



Notice to Participating Employers, Employee Members, Self-employed Members, TVC Account Holders and Deferred Members of the HSBC Mandatory Provident Fund – SuperTrust Plus (each, the ‘Scheme Participant’, and collectively, the ‘Scheme Participants’)

July 2021

Important: If you are in any doubt about the contents of this notice, you should seek independent professional advice. This document contains information regarding changes to the MPF Scheme Brochure dated March 2020 and requires your immediate attention.

HSBC Mandatory Provident Fund – SuperTrust Plus

Various changes are being made to the HSBC Mandatory Provident Fund – SuperTrust Plus (‘**HSBC SuperTrust Plus**’) and are outlined in the box below.

Terms not defined in this notice have the same meanings as in the MPF Scheme Brochure of the HSBC SuperTrust Plus.

This box summarises the key changes to the HSBC SuperTrust Plus, which are elaborated in the main body of this notice:

KEY CHANGES

Overview

The following changes (collectively, the ‘Changes’) will be made to the HSBC SuperTrust Plus from the respective Effective Dates detailed in section 1.2 below:

(a) restructure the following three Constituent Funds (each, a ‘CF’), namely:

- the ValueChoice Asia Pacific Equity Fund
- the ValueChoice US Equity Fund
- the ValueChoice European Equity Fund

(each a ‘VC Equity Fund’, and collectively, the ‘VC Equity Funds’) as index-tracking funds such that the VC Equity Funds will each be investing directly and solely in a corresponding index-tracking approved pooled investment fund (‘APIF’) (the ‘VC Equity Fund Restructuring’). See section 2 below for further detail of the VC Equity Fund Restructuring.

(b) restructure the underlying investments of the ValueChoice Balanced Fund such that the APIF it solely invests in, i.e. the HSBC MPF ‘A’ – VC Balanced Fund, will primarily invest in two or more index-tracking collective investment scheme(s) (‘ITCIS(s)’) and/or index-tracking APIF(s) (the ‘VC Balanced Fund Change’). See section 3 below for further detail of the VC Balanced Fund Change.

(c) de-layer and simplify the investment structure of the following equity CFs, namely:

- the VC Equity Funds
- the Global Equity Fund
- the North American Equity Fund
- the European Equity Fund
- the Asia Pacific Equity Fund
- the Hong Kong and Chinese Equity Fund
- the Chinese Equity Fund

(each, an ‘Equity Fund’ and collectively, the ‘Equity Funds’) such that the Equity Funds will each be investing directly and solely into a corresponding APIF, which each such Equity Fund is currently investing indirectly through an APIF at an upper level (the ‘De-layering’). See section 4 below for further detail of the De-layering.

- (d) change the names of the affected CFs in response to the VC Equity Fund Restructuring or the VC Balanced Fund Change (the 'Name Change') as detailed in section 1.1 below.

Impacts

- (e) The De-layering, in itself, will not cause material changes to the investment policies of the Equity Funds. The investment objectives of the Equity Funds will not be affected by the De-layering in itself.
- (f) However, the investment objectives and balances of investments of the VC Equity Funds and the ValueChoice Balanced Fund will be changed after the VC Equity Fund Restructuring and the VC Balanced Fund Change respectively. Please refer to Appendix 1 for details of the changes to the VC Equity Funds and the ValueChoice Balanced Fund.
- (g) Following the VC Equity Fund Restructuring and the VC Balanced Fund Change, the HSBC SuperTrust Plus will consist of a more comprehensive offering of CFs, with a suite of funds that are index-tracking or otherwise primarily investing in passively managed funds as building blocks. This can facilitate the Scheme Participants to better differentiate the VC Equity Funds and the ValueChoice Balanced Fund from other CFs on our MPF platform to make the investment choices meeting their own investment styles, risk tolerance levels and personal circumstances.
- (h) In addition, we consider that the De-layering can simplify the investment structure for each of the Equity Funds, thereby enhancing investment, administrative and operational efficiency.
- (i) We therefore confirm that the Changes will not have any adverse impact on the HSBC SuperTrust Plus or the interests of the Scheme Participants. We also confirm that the Changes will be in the interests of the Scheme Participants and the interests of the Scheme Participants will be adequately protected and will not be prejudiced by the Changes.
- (j) Costs associated with Changes will be borne by the Trustee and the Sponsor, to be agreed between themselves and not be borne by HSBC SuperTrust Plus or Scheme Participants.

Actions required of Scheme Participants

- (k) No action is required of the Scheme Participants to effect the Changes.
- (l) A Scheme Participant who does not wish to be affected by the Changes may exit the respective affected CF(s) or transfer out of the HSBC SuperTrust Plus to another Registered Scheme in such manner and within such timeframe as set out in section 8 below.
- (m) If an affected Scheme Participant does not take any action and, in respect of an affected Scheme Participant who is an Employee Member, the Participating Employer also does not elect to transfer out of the HSBC SuperTrust Plus, then the Scheme Participant's account balance invested in the relevant affected CF(s) and/or new contributions and/or accrued benefits transferred from another Registered Scheme (as the case may be) will continue to invest in the relevant affected CF(s).
- (n) No fees, penalties, bid/offer spread or other transaction costs will be charged or imposed on any switching between CFs or transfer out of the HSBC SuperTrust Plus.

FEE RE-ALIGNMENT

- (o) Separately, the management fee rate of the CFs will be re-aligned, while the total management fee rate to each CF remain unchanged with no impact on the Scheme Participants. See further details in section 9 below.

If you have any questions in relation to the Changes set out in this notice, please contact the HSBC MPF Employer Hotline +852 2583 8033 or HSBC MPF Member Hotline +852 3128 0128.

1. Overview

1.1. We have conducted a review of our MPF platform's offering of CFs with a view to enhancing the comparability between the actively and passively managed CFs. In furtherance of this endeavour, we have decided to implement the following Changes:

- (i) VC Equity Fund Restructuring: restructure the VC Equity Funds into index-tracking funds such that the VC Equity Funds will each be investing directly and solely in a corresponding index-tracking APIF
- (ii) VC Balanced Fund Change: restructure the underlying investments of the ValueChoice Balanced Fund such that the APIF it solely invests in, i.e. the HSBC MPF 'A' – VC Balanced Fund, will primarily invest in two or more ITCIS(s) and/or index-tracking APIF(s)
- (iii) De-layering: de-layer and simplify the investment structure of the Equity Funds such that the Equity Funds will each invest directly and solely into a corresponding APIF
- (iv) Name Change: change the names of the following affected CFs in response to the VC Equity Fund Restructuring or the VC Balanced Fund Change as set out below:

Affected CFs	
Existing name	New name
ValueChoice Asia Pacific Equity Fund	ValueChoice Asia Pacific Equity Tracker Fund
ValueChoice US Equity Fund	ValueChoice North America Equity Tracker Fund
ValueChoice European Equity Fund	ValueChoice Europe Equity Tracker Fund
ValueChoice Balanced Fund	ValueChoice Balanced Fund Note: There is no change to the English name but the Chinese name will be changed

1.2. To smoothen the transition for the purposes as set out in section 5.2 below, the Changes will take place in tranches in the manner as follows:

Affected CFs	Effective Dates
De-layering: <ul style="list-style-type: none"> • Equity Funds excluding the VC Equity Funds 	5 November 2021
VC Equity Fund Restructuring (together with the Name Change and the De-layering of the VC Equity Funds): <ul style="list-style-type: none"> • ValueChoice Asia Pacific Equity Fund • ValueChoice US Equity Fund • ValueChoice European Equity Fund 	12 November 2021 19 November 2021 26 November 2021
VC Balanced Fund Change (together with the Name Change of the ValueChoice Balanced Fund): <ul style="list-style-type: none"> • ValueChoice Balanced Fund 	3 December 2021

Each reference to 'Effective Dates' means the Effective Date in respect of the relevant affected CF(s). Details of this arrangement are set out in section 5 below.

2. VC Equity Fund Restructuring

- 2.1. Under our MPF platform, there currently exist offering of CFs with investment objectives and policies similar to the VC Equity Funds (collectively, the '**Comparable CFs**'). The table below sets out the VC Equity Funds and the corresponding Comparable CFs. While the ValueChoice US Equity Fund and ValueChoice European Equity Fund have a preference towards ITCISs and the ValueChoice Asia Pacific Equity Fund invests in a feeder fund APIF, each Comparable CF is actively managed and invests in an APIF that is a portfolio management fund. Despite these differences, there is a certain degree of similarities and overlaps in the investment objectives and policies.

