First and Second Addenda) at our office.

Yours faithfully,
Bank of Communications Trustee Limited

(This is a computer generated document requiring no signature.)

Appendix

BCOM Core Accumulation Fund

(a) Name of Constituent Fund
BCOM Core Accumulation Fund

(b) Type of Fund
Mixed Assets Fund (Global)

(c) Structure of the Fund
Feeder Fund

(d) Currency
Hong Kong dollars

(e) Statement of Investment Policy

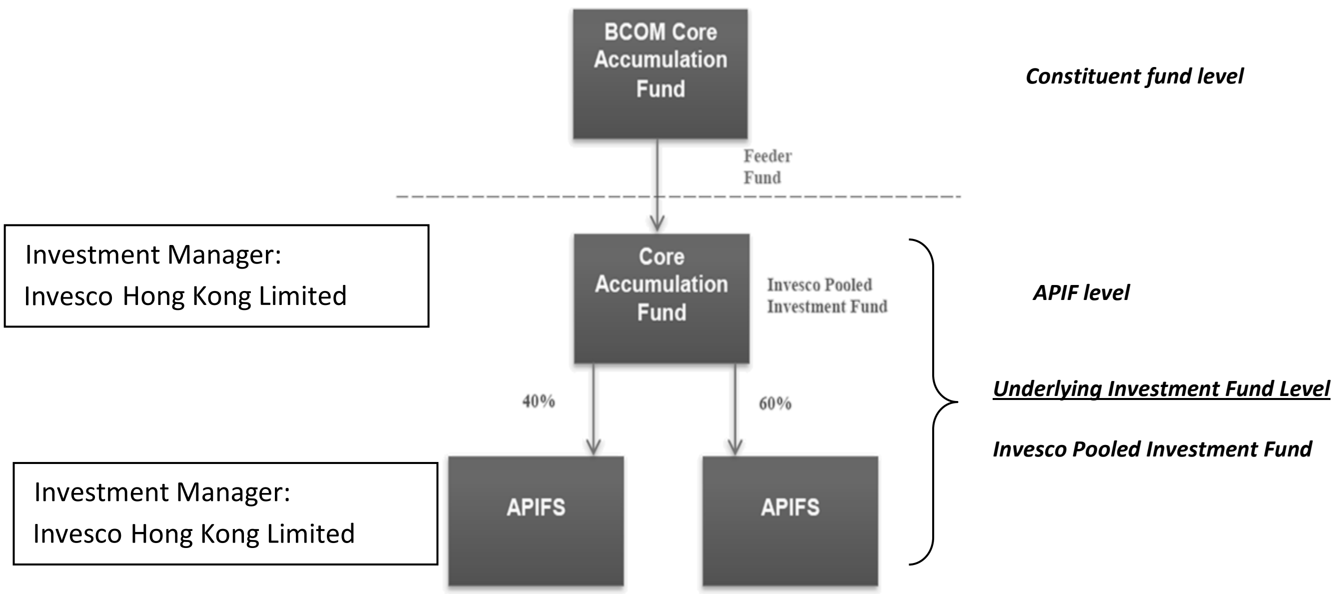
(i) Investment Objectives

The objective of the Fund is to provide capital growth to Members by investing in a globally diversified manner.

(ii) Investment Policy

The Fund invests in an APIF, Core Accumulation Fund under the Invesco Pooled Investment Fund managed by Invesco Hong Kong Limited, which in turn invests in two APIFs. The underlying APIFs adopt an active investment strategy. An active investment strategy aims to promote efficiency and minimize cost for the purpose of DIS asset rebalancing. The Fund will make reference to its Reference Portfolio.

Subject to the limits under the section "(iii) Asset Allocation", the investment manager of the Core Accumulation Fund has the discretion to determine the allocation percentages of the investments of the Core Accumulation Fund into the two APIFs. Please refer to the following product structure chart illustrating the fund structure of the BCOM Core Accumulation Fund:



(iii) Asset Allocation

The Fund, through its underlying investments, will hold 60% of its NAV in Higher Risk Assets (such as global equities) with the remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments). The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies.

(iv) Policy regarding the acquisition, holding and disposal of financial futures contracts and financial option contracts

The Fund will not enter into financial futures and options contracts. The underlying APIFs will enter into financial futures and options contracts for hedging purposes only.

(v) Security Lending

The Fund will not engage in securities lending.

(vi) Effective Currency Exposure

The Fund will maintain an effective currency exposure to HK dollars of not less than 30% through currency hedging operations.

(vi) Investment in one pooled investment fund

The Fund invests in ONE pooled investment fund, being the Core Accumulation Fund under the Invesco Pooled Investment Fund.

(viii) Risk inherent

The Fund is designed for members who are willing to assume a **medium to high level of risk**. Invesco Hong Kong Limited, the investment manager of the Core Accumulation Fund under the Invesco Pooled Investment Fund, i.e. the APIF in which the Fund invests, determines the risk profile of the Fund, which is for your reference only. The risk profile is based on various factors including the volatility, the investment objectives and the asset allocations of the Fund. Generally, higher volatility represents higher risk. Members should note that the risk profile is provided for reference only, and may be updated periodically based on prevailing market circumstances.

