



## **Notice to Participating Employers and Members of HSBC Mandatory Provident Fund – ValueChoice (collectively, the ‘Scheme Participants’)**

The Hongkong and Shanghai Banking Corporation Limited and HSBC Provident Fund Trustee (Hong Kong) Limited have prepared and accepted responsibility of this notice. The contents in this notice are accurate as of the date of its issuance.

May 2019

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

### **HSBC Mandatory Provident Fund – ValueChoice – Hang Seng China Enterprises Index Tracking Fund**

Changes are being made to the HSBC Mandatory Provident Fund – ValueChoice (the ‘**HSBC ValueChoice**’) (the ‘**HSBC Master Trust**’) to reflect certain changes to Hang Seng China Enterprises Index (the ‘**Relevant Index**’), the performance of which the Hang Seng China Enterprises Index Tracking Fund (the ‘**Relevant Constituent Fund**’) and its underlying fund, i.e. Hang Seng China Enterprises Index ETF (the ‘**Underlying ETF**’), seek to match as closely as practicable.

The changes will be effective from 17 June 2019 (the ‘**Effective Date**’).

Note: Subject to relevant regulatory approval, the HSBC ValueChoice will be merged into the HSBC Mandatory Provident Fund – SuperTrust Plus (the ‘**HSBC SuperTrust Plus**’) (the ‘**Merger**’), and the Relevant Constituent Fund will be replicated and launched under the HSBC SuperTrust Plus with effect from 1 July 2019, and will have the same name, investment objective and policy, underlying ITCIS, fee levels, fees and charges structure as the Relevant Constituent Fund in HSBC ValueChoice. For details of the Merger, please refer to the notice dated March 2019 (the ‘**Merger Notice**’) posted on the HSBC MPF website [www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf) or you may request a copy of the Merger Notice by contacting the HSBC MPF Employer Hotline (852) 2583 8033 or HSBC MPF Member Hotline (852) 3128 0128. The Merger Notice applies to the Scheme Participants of the HSBC ValueChoice and it has been sent to them by post or via Personal Internet Banking in March 2019.

Terms not defined in this notice have the same meanings as in the ‘Principal Brochure’ of the HSBC Master Trust.

**This table summarises the key changes to the HSBC Master Trust, which are elaborated in the main body of this notice:**

- (a) Because certain changes will be made to the Relevant Index (as briefly described in (b) below and elaborated in sections 1 and 2 below), the disclosure about the Relevant Index in the ‘Principal Brochure’ of the HSBC Master Trust will have to be updated accordingly.**
- (b) With effect from the Effective Date, the limit on the number of Red-chip and P-chip constituents of the Relevant Index will be removed. The total number of constituents of the Relevant Index will remain at 50.**
- (c) In addition, certain other miscellaneous changes will be made to the Relevant Index. For details, please refer to section 2 below.**
- (d) Notwithstanding the changes, the investment objective and policy of the Relevant Constituent Fund will remain unchanged and there will be no material change or increase in the overall risk profile of the Relevant Constituent Fund. The Trustee therefore confirms that the changes will not have any adverse impact on the HSBC Master Trust or the interests of the Scheme Participants.**
- (e) No action is required of the Scheme Participants to effect the changes set out in this notice.**
- (f) If you have any queries 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. Removal of the limitation on the number of Red-chip and P-chip constituents**

The Relevant Constituent Fund's investment objective is to match as closely as practicable the performance of the Relevant Index. From the Effective Date, the current limitation on not having more than 10 Red-chip and P-chip constituents in the Relevant Index will be removed, although the total number of constituents of the Relevant Index will remain at 50. This change is intended to enhance the Relevant Index's representativeness as the 'China index of the Hong Kong market'.

In addition, the SEHK Teletext System will be added as a new means to access real-time updates of the Relevant Index.

### **2. Miscellaneous changes to the Relevant Index**

We will take this opportunity to update the 'Principal Brochure' of the HSBC Master Trust related to the disclosure on the percentage ratio of the aggregate market value of the constituents of the Relevant Index in relation to the total market capitalization of all Hong Kong listed Chinese enterprises of all H-shares listed on the Main Board of the SEHK, the Red-chips and the P-chips, and the respective weightings of the top 10 largest constituent stocks of the Relevant Index.

### **3. Impacts on the HSBC Master Trust and Scheme Participants**

Notwithstanding the changes described in sections 1 and 2, the investment objective and policy of the Relevant Constituent Fund will remain unchanged, except for the indirect potential increased investment in Red-chips and P-chips in order to continue to track the constituents in the Relevant Index through its investment in the Underlying ETF. In addition, there will be no material change or increase in the overall risk profile of the Relevant Constituent Fund. The Trustee therefore confirms that the changes described in sections 1 and 2 will not have any adverse impact on the HSBC Master Trust or the interests of the Scheme Participants, and that the interests of the Scheme Participants will be adequately protected and will not be prejudiced in the exercise. Also, no action is required of the Scheme Participants to effect the changes described in sections 1 and 2.

**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.**

Supplement to the 'Principal Brochure' of the HSBC Master Trust will be issued to reflect the changes as summarised in this notice. You may refer to the relevant supplement for further details. The 'Principal Brochure' and its supplements will be available on HSBC MPF website [www.hsbc.com.hk/mpf](http://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'.