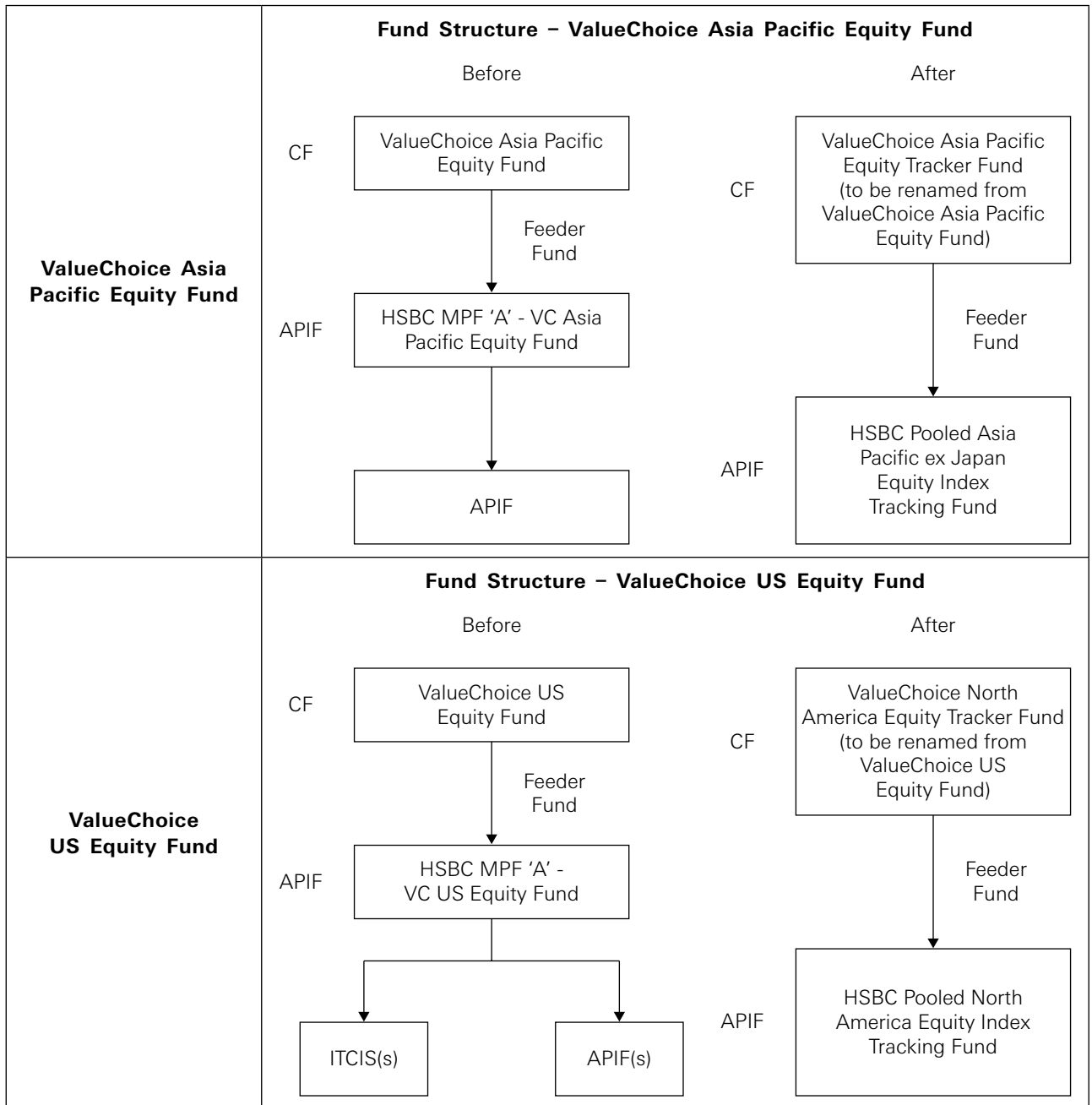
VC Equity Funds	Comparable CFs
ValueChoice Asia Pacific Equity Fund	Asia Pacific Equity Fund
ValueChoice US Equity Fund	North American Equity Fund
ValueChoice European Equity Fund	European Equity Fund

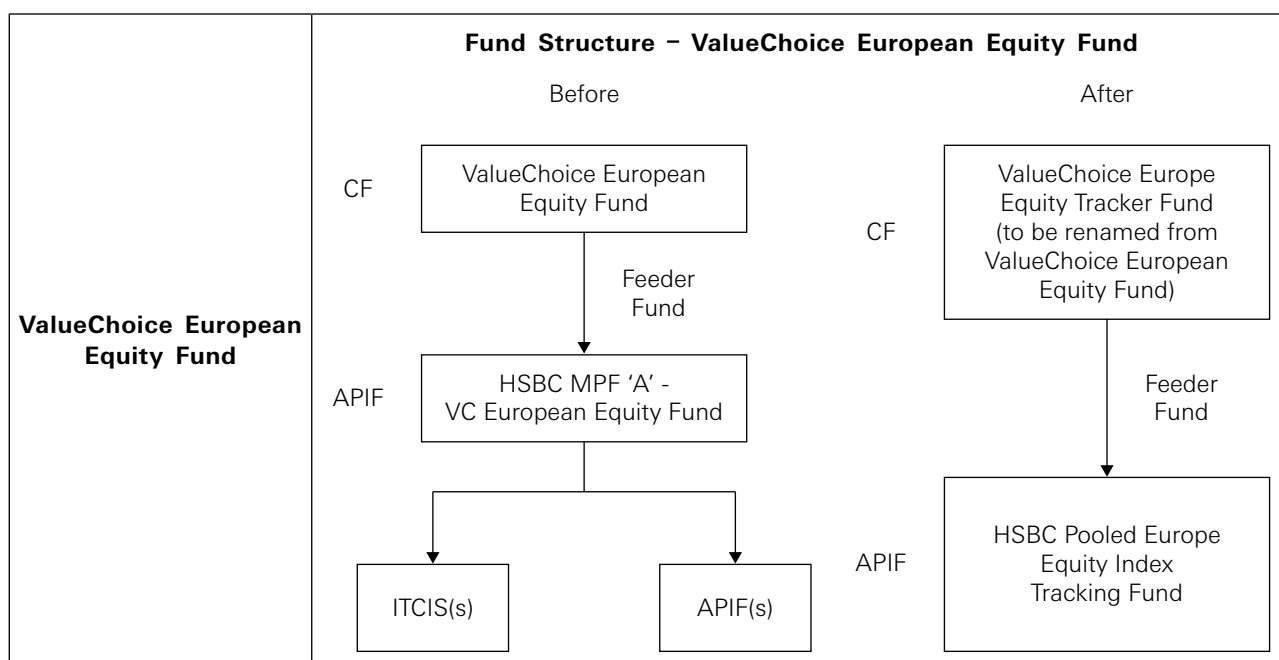
- 2.2. After the VC Equity Fund Restructuring, each VC Equity Fund will be restructured as an index-tracking fund, investing directly and solely in the respective corresponding APIF as follows:

VC Equity Funds with the Name Change	Corresponding APIFs
ValueChoice Asia Pacific Equity Tracker Fund (currently named ValueChoice Asia Pacific Equity Fund)	HSBC Pooled Asia Pacific ex Japan Equity Index Tracking Fund (restructured from an existing APIF)
ValueChoice North America Equity Tracker Fund (currently named ValueChoice US Equity Fund)	HSBC Pooled North America Equity Index Tracking Fund (to be launched on 19 November 2021)
ValueChoice Europe Equity Tracker Fund (currently named ValueChoice European Equity Fund)	HSBC Pooled Europe Equity Index Tracking Fund (to be launched on 26 November 2021)

- 2.3. The VC Equity Fund Restructuring will provide our MPF platform with a suite of funds that are index-tracking funds and actively managed funds, investing in the same markets. This can facilitate the Scheme Participants to better differentiate the VC Equity Funds from the Comparable CFs to make the investment choices meeting their own investment styles, risk tolerance levels and personal circumstances.

