

# Brief Introduction

HSBC Mandatory Provident Fund

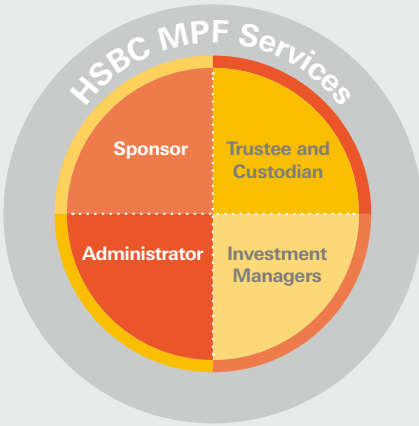


## Important notes

- The HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice are mandatory provident fund schemes.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.
- You should consider your own risk tolerance level and financial circumstances before investing in the MPF Default Investment Strategy. You should note that the DIS constituent funds, namely, the Core Accumulation Fund and the Age 65 Plus Fund, may not be suitable for you, and there may be a risk mismatch between the DIS constituent funds 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.
- You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. We recommend that you consult with the Trustee if you have doubts on how you are being affected.
- The Guaranteed Fund under HSBC Mandatory Provident Fund – SuperTrust Plus invests solely in an approved pooled investment fund in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited. Please refer to the 'Warning' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for details of the credit risk.
- The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for full details of the guarantee features and Guarantee Conditions, including the guarantee features in the context of payment of benefits in instalments.
- MPF Benefits and AVC Benefits payable on a member's 65th birthday or early retirement on or after his/her reaching age 60 can be paid in one lump sum or in instalments, at the member's election (in such form and on such terms as the Trustee may, to the extent not prohibited by the 'MPF Ordinance' or General Regulation, prescribe). Please refer to the 'Payment of MPF Benefits and AVC Benefits' section under 'Payment of benefits' in Part I – Product Information of the relevant 'Principal Brochure' for full details.
- You should not invest based on this document alone and should read the relevant 'Principal Brochure'.
- Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant 'Principal Brochure'.



# Experience you can trust



## **Sponsor and Administrator**

### **The Hongkong and Shanghai Banking Corporation Limited**

- Established in 1865 and is the founding member of the HSBC Group
- One of the world's largest banking and financial services organisations

## **Trustee and Custodian**

### **HSBC Provident Fund Trustee (Hong Kong) Limited**

- Incorporated in Hong Kong and is registered as a Trust Company under the Trustee Ordinance and an Approved Trustee under the Mandatory Provident Fund Schemes Ordinance

## **Investment Managers**

### **HSBC Global Asset Management (Hong Kong) Limited (for HSBC Mandatory Provident Fund – SuperTrust Plus) / HSBC Investment Funds (Hong Kong) Limited (for HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice)**

- Over 40 years of experience in managing retirement funds
- One of Hong Kong's largest retirement fund managers
- Experienced worldwide fund management teams
- Global investment planning platform supported by a worldwide network

## **Hang Seng Investment Management Limited**

- Investment arm of Hang Seng Bank
- Extensive experience in managing index-tracking funds, retirement funds, institutional accounts and private client portfolios

## MPF awards won by HSBC MPF

2007 – 2017 The Best SME Partners for MPF by Economic Digest

2015 – 2017 Hong Kong Leaders' Choice – Excellent Brand of MPF Management and Excellent Brand of MPF Services by Metro Finance

2010 – 2014 Hong Kong Leaders' Choice – Excellent Brand of MPF Management Service by Metro Finance

2011 – 2012 Hong Kong Service Awards – MPF Service by East Week of Sing Tao Magazine Group

2012 CAPITAL Merits of Achievements in Banking and Finance 2012 in MPF category by Capital magazine

2012 Reader's Digest Trusted Brands Platinum Award in the Provident Fund (MPF) category in Hong Kong by Reader's Digest

2015 – 2017 CAPITAL WEEKLY Service Awards – MPF Category

2013 – 2016 CAPITAL WEEKLY PROchoice Awards – MPF category by Capital Weekly

2013 – 2016 Hong Kong Call Centre Association Awards – The Mystery Caller Assessment Award (Gold Award) by Hong Kong Call Centre Association and Hong Kong Quality Assurance Agency

