



Notice to Participating Employers, Employee Members, Self-employed Members and Deferred Members of HSBC Mandatory Provident Fund (each, the "Scheme Participant", and collectively, the "Scheme Participants")

July 2018

Important: If you are in any doubt about the contents of this notice, you should seek independent professional advice.

**HSBC Mandatory Provident Fund – SuperTrust Plus
HSBC Mandatory Provident Fund – ValueChoice**

Various changes are being made to the HSBC Mandatory Provident Fund – SuperTrust Plus and HSBC Mandatory Provident Fund – ValueChoice (each, the "**HSBC Master Trust**", and collectively, the "**HSBC Master Trusts**") and are outlined in the box below.

Terms not defined in this notice have the same meanings as in the 'Principal Brochures' of each of the HSBC Master Trusts.

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

Key changes

- (a) **With effect from 1 November 2018 (the "Administrator Change Effective Date"), HSBC Life (International) Limited ("HSBC Life") will cease to be the Administrator of the HSBC Master Trusts and The Hongkong and Shanghai Banking Corporation Limited ("HSBC Bank"), will be the Administrator of the HSBC Master Trusts;**
- (b) **Take immediate effect, the 'Principal Brochures' of each of the HSBC Master Trusts will be updated to: (i) disclose the breakdown of the management fee of each Constituent Fund and its underlying approved pooled investment fund(s) and/or ITCIS(s); and (ii) simplify the investment policies of the Hang Seng Index Tracking Fund and (applicable to the HSBC Mandatory Provident Fund – ValueChoice only) the Hang Seng China Enterprises Index Tracking Fund, per their existing actual investment arrangement.**

Impacts

- (c) **The fee levels and the structure of fees and charges of the HSBC Master Trusts will remain unaffected by the changes outlined in (a) and (b) above.**
- (d) **The Trustee confirms that the changes outlined in (a) and (b) above will not have any adverse impact on the HSBC Master Trusts or the interests of the Scheme Participants. Also, the Trustee, together with HSBC Life and HSBC Bank, have been working closely on the transitional arrangements with regard to the change of the Administrator as outlined in (a) above. The Trustee confirms that the changes outlined in (a) and (b) above 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.**

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. Change of the Administrator

1.1. Details

With effect from the Administrator Change Effective Date, HSBC Life will cease to be the Administrator of the HSBC Master Trusts and HSBC Bank will be the Administrator of the HSBC Master Trusts. The Trustee believes that, HSBC Bank acting as the Administrator of the HSBC Master Trusts going forward would demonstrate HSBC's commitment to members to position MPF business by integrating into HSBC Bank's core business to enable a centralised management of the pension operation and services under HSBC Bank in the interests of the Scheme Participants.

1.2. Change to the Administrator as referred to in the administration forms

The administration forms in relation to the HSBC Master Trusts will be updated to reflect that HSBC Bank is the new Administrator of the HSBC Master Trusts since the Administrator Change Effective Date. There are no other administrative changes associated with the change of the Administrator that may impact the Scheme Participants. There is no suspension arrangement required for the change of the Administrator.

You will be able to access the same customer service hotline at HSBC MPF Employer Hotline (852) 2583 8033 or HSBC MPF Member Hotline (852) 3128 0128 as well as the same website at HSBC MPF website www.hsbc.com.hk/mpf to access online services. Suffice it to say that you shall expect to receive the same level of administrative services since the Administrator Change Effective Date. There will be no adverse impact on your usage of administrative services as a Scheme Participant.

2. Other updates to the 'Principal Brochures'

Take immediate effect, the 'Principal Brochures' of each of the HSBC Master Trusts will be updated to:

- (i) disclose the breakdown of the management fee of each Constituent Fund and its underlying approved pooled investment fund(s) and/or ITCIS(s), (for the avoidance of doubt, the management fee level in respect of each Constituent Fund will remain as it is); and
- (ii) simplify the investment policies of the Hang Seng Index Tracking Fund and (applicable to the HSBC Mandatory Provident Fund – ValueChoice only) the Hang Seng China Enterprises Index Tracking Fund, per their existing actual investment arrangement.

3. Impacts on the HSBC Master Trusts and Scheme Participants

The fee levels and the structure of fees and charges of the HSBC Master Trusts will remain unaffected by the changes in sections 1 and 2.

The Trustee confirms that the changes in sections 1 and 2 will not have any adverse impact on the HSBC Master Trusts or the interests of the Scheme Participants. Also, the Trustee, together with HSBC Life and HSBC Bank, have been working closely on the transitional arrangements with regard to the change of the Administrator. The Trustee confirms that this exercise 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 in this exercise.

Supplement to each of the 'Principal Brochures' of the HSBC Master Trusts will be issued to reflect the changes and the consequential changes associated with the changes set out in this notice. You may refer to the relevant supplement for further details of the changes. The 'Principal Brochures' and their respective supplements will be available on our 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 relevant 'Principal Brochure'.