2.4. Details of the proposed key changes to the investment objective and policy of each VC Equity Fund are set out in **Appendix 1**. The investment structure for each VC Equity Fund, immediately before and after the VC Equity Fund Restructuring, is set out below:

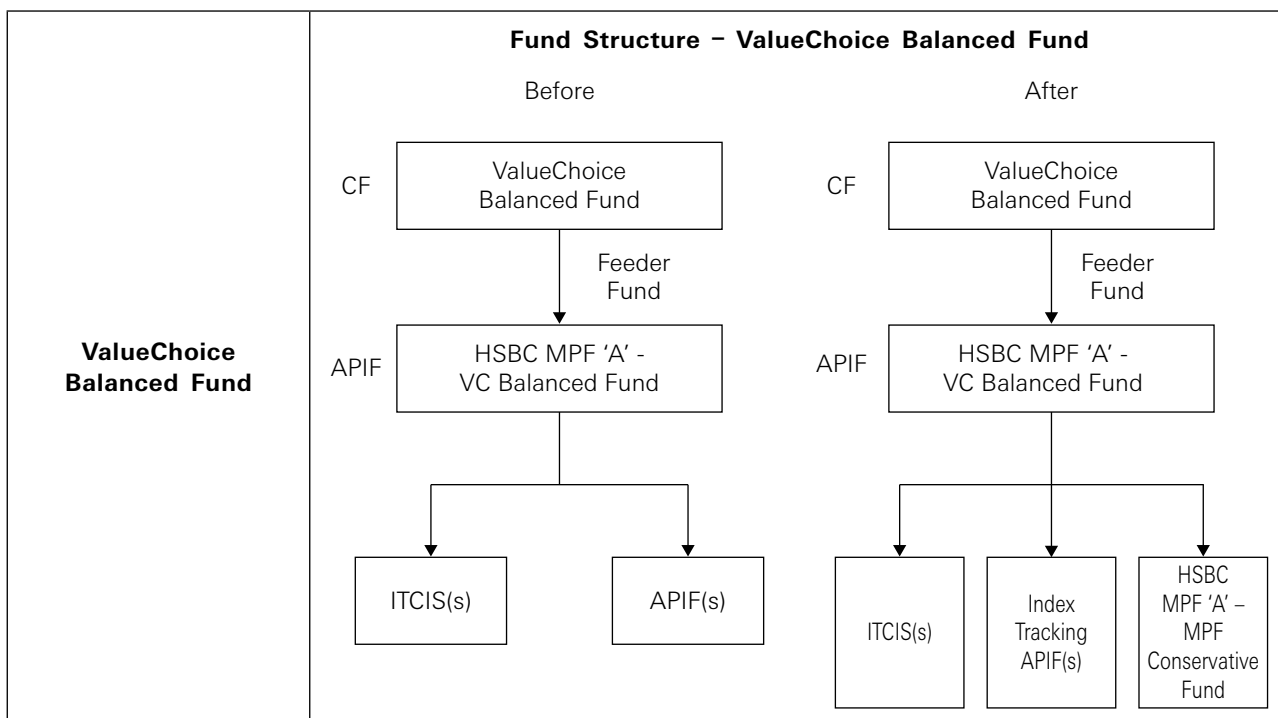




- 2.5. After the VC Equity Fund Restructuring, the VC Equity Funds will, through investment in the corresponding APIFs, invest primarily in securities included in a corresponding FTSE MPF Index using physical replication strategy, to achieve their investment objectives after the VC Equity Fund Restructuring, i.e. to match as closely as practicable the performance of the respective FTSE MPF Indices. The investments of the corresponding APIFs may hold securities that are not included in the corresponding FTSE MPF Indices, to the extent permitted by the General Regulation. Each VC Equity Fund, as an index-tracking fund, will be subject to specific risks on tracking the respective FTSE MPF Index, including the risk that changes in the NAV of the VC Equity Fund are unlikely to fully replicate changes in the corresponding FTSE MPF Index due to, among other things, the fees and expenses payable by the relevant VC Equity Fund, transaction fees and stamp duty incurred in adjusting the composition of the investment portfolio because of changes in the relevant FTSE MPF Index.
- 2.6. Each FTSE MPF Index demonstrates a good representation of its corresponding underlying market with over 80% of market capitalization coverage in general, and is well diversified with 500+ constituents. The FTSE MPF Index Series is based on the FTSE All-World Index Series, a well-established index series. Further information related to the FTSE MPF Index Series can be found on the FTSE Russell website www.ftserussell.com.
- 2.7. In addition, the FTSE MPF Index Series, collectively, is designed to be used as the performance benchmarks for the Hong Kong MPF industry. Securities listing on stock exchanges that are not approved by the MPFA have been excluded from the construction of the indices. Currently, the FTSE MPF Index Series has been adopted to be the industry benchmarks, tracking FTSE MPF Indices to ensure a higher correlation of fund performance versus the MPF industry; thus facilitating better peer comparisons.

3. VC Balanced Fund Change

- 3.1. After the VC Balanced Fund Change, the building blocks of the ValueChoice Balanced Fund will be restructured such that the APIF it solely invests in, i.e. the HSBC MPF 'A' – VC Balanced Fund, will primarily invest in two or more ITCIS(s) and/or index-tracking APIF(s). In addition, after the VC Balance Fund Change, the ValueChoice Balanced Fund’s investment objective will be changed from achieving medium-to-high capital growth with medium volatility to long term capital growth, and its investment allocation to equities and equities-related investments will change from 55%-85% to 60-80%.
- 3.2. The VC Balanced Fund Change will result in a set of a fund utilising primarily passively managed funds as building blocks, i.e. the ValueChoice Balanced Fund, and an actively managed fund, i.e. the Balanced Fund, another CF available under the Scheme, for the Scheme Participants to better differentiate and to make the investment choices meeting their own investment styles, risk tolerance levels and personal circumstances.
- 3.3. Details of the proposed key changes to the investment objective and policy of the ValueChoice Balanced Fund are set out in **Appendix 1**. The investment structure of the ValueChoice Balanced Fund, immediately before and after the VC Balanced Fund Change, is set out below:

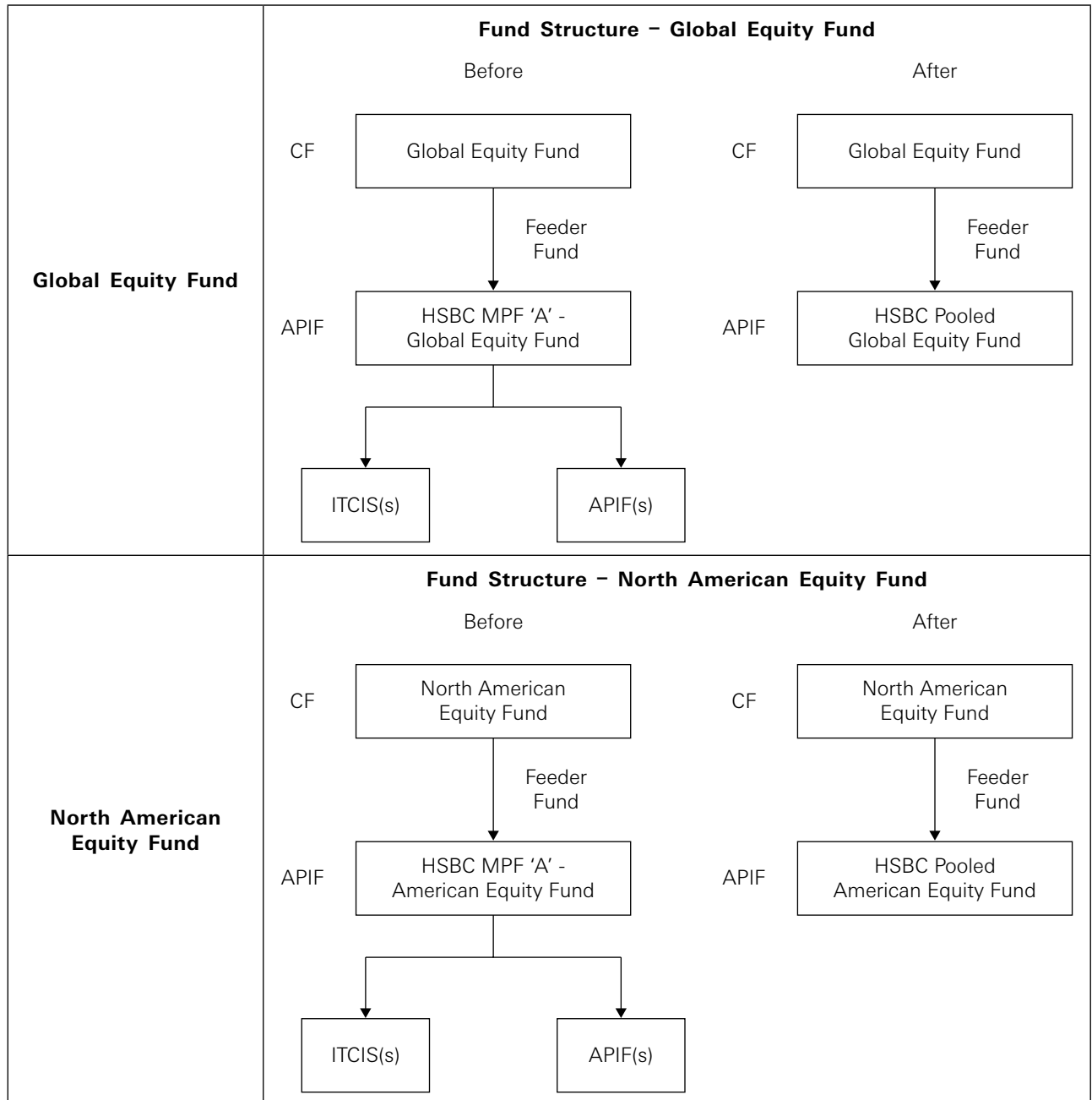


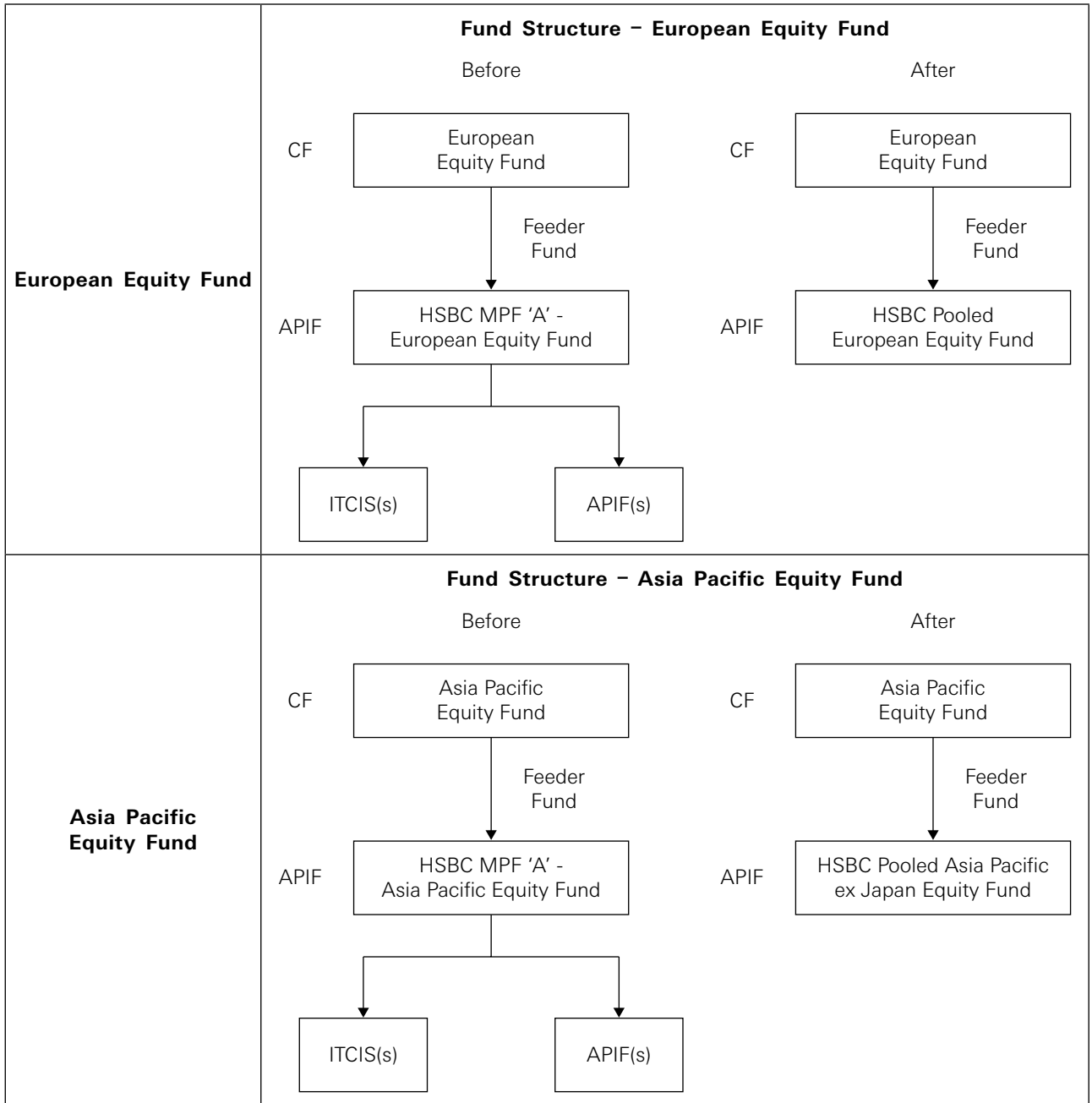
4. De-layering of the investment structure of the Equity Funds

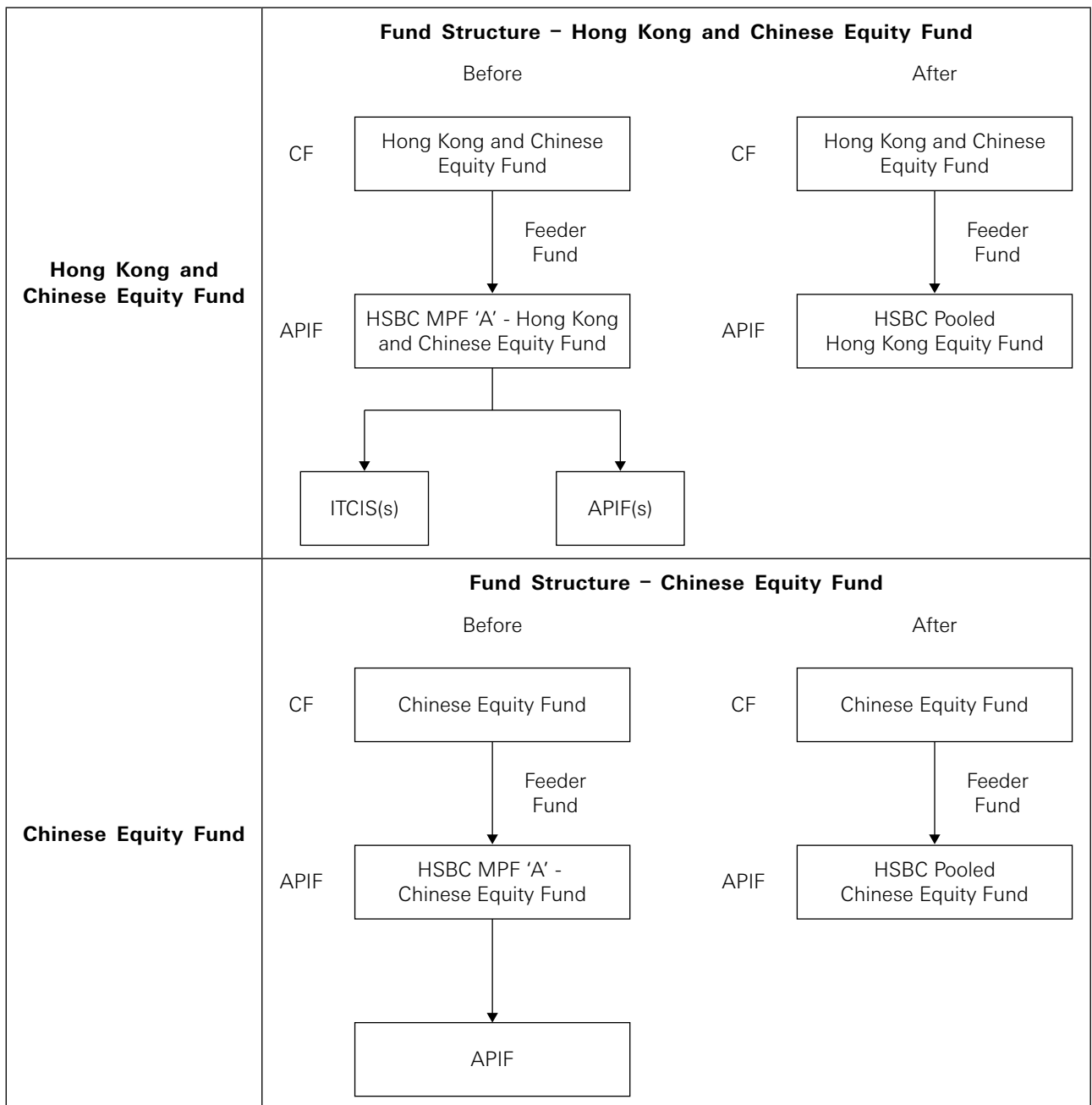
- 4.1. Currently, each Equity Fund invests in an APIF, which in turn invests in one or more underlying APIF(s) and/or ITCIS(s). To simplify the investment structure, after the De-layering, each Equity Fund will invest directly and solely in one corresponding APIF.