2013 – 2017 Reader's Digest Trusted Brands Gold Award (in the Provident Fund category in Hong Kong) by Reader's Digest



## Greater investment flexibility

- Unlimited number of fund switching
- No handling charge for fund switching

## Flexible administration service

### Employer

#### Straightforward contribution methods

- Electronic remittance statement via HSBC Business Internet Banking (BIB) MPF Service
- Electronic remittance statement via designated securemail account and submission channel
- HR software with facilities to handle MPF contribution calculation
- File interface arrangement
- Paper-based remittance statement

#### Various voluntary contribution arrangements for employers

- Fixed amount
- Percentage of the relevant income, either by contribution formula or a flat contribution percentage
- Lump sum contributions

### Member

#### HSBC MPF Flexi-Contributions

- Self-arranged contribution instruction totally independent of any employer
- Monthly contributions as low as HKD300 via direct debit
- Lump sum contributions as low as HKD1,000

#### Withdrawal of Flexi-Contributions when in needs

- Up to 12 times per scheme financial period (from 1 July each year to the following 30 June) without any handling charge
- Subject to a minimum withdrawal amount of HKD5,000 each time

- No maximum or minimum investment limit in any constituent funds
- Change of investment allocation can be done via:
  - HSBC Internet Banking
  - HSBC MPF Member Hotline (interactive hotline)
  - Paper forms



## Comprehensive service

### Employer

- HSBC MPF Employer Hotline
- Fund Fact Sheet (quarterly)
- Monthly Fund Performance Summary
- Updates of relevant MPF news
- Providing employers with advice and total planning in employee benefits
- MPF statements
- MPF Guide on scheme features, constituent funds and general MPF information
- Principal Brochure on product features and risks involved

### Member

- HSBC MPF Member Hotline
- Fund Fact Sheet (quarterly)
- Monthly Fund Performance Summary
- Updates of relevant MPF news
- Personal financial and retirement planning review at HSBC designated branches
- MPF Member Benefit Statement
- Enrolment Kit on scheme features and constituent funds choices
- Employee enrolment video
- Principal Brochure on product features and risks involved
- Member's Guide on MPF account management
- Periodic MPF seminars

# Diversified member account management service

Members can manage their MPF accounts through any of the following channels:

	Internet	Hotline	ATM	Statement
	HSBC Internet Banking and HSBC MPF Website at <a href="http://www.hsbc.com.hk/mpf">www.hsbc.com.hk/mpf</a>	HSBC MPF Member Hotline 3128 0128	HSBC's and Hang Seng Bank's ATMs	Consolidated bank statement <sup>1</sup>
<b>Latest contribution</b> (with the amount and fund purchase date)	○	○	○	
<b>Total account balance</b>	○	○	○	○
<b>Account balance by employer or by fund</b>	○	○		○ (by account)
<b>Latest unit prices of funds</b>	○	○		
<b>Fund information</b>	○			
<b>Change of investment allocation</b> (unlimited, with no handling charge)	○	○ <sup>2</sup>		
<b>Changing HSBC Internet Banking password or MPF phone PIN</b>	Changing online password	Changing MPF phone PIN		
<b>Forms</b>	Commonly used forms			

## Enjoy the advantage of integrated financial services

Members can enjoy additional benefits from HSBC's financial services:

- Single logon to HSBC Internet Banking to manage your wealth and MPF account(s) at one glance
- Check your MPF account balance through your monthly consolidated bank statement if you are an HSBC Premier, HSBC Advance or SmartVantage (ie Personal Integrated) customer
- HSBC MPF balances including those accrued benefits derived from your former employment(s) are counted towards your 'Total Relationship Balance'. This makes you easier to meet the relevant 'Total Relationship Balance' and become an HSBC Premier or HSBC Advance customer to enjoy more privileges on financial services

HSBC MPF Employer Hotline **2583 8033**      HSBC MPF Member Hotline **3128 0128**

<sup>1</sup> Applicable to HSBC Premier, HSBC Advance and SmartVantage (ie Personal Integrated) customers.

<sup>2</sup> Only for Portfolio Rebalance and Contribution Redirection.