(ix) Expected return

The return of the Fund over the long term is expected to be at least similar to the return of its Reference Portfolio.

Important: As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations, the value of investments and the yield may go down as well as up."

BCOM Age 65 Plus Fund

(a) Name of Constituent Fund
BCOM Age 65 Plus Fund

(b) Type of Fund
Mixed Assets Fund (Global)

(c) Structure of the Fund
Feeder Fund

(d) Currency
Hong Kong dollars

(e) Statement of Investment Policy

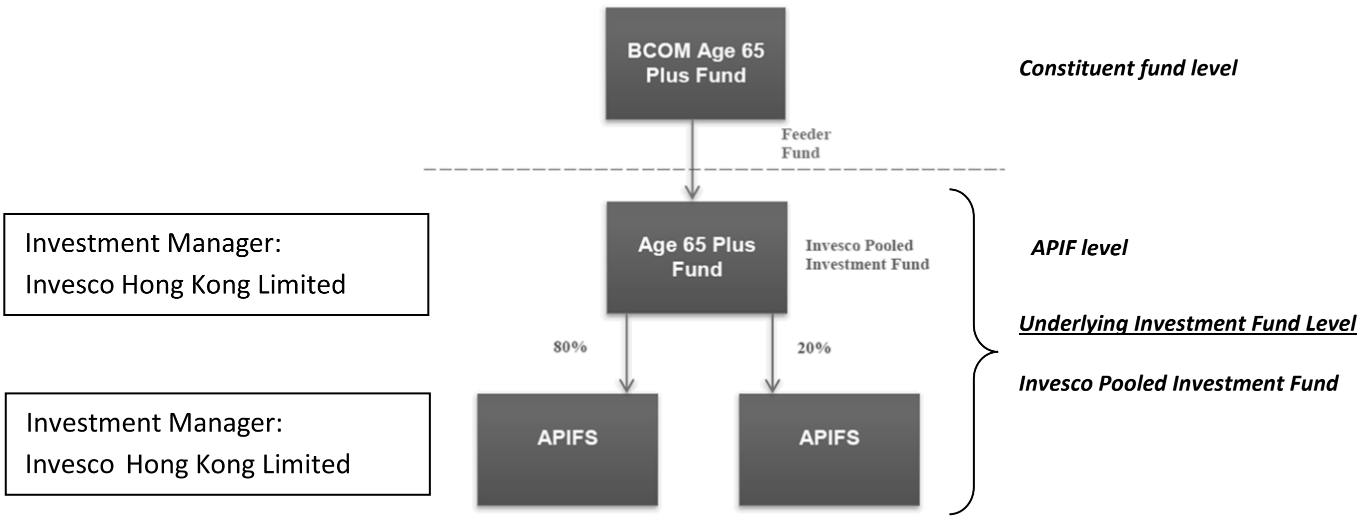
(i) Investment Objectives

The objective of the Fund is to provide stable growth to Members by investing in a globally diversified manner.

(ii) Investment Policy

The Fund invests in an APIF, Age 65 Plus Fund under the Invesco Pooled Investment Fund managed by Invesco Hong Kong Limited which in turn invests in two APIFs. The underlying APIFs adopt an active investment strategy. An active investment strategy aims to promote efficiency and minimize cost for the purpose of DIS asset rebalancing. The Fund will make reference to its Reference Portfolio.

Subject to the limits under the section "(iii) Asset Allocation", the investment manager of the Age 65 Plus Fund has the discretion to determine the allocation percentages of the investments of the Age 65 Plus Fund into the two APIFs. Please refer to the following product structure chart illustrating the fund structure of the BCOM Age 65 Plus Fund:



(iii) Asset Allocation

The Fund will, through its underlying investments, hold 20% of its NAV in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk

Assets (such as global bonds and money market instruments). The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. There is no prescribed allocation for investments in any specific countries or currencies.

(iv) Policy regarding the acquisition, holding and disposal of financial futures contracts and financial option contracts
The Fund will not enter into financial futures and options contracts. The underlying APIFs will enter into financial futures and options contracts for hedging purposes only.

(v) Security Lending
The Fund will not enter into any securities lending.

(vi) Effective Currency Exposure
The Fund will maintain an effective currency exposure to HK dollars of not less than 30% through currency hedging operations.

(vi) Investment in one pooled investment fund
The Fund invests in ONE pooled investment fund, being the Age 65 Plus Fund under the Invesco Pooled Investment Fund.

(viii) Risk inherent
The risk profile of the Fund is regarded as **low to medium**. Invesco Hong Kong Limited, the investment manager of the Age 65 Plus Fund under the Invesco Pooled Investment Fund, i.e. the APIF in which the Fund invests, determines the risk profile of the Fund, which is for your reference only. The risk profile is based on various factors including the volatility, the investment objectives and the asset allocations of the Fund. Generally, higher volatility represents higher risk. Members should note that the risk profile is provided for reference only, and may be updated periodically based on prevailing market circumstances

(ix) Expected return
The return of the Fund over the long term is expected to be at least similar to the return of its Reference Portfolio.

Important: As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations, the value of investments and the yield may go down as well as up.