4.2. The De-layering, in itself, will not cause material change to the investment policies of the Equity Funds. The investment objectives of the Equity Funds will not be affected by the De-layering in itself. For the structure of the VC Equity Funds immediately before and after the De-layering, please refer to the diagrams in section 2.4 above. As for the structure of the Equity Funds other than the VC Equity Funds, immediately before and after the De-layering, it is set out below:

Note: For the changes to the investment objectives and balances of investments of the VC Equity Funds after the VC Equity Fund Restructuring, please refer to **Appendix 1**.







4.3. The De-layering will not apply to the other mixed asset funds or global bond funds on our MPF platform. Unlike the Equity Funds, the mixed asset funds and global bond funds require investments into multiple building blocks for efficient asset allocation.

5. Effective Dates of the Changes

- 5.1. The Changes will be implemented in tranches on the Effective Dates specified in section 1.2 above.
- 5.2. We have decided to have staggered implementation because the volume of transactions to be processed for the Changes, whether from an investment perspective (i.e. transacting in the underlying markets for the buy and sell of the relevant securities) or from an operational perspective (i.e. the trade processing and settlement of the buy and sell transactions), will be substantial if the transactions are to take place on the same day. This will impose resources constraints and the increase the transaction volume to exceptionally high level.
- 5.3. The staggered implementation timeline will reduce the potential risk of operational errors as a result the complexity of the Changes and a knock-on impact to the value chain among the affected CFs during the valuation process.

6. Implementation of the Changes

- 6.1. No suspension of dealings will be required for the Changes.

Equity Funds

- 6.2. The details of the process for implementation of the Changes with regard to the Equity Funds are as follows:

T (Effective Date)	Step 1	We, as the trustee of the HSBC SuperTrust Plus, to place redemption orders to redeem all holdings of each Equity Fund in the respective existing APIFs and ITCISs.
	Step 2	We, as the trustee of the HSBC SuperTrust Plus, subsequently to place subscription orders for units of the relevant APIFs (as illustrated in sections 2.4 and 4.2 above)

- 6.3. The process will involve, in respect of each Equity Fund, full redemption of the units held in the existing APIFs and ITCISs, and application of all redemption proceeds to subscribe into the respective APIFs. After the De-layering, the Equity Funds will each invest directly and solely in the corresponding APIF without first investing in an extra layer of APIFs. For the fund structure immediately before and after the De-layering, please refer to the diagrams in sections 2.4 and 4.2 above.

ValueChoice Balanced Fund

- 6.4. The transfer arrangement described in section 6.2 above will not apply to the ValueChoice Balanced Fund. Although the ValueChoice Balanced Fund will continue to invest in the same APIF at the upper level, i.e. HSBC MPF 'A' – VC Balanced Fund, the underlying investments in which HSBC MPF 'A' – VC Balanced Fund and therefore the ValueChoice Balanced Fund will be restructured to effect the changes to the investment objective and policy of the ValueChoice Balanced Fund.
- 6.5. We confirm that proper arrangements will be in place to ensure that there will be smooth transition for the VC Equity Fund Restructuring of the VC Equity Funds and the De-layering of the Equity Funds, as well as for the restructuring of the underlying investments of the ValueChoice Balanced Fund. We also confirm that we have sufficient resources and capability to effect the Changes such that the Scheme Participants' interests will be adequately protected.

Rebalancing going forward

- 6.6. As a result of the VC Equity Fund Restructuring and the ValueChoice Balanced Fund Change, the investments of the underlying APIF(s) and/or ITCIS(s) of the VC Equity Fund and the ValueChoice Balanced Fund will need to be rebalanced in line with their new investment objectives. Such rebalancing may potentially result in the underlying APIF(s) and/or ITCIS(s) incurring higher transaction costs than before the respective Effective Dates.

7. Impacts of the Changes on the HSBC SuperTrust Plus and Scheme Participants

- 7.1. We consider that it is in the Scheme Participants' interests to convert the VC Equity Funds and the ValueChoice Balanced Fund to a suite of funds that are index-tracking or otherwise primarily investing in passively managed funds as building blocks. After the VC Equity Fund Restructuring and the VC Balanced Fund Change, the VC Equity Funds and the ValueChoice Balanced Fund, investing in the same market as the Comparable CFs and the Balanced Fund respectively, complement the fund offering on our MPF platform. This, together with the De-layering, would enable all Equity Funds to have the same investment structure and provide a like-to-like comparison between the active and passive investment solutions in the HSBC SuperTrust Plus.
- 7.2. Following the Changes, the HSBC SuperTrust Plus will consist of the CFs covering all the fund types inclusive of money market fund, bond fund, mixed asset fund, guaranteed fund and equity fund, whilst both actively managed and passive/index-tracking equity funds will also be offered for the major geographical regions inclusive of Hong Kong, mainland China, Asia, Europe and North America.
- 7.3. The De-layering will not only simplify the investment structure, it will help enhance the operational and investment efficiency in managing the Equity Funds.
- 7.4. The Changes will not give rise to any increase to the management fees of the affected CFs. The management fees of the affected CFs will remain the same.

8. Actions required of Scheme Participants in response to the Changes

- 8.1. No action is required of the Scheme Participants to effect the Changes. In addition, with the advantages the Changes may bring (as described in section 7 above), we would hope the Scheme Participants will stay and benefit from them. That said, if a Scheme Participant for whatever reason does not want to be affected by the Changes, please see below.
- 8.2. A Scheme Participant may submit valid instructions to the Administrator to amend investment options via the designated service channels, e.g. paper form, Personal Internet Banking, HSBC HK Mobile Banking app or Interactive Voice Response System ('IVRS') before the respective cut-off schedules (as described in section 8.5 below) to switch out the account balance from the respective affected CF(s) and/or change the existing investment options so that the new contributions and accrued benefits transferred from another Registered Scheme will not be invested in such affected CF(s). Scheme Participants should take note of the different cut-off times may apply to valid instructions received through different service channels.
- 8.3. A Scheme Participant that is a Self-employed Member, TVC Account Holder or Deferred Member and who does not wish to be affected by the Changes may transfer out of the HSBC SuperTrust Plus to another Registered Scheme by completing and submitting valid transfer form to the Administrator before the respective cut-off schedules (as described in section 8.5 below).
- 8.4. However, an Employee Member will not be entitled to transfer out of the HSBC SuperTrust Plus unless the Participating Employer elects to do so. Alternatively, an Employee Member may transfer the accrued benefits derived from employee mandatory contributions under the current employment to another Registered Scheme of their choice once every year under the employee choice arrangement.

8.5. Cut-off schedules for dealing instruction

Instruction	Designated service channels	Received on or before
Portfolio rebalance ^{1/} asset switch of existing balance ^{2/} contribution redirection ³	Via Personal Internet Banking, HSBC HK Mobile Banking app or IVRS*	By 4pm one working day prior the respective Effective Date(s)
	Via paper form	Five working days prior the respective Effective Date(s)
Redemption	Via paper form	15 working days prior the respective Effective Date(s)
Transfer out	Via paper form [^]	15 working days prior the respective Effective Date(s)

¹ Change the investment allocation of existing investments, new contributions and transfer-in benefits.

² Change the investment allocation of existing investments only.

³ Change the investment allocation of the new contributions and transfer-in benefits.

* Asset switch of existing balance instruction cannot be processed via IVRS.

[^] Any valid transfer instruction must be received through the transferee trustee and the instruction must be accompanied by a transfer form completed by all relevant parties, including the transferee trustee.

The diagrams in **Appendix 2** illustrate the cut-off arrangements with respect to each Effective Date.

- 8.6. No fees, penalty, bid/offer spread or other transaction costs will be charged or imposed on any switching between CFs or transfer out of the HSBC SuperTrust Plus.
- 8.7. If an affected Scheme Participant does not take any action and, in respect of an affected Scheme Participant who is an Employee Member, the Participating Employer also does not elect to transfer out of the HSBC SuperTrust Plus, then the Scheme Participant's account balance invested in the relevant affected CF(s) and/or new contributions and/or accrued benefits transferred from another Registered Scheme (as the case may be) will continue to invest in the relevant affected CF(s).

9. Fee re-alignment

- 9.1. The Trustee, the Sponsor and the other key operators of the HSBC SuperTrust Plus regularly review their service offering and resources to ensure quality service. They recently conducted a review of the fee breakdown arrangement. In view of the new regulatory developments and initiatives and the introduction of the statutory Annual Registration Fee effective 1 October 2020, the key operators decided to adjust the fee breakdown among the key operators with effect from 1 July 2021. The adjustment would help the key operators to have sufficient resources to fulfill their obligations in the ever-evolving economic and regulatory environment.
- 9.2. While the proportion of management fees payable to the key operators will be adjusted, the total amount of management fees payable by you, in terms of the percentage of the NAV of the relevant CF or its underlying APIF(s) and/or ITCIS(s), remains unchanged with no impact on the Scheme Participants. Please refer to the First Supplement to the MPF Scheme Brochure of the HSBC SuperTrust Plus for details of the adjustment.