## Our management fees

The management fees (as a percentage of the net asset value ('NAV') per annum) of the constituent funds under each HSBC MPF scheme is briefly summarised as below for reference only. Please refer to the relevant 'Principal Brochure' for more details of the management fees and other applicable fees, charges and expenses<sup>4</sup> of the constituent funds.

HSBC Mandatory Provident Fund – SuperTrust Plus	
Name of constituent fund	Management fees <sup>5, 6</sup> (As a percentage of NAV per annum)
	Contribution account / Personal account
MPF Conservative Fund <sup>7</sup>	0.75%
Guaranteed Fund <sup>8, 9, 10, 12</sup>	1.275%
Global Bond Fund	0.79%
Stable Fund	1.25%
Balanced Fund	1.35%
Growth Fund	1.45%
Core Accumulation Fund	0.75%
Age 65 Plus Fund	0.75%
North American Equity Fund	1.35%
European Equity Fund	1.35%
Asia Pacific Equity Fund	1.45%
Hang Seng Index Tracking Fund	Up to 0.755%
Hong Kong and Chinese Equity Fund	1.45%
Chinese Equity Fund	1.45%

## HSBC Mandatory Provident Fund – ValueChoice

Name of constituent fund	Management fees <sup>5, 6</sup> (As a percentage of NAV per annum)
	Contribution account / Personal account
MPF Conservative Fund <sup>7</sup>	0.75%
Global Bond Fund	0.79%
ValueChoice Balanced Fund	0.79%
Core Accumulation Fund	0.75%
Age 65 Plus Fund	0.75%
Global Equity Fund	0.79%
ValueChoice US Equity Fund	0.79%
ValueChoice European Equity Fund	0.79%
ValueChoice Asia Pacific Equity Fund	0.79%
Hang Seng Index Tracking Fund	Up to 0.755%
Hang Seng China Enterprises Index Tracking Fund	Up to 0.79%

## Diversified investment options

### Variety designed to suit your needs

At HSBC, we provide two MPF schemes with a range of diversified constituent funds to meet your unique retirement needs. You can choose from a list of constituent funds available under the MPF scheme you have enrolled.





## HSBC Mandatory Provident Fund – SuperTrust Plus

HSBC Mandatory Provident Fund – SuperTrust Plus provides a variety of constituent funds ranging from conservative to aggressive investments, particularly with equity funds investing in specific market(s) and index-tracking collective investment schemes (ITCIS).

Name of constituent fund	Typical asset allocation <sup>13</sup>			Fund descriptor
	Equities	Bonds	Cash	
<b>Money market fund</b>				
<b>MPF Conservative Fund</b> <sup>7</sup>	–	100%		Money market fund – Hong Kong
<b>Guaranteed fund</b>				
<b>Guaranteed Fund</b> <sup>8, 10</sup>	0-50%	20-100%	0-80%	Guaranteed fund – The higher of the Guarantee Balance or the Actual Balance (the value of units held in the Guaranteed Fund) will be paid under the Guarantee Conditions <sup>9</sup>
<b>Bond fund</b>				
<b>Global Bond Fund</b>	–	70-100%	0-30%	Bond fund – Global markets
<b>Mixed assets fund</b>				
<b>Stable Fund</b>	15-45%	55-85%		Mixed assets fund (Global) – Maximum equity around 45%
<b>Balanced Fund</b>	55-85%	15-45%		Mixed assets fund (Global) – Maximum equity around 85%
<b>Growth Fund</b>	70-100%	0-30%		Mixed assets fund (Global) – Maximum equity around 100%
<b>Core Accumulation Fund</b>	55-65%	35-45%		Mixed assets fund (Global) – Maximum equity around 65%
<b>Age 65 Plus Fund</b>	15-25%	75-85%		Mixed assets fund (Global) – Maximum equity around 25%
<b>Equity fund</b>				
<b>North American Equity Fund</b>	70-100%	0-30%		Equity fund – North America
<b>European Equity Fund</b>	70-100%	0-30%		Equity fund – United Kingdom and other continental European countries
<b>Asia Pacific Equity Fund</b>	70-100%	0-30%		Equity fund – Asia Pacific, excluding Japan
<b>Hang Seng Index Tracking Fund</b> <sup>14</sup>	100%	–		Equity fund – Hong Kong
<b>Hong Kong and Chinese Equity Fund</b>	70-100%	0-30%		Equity fund – Hong Kong and China
<b>Chinese Equity Fund</b>	70-100%	0-30%		Equity fund – China

## HSBC Mandatory Provident Fund – ValueChoice



HSBC Mandatory Provident Fund – ValueChoice provides a variety of constituent funds ranging from conservative to more aggressive investments including equity funds in specific market(s) and more choices of ITCIS.

Name of constituent fund	Typical asset allocation <sup>13</sup>			Fund descriptor
	Equities	Bonds	Cash	
<b>Money market fund</b>				
<b>MPF Conservative Fund</b> <sup>7</sup>	–	100%		Money market fund – Hong Kong
<b>Bond fund</b>				
<b>Global Bond Fund</b>	–	70-100%	0-30%	Bond fund – Global markets
<b>Mixed assets fund</b>				
<b>ValueChoice Balanced Fund</b>	55-85%	15-45%		Mixed assets fund (Global) – Maximum equity around 85%
<b>Core Accumulation Fund</b>	55-65%	35-45%		Mixed assets fund (Global) – Maximum equity around 65%
<b>Age 65 Plus Fund</b>	15-25%	75-85%		Mixed assets fund (Global) – Maximum equity around 25%
<b>Equity fund</b>				
<b>Global Equity Fund</b>	70-100%	0-30%		Equity fund – Global markets
<b>ValueChoice US Equity Fund</b>	70-100%	0-30%		Equity fund – United States
<b>ValueChoice European Equity Fund</b>	70-100%	0-30%		Equity fund – European countries
<b>ValueChoice Asia Pacific Equity Fund</b>	70-100%	0-30%		Equity fund – Asia Pacific, excluding Japan
<b>Hang Seng Index Tracking Fund</b> <sup>14</sup>	100%	–		Equity fund – Hong Kong
<b>Hang Seng China Enterprises Index Tracking Fund</b> <sup>15</sup>	100%	–		Equity fund – China

## Default Investment Strategy

The Default Investment Strategy ('DIS') is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make an investment 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 contributions and accrued benefits transferred from another registered scheme will be invested in accordance with the DIS.

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the Core Accumulation Fund and the Age 65 Plus Fund, according to the pre-set allocation percentages at different ages. 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.

For further details of the DIS, please refer to the relevant 'Principal Brochure'.

- <sup>4</sup> Other applicable fees, charges and expenses include but not limited to joining fee, annual fee, contribution charge, offer spread, bid spread, withdrawal charge and other expenses. For further details, please refer to the relevant 'Principal Brochure'.
- <sup>5</sup> 'Management fees' includes fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor of the scheme for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value (NAV) of a fund. In the case of the Core Accumulation Fund and the Age 65 Plus Fund, management fees payable to the parties named above (excluding the custodian), or their delegates, can only (subject to certain exceptions in the MPF Ordinance) be charged as a percentage of the NAV of the fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the NAV of the fund which applies across both the fund and underlying approved pooled investment fund(s) and ITCIS(s). The management fees of all constituent funds are deducted from the asset of the fund.
- <sup>6</sup> A preferential rate on the management fee is credited on monthly basis. The discount on the management fees will be refunded as 'special bonus' in the form of fund units allocation to the members' accounts each month and credited into employer's sub-accounts (if applicable) and member's sub-accounts (if applicable). The 'special bonus' forms part of the account balance and is subject to relevant fees and charges applicable to HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice. If a member terminates his/her account or transfers all assets out before the units allocation of that month, no 'special bonus' unit rebate will be granted for that month. The Trustee may offer other rebate/incentive arrangement to certain participating employers and/or members.
- <sup>7</sup> Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The MPF Conservative Fund of HSBC MPF schemes uses method (i) and, therefore, its unit prices, net asset value (NAV) and fund performance quoted have reflected the impact of fees and charges.
- <sup>8</sup> The Guaranteed Fund under HSBC Mandatory Provident Fund – SuperTrust Plus invests solely in an approved pooled investment fund in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited. The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for full details of the guarantee features and Guarantee Conditions, including the guarantee features in the context of payment of benefits in instalments.
- <sup>9</sup> Guarantee conditions:
  - > Withdrawal of mandatory and/or voluntary balances on:
    - Termination of employment<sup>11</sup>
    - Reaching retirement age or normal retirement date
    - Reaching early retirement date
    - Total incapacity
    - Terminal illness
    - Death
    - Permanent departure from the Hong Kong SAR
    - Making a claim on small balance under section 162(1)(c) of the Mandatory Provident Fund Schemes (General) Regulation ('General Regulation')
  - > Transfer of balances to a recipient scheme on termination of employment<sup>11</sup>
- <sup>10</sup> The account balance of a member in the Guaranteed Fund will be crystallised (the 'Crystallised Amount') on 31 December in the year in which the member reaches age 65. The Crystallised Amount will be the greater of the Actual Balance and the Guaranteed Balance to which he/she would be entitled had he/she withdrawn the benefits from the Guaranteed Fund on 31 December in that year on the ground of reaching retirement age or normal retirement date, as calculated in accordance with the provisions under the 'Principal Brochure' (the '31 December Amount'). However, where the 31 December Amount is less than the amount of benefits as at the member's 65th birthday calculated in accordance with the provisions of the 'Principal Brochure' (the '65th Birthday Amount'), the 65th Birthday Amount will be deemed to be the Crystallised Amount. Where the member switches or withdraws part of his/her investment out of the Guaranteed Fund