The First Supplement to the MPF Scheme Brochure of the HSBC SuperTrust Plus will be issued in July 2021 to reflect the Changes, and the associated consequential changes, as well as certain disclosure enhancement in relation to the existing rebate arrangement of the underlying ITCIS of the Hang Seng China Enterprises Index Tracking Fund and certain cosmetic changes including updates to clarify geographical references. You may refer to the First Supplement for further details of the Changes. The MPF Scheme Brochure and its First Supplement will be available on HSBC MPF website at www.hsbc.com.hk/mpf or you may request copies of them by contacting the HSBC MPF Employer Hotline +852 2583 8033 or HSBC MPF Member Hotline +852 3128 0128.

For further information, please feel free to contact the above HSBC MPF Employer Hotline or HSBC MPF Member Hotline.

Issued by The Hongkong and Shanghai Banking Corporation Limited and HSBC Provident Fund Trustee (Hong Kong) Limited

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

Appendix 1

Details of the Changes to the VC Equity Funds and the ValueChoice Balanced Fund

Note: Additions are underlined, and deletions are ~~struck through~~

Affected CFs	Description	
ValueChoice Asia Pacific Equity Fund (to be renamed ValueChoice Asia Pacific Equity Tracker Fund)	Key changes to the investment objective and policy	
	Before the Effective Date (12 November 2021)	On and after the Effective Date (12 November 2021)
	<p>Investment objective: The investment objective of the ValueChoice Asia Pacific Equity Fund is to achieve long-term capital growth.</p> <p>Balance of investments: The ValueChoice Asia Pacific Equity Fund shall be invested in an APIF (HSBC MPF 'A' – VC Asia Pacific Equity Fund), which in turn invests in an underlying APIF. Through such underlying investments, the ValueChoice Asia Pacific Equity Fund invests primarily in an actively managed portfolio of carefully selected quoted securities. These securities are quoted on the regulated stock markets in the economies of Asia Pacific, excluding Japan. The main markets of investment include, but are not limited to, Australia, mainland China, Hong Kong, India, Korea, Malaysia, New Zealand, Singapore, Taiwan and Thailand.</p> <p>The investment portfolio indirectly held by the ValueChoice Asia Pacific Equity Fund will comprise mainly of equities and equity-related investments. The portfolio may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice Asia Pacific Equity Fund. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice Asia Pacific Equity Fund may invest in other investments as allowed under the applicable laws and regulations.</p>	<p>Investment objective: The investment objective of the ValueChoice Asia Pacific Equity Tracker Fund is to achieve long-term capital growth <u>is to match as closely as practicable the performance of the FTSE MPF Asia Pacific ex Japan Hedged Index by investing directly in an APIF (HSBC Pooled Asia Pacific ex Japan Equity Index Tracking Fund) with a similar investment objective.</u></p> <p>Balance of investments: The ValueChoice Asia Pacific Equity <u>Tracker</u> Fund shall be invested in an APIF (HSBC MPF 'A' <u>VC Asia Pacific Equity Fund</u> HSBC Pooled Asia Pacific ex Japan Equity Index Tracking Fund), which in turn invests in an underlying APIF. Through such underlying investments, the ValueChoice Asia Pacific Equity <u>Tracker</u> Fund invests primarily in an actively managed portfolio of carefully selected quoted securities. These securities <u>are in a portfolio that mainly comprises equity securities</u> quoted on the regulated stock markets in the economies of Asia Pacific, excluding Japan <u>as permitted under the General Regulation in the economies of Asia Pacific, excluding Japan</u>. The main markets of investment include, but are not limited to: Australia, mainland China, Hong Kong, India, Korea, Malaysia, New Zealand, Singapore, Taiwan and Thailand.</p> <p>The investment portfolio <u>comprises mainly equities</u>. <u>The investment sub-adviser of the APIF in which the ValueChoice Asia Pacific Equity Tracker Fund invests intends to invest primarily in securities included in the FTSE MPF Asia Pacific ex Japan Hedged Index using a physical replication strategy. Information on the FTSE MPF Asia Pacific ex Japan Hedged Index can be found in FTSE Russell website www.ftserussell.com. The investments of the APIF may hold securities that are not included in the FTSE MPF Asia Pacific ex Japan Hedged Index as permitted under the General Regulation</u> indirectly held by the ValueChoice Asia Pacific Equity Fund will comprise mainly of equities and equity-related investments. The portfolio may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice Asia Pacific Equity Fund. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice Asia Pacific Equity <u>Tracker</u> Fund may invest in other investments as allowed under the applicable laws and regulations.</p>

Affected CFs	Description	
ValueChoice US Equity Fund (to be renamed ValueChoice North America Equity Tracker Fund)	Key changes to the investment objective and policy	
	Before the Effective Date (19 November 2021)	On and after the Effective Date (19 November 2021)
	<p>Investment objective: The investment objective of the ValueChoice US Equity Fund is to achieve long-term capital growth.</p> <p>Balance of investments: The ValueChoice US Equity Fund shall be invested in an APIF (HSBC MPF 'A' – VC US Equity Fund), which in turn invests in two or more underlying APIF(s) and/or ITCIS(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice US Equity Fund invests in a diversified portfolio that mainly comprises US equities and equity-related investments.</p> <p>The portfolio may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice US Equity Fund. The Investment Adviser of the APIF in which the ValueChoice US Equity Fund invests is responsible to allocate the assets among different underlying investments in such proportions as it shall, at its discretion, determine. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice US Equity Fund may invest in other investments as allowed under the applicable laws and regulations.</p>	<p>Investment objective: The investment objective of the ValueChoice US Equity Fund is to achieve long-term capital growth North America Equity Tracker Fund is to match as closely as practicable the performance of the FTSE MPF North America Hedged Index by investing directly in an APIF (HSBC Pooled North America Equity Index Tracking Fund) with a similar investment objective.</p> <p>Balance of investments: The ValueChoice US Equity Fund North America Equity Tracker Fund shall be invested in an APIF (HSBC MPF 'A' – VC US Equity Fund HSBC Pooled North America Equity Index Tracking Fund), which in turn invests in two or more underlying APIF(s) and/or ITCIS(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice US Equity Fund North America Equity Tracker Fund invests in a diversified portfolio that mainly comprises US equities and equity-related investments North American equity securities quoted on the regulated stock markets as permitted under the General Regulation.</p> <p>The investment portfolio comprises mainly equities. The investment sub-adviser of the APIF in which the ValueChoice North America Equity Tracker Fund invests intends to invest primarily in securities included in the FTSE MPF North America Hedged Index using a physical replication strategy. Information on the FTSE MPF North America Hedged Index can be found in FTSE Russell website www.ftserussell.com. The investments of the APIF may hold securities that are not included in the FTSE MPF North America Hedged Index as permitted under the General Regulation may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice US Equity Fund. The Investment Adviser of the APIF in which the ValueChoice US Equity Fund invests is responsible to allocate the assets among different underlying investments in such proportions as it shall, at its discretion, determine. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice US Equity Fund North America Equity Tracker Fund may invest in other investments as allowed under the applicable laws and regulations.</p>