between his/her 65th birthday and 31 December in that year, the Crystallised Amount will be the higher of the 31 December Amount and the pro-rated 65th Birthday Amount calculated in the following manner:

$(X/Y) \times Z$

where:

X: the number of Guaranteed Units as at 31 December in the Relevant Year

Y: the number of Guaranteed Units as at 65th birthday of the member

Z: the greater of the Guaranteed Balance and the Actual Balance as at 65th birthday of the member.

The Crystallised Amount will then become the Actual Balance from 1 January in the following year. No further Guarantee will apply to the Crystallised Amount, any new contributions or transfer-in assets that are to invest in the Guaranteed Fund thereafter (the 'Relevant Amount'). However, while all fees and charges including the guarantee charge will continue to apply to the Relevant Amount, the guarantee charge will be rebated to the member on a monthly basis in arrears, calculated by using the daily net asset value in that month. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for full details.

- <sup>11</sup> This condition does not apply to balances in personal account (as defined in the General Regulation) invested in the Guaranteed Fund. However, the other Guarantee Conditions will still be applicable to the accrued benefits held in the personal account.
- <sup>12</sup> The percentage does not include the guarantee charge of 0.75% per annum of NAV.
- <sup>13</sup> Typical asset allocation is an indicative reference only and the long-term allocation of the fund may change depending on market conditions.
- <sup>14</sup> The approved ITCIS directly or indirectly held by the Hang Seng Index Tracking Fund may gain exposure to the Hang Seng Index or its constituent stocks as allowed under the applicable laws and regulations.
- <sup>15</sup> The approved ITCIS directly or indirectly held by the Hang Seng China Enterprises Index Tracking Fund may gain exposure to the Hang Seng China Enterprises Index or its constituent stocks as allowed under the applicable laws and regulations.

## Notes

- It is important that you read this publication in conjunction with the accompanying 'Principal Brochure' which contains more detailed information about HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice including information on the fund structure, risk involved, fee table and of our ability to alter these fees and charges in the future.
- Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant 'Principal Brochure'.
- The information contained in this publication is for reference only and the provisions of the Mandatory Provident Fund Schemes Ordinance, other applicable legislation/regulations and guidelines or announcements published by the Mandatory Provident Fund Schemes Authority shall prevail.
- Additional voluntary contributions and Flexi-Contributions are accepted at the discretion of the Trustee. The Trustee reserves the absolute right not to accept any additional voluntary contributions and Flexi-Contributions at any time.
- If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.
- HSBC Provident Fund Trustee (Hong Kong) Limited accepts responsibility for the accuracy of the information contained in this publication only at the date of publication.