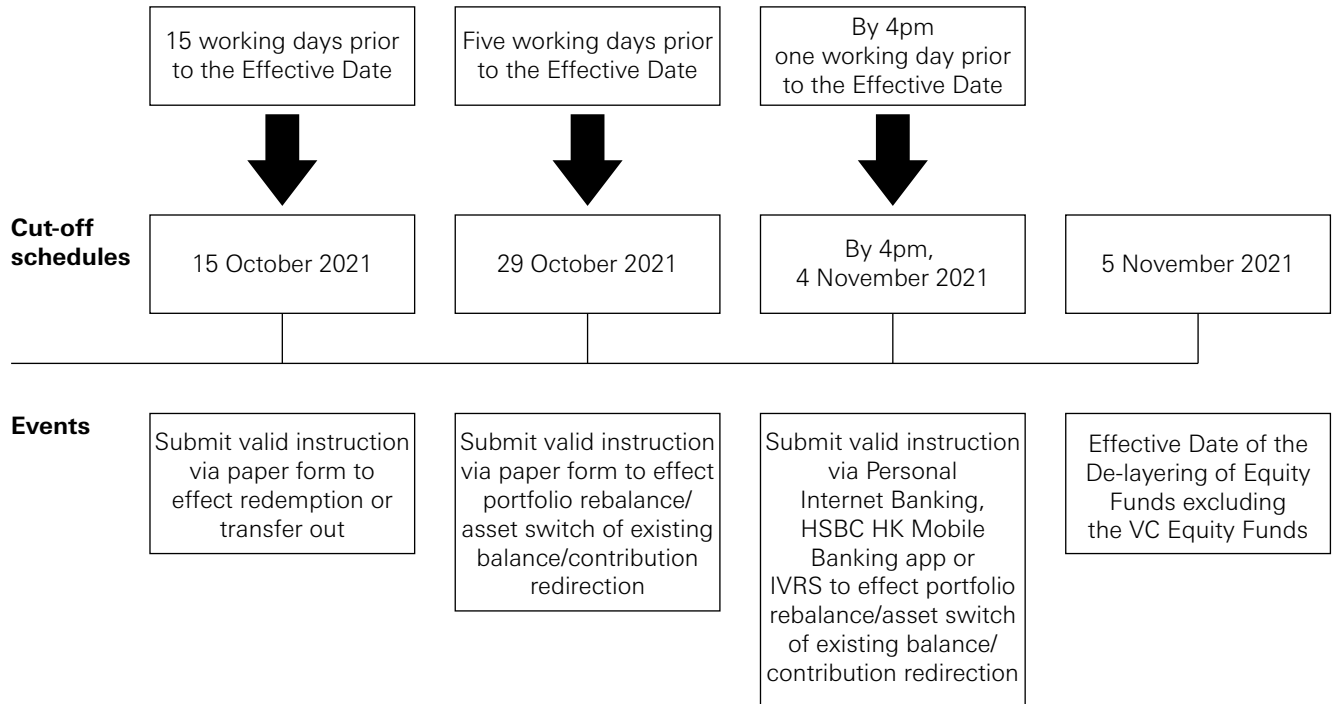
Affected CFs	Description	
ValueChoice European Equity Fund (to be renamed ValueChoice Europe Equity Tracker Fund)	Key changes to the investment objective and policy	
	Before the Effective Date (26 November 2021)	On and after the Effective Date (26 November 2021)
	<p>Investment objective: The investment objective of the ValueChoice European Equity Fund is to achieve long-term capital growth.</p> <p>Balance of investments: The ValueChoice European Equity Fund shall be invested in an APIF (HSBC MPF 'A' – VC European Equity Fund), which in turn invests in two or more underlying APIF(s) and/or ITCIS(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice European Equity Fund invests in a diversified portfolio that mainly comprises European equities and equity-related investments.</p> <p>The portfolio may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice European Equity Fund. The Investment Adviser of the APIF in which the ValueChoice European Equity Fund invests is responsible to allocate the assets among different underlying investments in such proportions as it shall, at its discretion, determine. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice European Equity Fund may invest in other investments as allowed under the applicable laws and regulations.</p>	<p>Investment objective: The investment objective of the ValueChoice European Equity Tracker Fund is to achieve long-term capital growth. <u>is to match as closely as practicable the performance of the FTSE MPF Europe Hedged Index by investing directly in an APIF (HSBC Pooled Europe Equity Index Tracking Fund) with a similar investment objective.</u></p> <p>Balance of investments: The ValueChoice Europe European-Equity Tracker Fund shall be invested in an APIF (HSBC MPF 'A' – VC European Equity Fund – HSBC Pooled Europe Equity Index Tracking Fund), which in turn invests in two or more underlying APIF(s) and/or ITCIS(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice European-Equity Tracker Fund invests in a diversified portfolio that mainly comprises Europe equities and equity-related investments equity securities quoted on the regulated stock markets as permitted under the General Regulation. <u>The investment portfolio comprises mainly equities. The investment sub-adviser of the APIF in which the ValueChoice Europe Equity Tracker Fund invests intends to invest primarily in securities included in the FTSE MPF Europe Hedged Index using a physical replication strategy. Information on the FTSE MPF Europe Hedged Index can be found in FTSE Russell website www.ftserussell.com. The investments of the APIF may hold securities that are not included in the FTSE MPF Europe Hedged Index as permitted under the General Regulation may also include deposits, debt securities and other investments as allowed under the General Regulation up to 30 per cent of the NAV of the ValueChoice European Equity Fund. The Investment Adviser of the APIF in which the ValueChoice European Equity Fund invests is responsible to allocate the assets among different underlying investments in such proportions as it shall, at its discretion, determine. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</u></p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice Europe European-Equity Tracker Fund may invest in other investments as allowed under the applicable laws and regulations.</p>

Affected CFs	Description	
ValueChoice Balanced Fund Note: There will be no change to the English name but the Chinese name will be changed.	Key changes to the investment objective and policy	
	Before the Effective Date (3 December 2021)	On and after the Effective Date (3 December 2021)
	<p>Investment objective: The investment objective of the ValueChoice Balanced Fund is to achieve medium-to-high capital growth with medium volatility.</p> <p>Balance of investments: The ValueChoice Balanced Fund shall be invested in an APIF (HSBC MPF 'A' – VC Balanced Fund), which in turn invests in two or more underlying APIF(s) and/or ITCIS(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice Balanced Fund invests in a diversified portfolio that normally comprises global bonds and equities with heavier weighting in equities.</p> <p>The Investment Adviser of the APIF in which the ValueChoice Balanced Fund invests is responsible to allocate the assets among different underlying APIF(s) and/or ITCIS(s) in such proportions as it shall, at its discretion, determine.</p> <p>Around 55 per cent to 85 per cent of the portfolio of the ValueChoice Balanced Fund will be indirectly invested in equities and equity-related investments. The remainder of the assets will be invested in deposits, debt securities and other investments as allowed under the General Regulation. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice Balanced Fund may invest in other investments as allowed under the applicable laws and regulations.</p>	<p>Investment objective: The investment objective of the ValueChoice Balanced Fund is to achieve medium-to-high <u>long term</u> capital growth with medium volatility.</p> <p>Balance of investments: The ValueChoice Balanced Fund shall be invested in an APIF (HSBC MPF 'A' – VC Balanced Fund), which in turn <u>primarily</u> invests in two or more underlying APIF(s) and/or ITCIS(s) and/or index-tracking APIF(s) as allowed under the General Regulation. It is expected that preference will be given to ITCIS(s) when making investments. Through such underlying investments, the ValueChoice Balanced Fund invests in a diversified portfolio that normally comprises global bonds and equities with heavier weighting in equities.</p> <p>The Investment Adviser of the APIF in which the ValueChoice Balanced Fund invests is responsible to allocate the assets among different underlying APIF(s) and/or ITCIS(s) in such proportions as it shall, at its discretion, determine.</p> <p>Around 55-80 <u>55-60</u> per cent to 85-80 <u>85-80</u> per cent of the portfolio of the ValueChoice Balanced Fund will be indirectly invested in equities and equity-related investments. The remainder of the assets will be invested in deposits, debt securities and other investments as allowed under the General Regulation. The intended asset allocation above is for indication only and may be changed as and when the Investment Manager considers appropriate.</p> <p>For efficient portfolio management, the portfolio of the APIF held by the ValueChoice Balanced Fund may invest in other investments as allowed under the applicable laws and regulations.</p>

Appendix 2

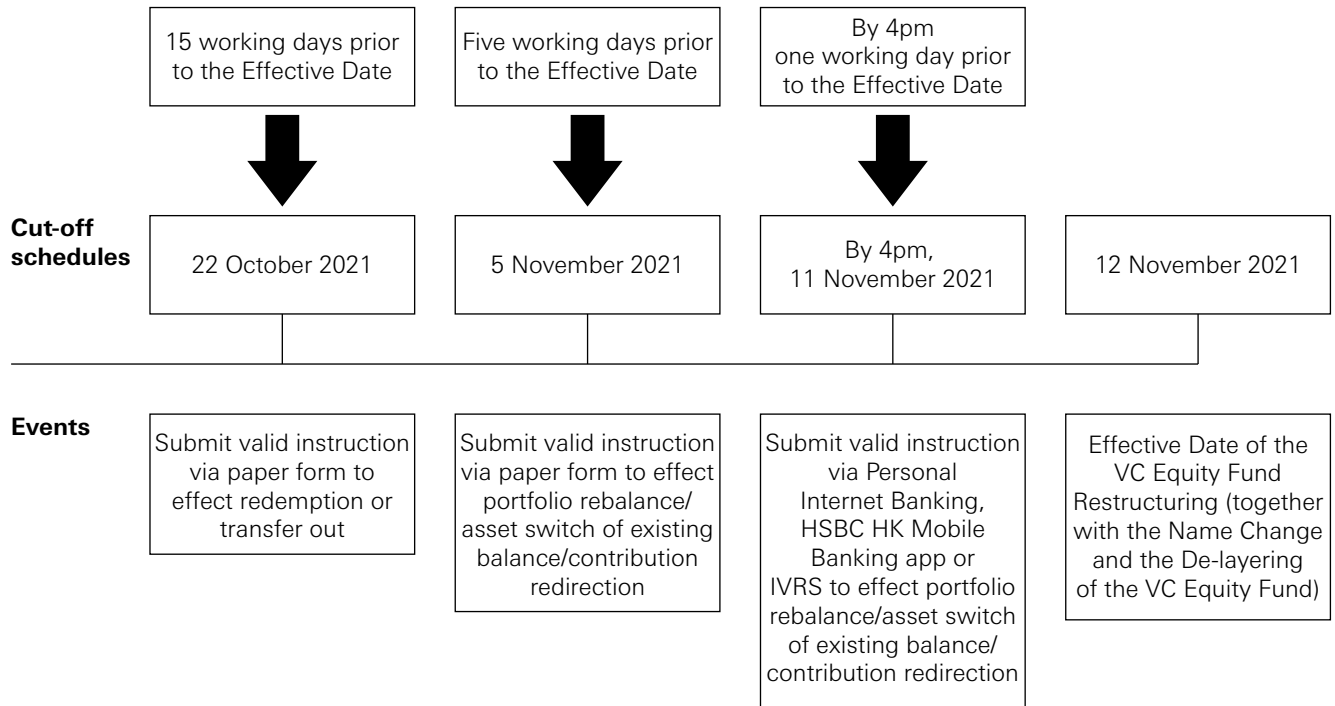
Illustration of the cut-off arrangement in respect of the De-layering of Equity Funds excluding the VC Equity Funds

• **Equity Funds excluding VC Equity Funds (Effective Date: 5 November 2021)**

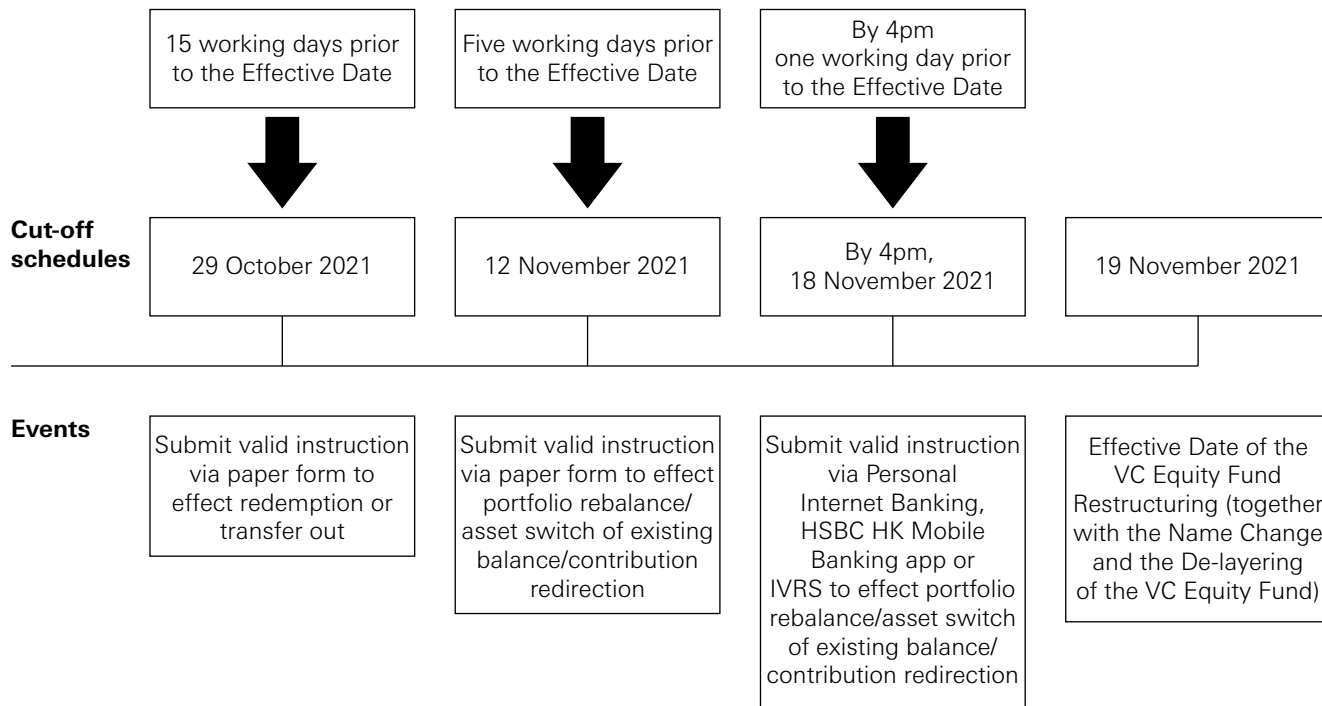


Illustrations of the cut-off arrangements in respect of the VC Equity Fund Restructuring (together with the Name Change and the De-layering of the VC Equity Funds)

• **ValueChoice Asia Pacific Equity Fund (Effective Date: 12 November 2021)**



• **ValueChoice US Equity Fund (Effective Date: 19 November 2021)**



• **ValueChoice European Equity Fund (Effective Date: 26 November 2021)**

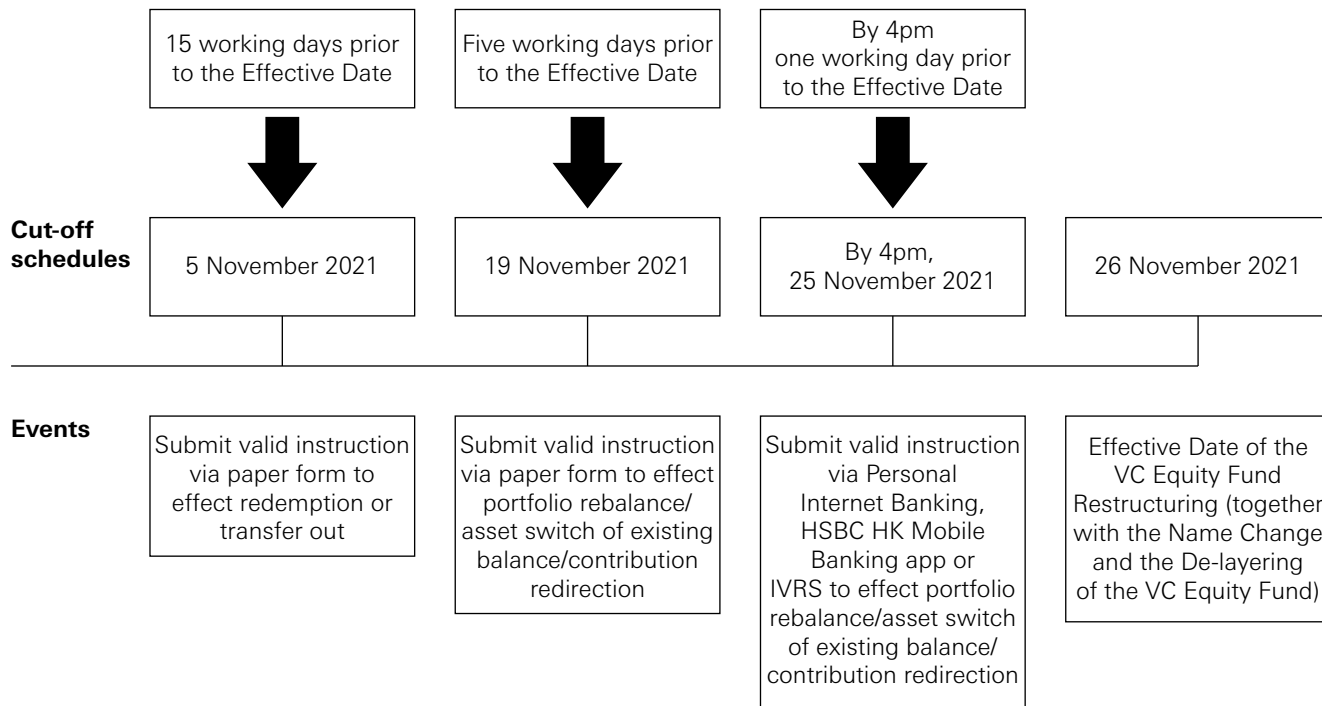


Illustration of the cut-off arrangement in respect of the ValueChoice Balanced Fund (together with the Name Change of the ValueChoice Balanced Fund)

• **ValueChoice Balanced Fund (Effective Date: 3 December 2021)**

