



友邦(信託)有限公司

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AIA Company (Trustee) Limited

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Hong Kong

Important Document

17 September 2024

Dear customer,

Important: This notice is important and requires your immediate attention. If you are in any doubt about the contents of this notice, you should seek independent professional advice.

Notice to Participating Employers and Members of AIA MPF – Prime Value Choice (the "Scheme") on Fund Restructuring, SIPO Changes, Risk Factors Enhancement and Other Miscellaneous Changes

Thank you for your continuous support of AIA MPF Services. We are pleased to inform you of the following changes to the Scheme.

You should read this notice carefully because the changes 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 MPF Scheme Brochure of the Scheme (the "**MPF Scheme Brochure**").

This table summarises the key changes (the "**Changes**") to the Scheme, which will be effective from 18 October 2024 (the "**Effective Date**") unless otherwise specified:

(a) Relating to the change of underlying APIF of the MPF Conservative Fund (the "MCF")

The underlying APIF of the MCF will be changed from PineBridge Hong Kong Dollar Money Market Fund (the "**Existing MCF APIF**") to AIA Pooled Investment Fund Series – HKD Money Market Fund (the "**New MCF APIF**") (the "**MCF Underlying Fund Change**"). Correspondingly, the investment manager at the underlying APIF level will be changed from PineBridge Investments Hong Kong Limited ("**PineBridge**") to AIA Investment Management HK Limited ("**AIMHK**"). For details, please refer to section 1.

Members need not take any action to effect the MCF Underlying Fund Change. In particular, they need not buy/sell or transfer units in the MCF if they decide to continue to invest in the MCF. For the reasons set out in section 1.3 of this Notice, the Trustee does not expect that the MCF Underlying Fund Change will have any adverse impact on the Members' interests.

If you no longer wish to invest in the MCF and/or wish to switch to other Constituent Fund(s), you may notify us by submitting a valid instruction to us by returning a valid and complete Investment Mandate Form by post or by fax to 2565 0001, by noon (Hong Kong time) on 17 October 2024; or by submitting a valid and complete fund switching request online at aia.com.hk, before 4:00 p.m. (Hong Kong time) on 17 October 2024. Please refer to section 5 of this notice for details.



(b) Change of statements of investment policies of the China HK Dynamic Asset Allocation Fund, the Growth Portfolio, the Balanced Portfolio and the Capital Stable Portfolio (collectively, the "SIPO Changes CFs") (the "SIPO Changes")

*Change of statement of investment policies of the China HK Dynamic Asset Allocation Fund (the "**China HK DAA Fund**") (the "**China HK DAA Fund SIPO Change**")*

The statement of investment policies of the China HK DAA Fund will be amended so that the scope of investment of the China HK DAA Fund relating to debt securities will be expanded to cover debt securities denominated in Hong Kong dollars and issued by issuers including corporations, government and government related entities.

*Change of statements of investment policies of the Growth Portfolio, the Balanced Portfolio and the Capital Stable Portfolio (collectively, the "**Lifestyle Funds**") (the "**Lifestyle Funds SIPO Change**")*

The statements of investment policies of the Lifestyle Funds will be amended to expand the exposure range for both equity and debt securities.

For details, please refer to section 2.

If you no longer wish to invest in the SIPO Changes CFs and/or wish to switch to other Constituent Fund(s), you may notify us by submitting a valid instruction to us before the Effective Date. Please refer to section 5 of this notice for the cut-off times.

(c) Enhancement of certain risk factors in the MPF Scheme Brochure (the "Risk Factors Enhancement")

To reflect the latest regulatory and market developments, certain risk factors in the MPF Scheme Brochure, namely, (i) "credit/credit rating risk" and (ii) "risks relating to investments via the Stock Connect", of the following Constituent Funds (collectively, the "**Risk Factors CFs**") will be enhanced:

Risk Factor CFs	Credit/credit rating risk	Risks relating to investments via the Stock Connect
Asian Bond Fund	✓	
Global Bond Fund	✓	
MPF Conservative Fund	✓	
China HK Dynamic Asset Allocation Fund	✓	✓
Manager's Choice Fund	✓	✓
Asian Equity Fund		✓
Greater China Equity Fund		✓
Guaranteed Portfolio	✓	
Growth Portfolio	✓	✓
Balanced Portfolio	✓	✓
Capital Stable Portfolio	✓	✓
Core Accumulation Fund	✓	
Age 65 Plus Fund	✓	

For details, please refer to section 3.

(d) Change of Addresses of AIA Company (Trustee) Limited, AIA Investment Management HK Limited and AIA Company Limited (collectively, "Address Changing Companies") ("Address Changes")



The addresses of the Address Changing Companies will be updated after offices relocation. For the respective effect date and details of the Address Change, please refer to section 4.

If you have any questions in relation to the Changes, please call our Employer Hotline on 2100 1888 or Member Hotline on 2200 6288.

1. MCF Underlying Fund Change

1.1 General

By replacing the Existing MCF APIF, currently managed by PineBridge, with the New MCF APIF, which will be managed by AIMHK, the investment manager of the MCF at the Constituent Fund level and the underlying fund level will be aligned. This change will, in the Trustee's view, facilitate better coordination and communication with respect to investment management at the Constituent Fund level and the underlying fund level, which can help to enhance the efficiency of the overall MPF investment management arrangement of the MCF. AIMHK will ensure that the New MCF APIF will aim to follow the same investment objective, balance of investments and risk and return profile of the Existing MCF APIF so that the MCF Underlying Fund Change will not cause any change to the investment objective, balance of investments and risk and return profile of the MCF.

1.2 How will the MCF Underlying Fund Change be effected?

The process will involve full redemption of the units held in the Existing MCF APIF, and application of all redemption proceeds from the Existing MCF APIF to subscribe into the New MCF APIF. No suspension of dealing at the Constituent Fund level will be required to effect the MCF Underlying Fund Change. By the Effective Date, it is expected that the MCF will invest solely in the New MCF APIF. The value of holdings and the number of units of the Members investing in the MCF immediately before the MCF Underlying Fund Change will be the same immediately after the MCF Underlying Fund Change.

1.3 Impact on the Members

The Trustee confirms that proper arrangements with the related parties, including PineBridge, the outgoing investment manager of the Existing MCF APIF, and AIMHK, the investment manager of the New MCF APIF, will be in place to ensure that there will be a smooth transition for the MCF. The Trustee has sufficient resources and capability to effect the MCF Underlying Fund Change such that the Members' interests will be adequately protected. In addition, as a result of the MCF Underlying Fund Change, the Aggregate Management Fees of the MCF will be decreased from "up to 0.9850%" to "up to 0.9740%". For the above reasons, the Trustee does not expect that the MCF Underlying Fund Change will have adverse impact on Members' interests.

2. The SIPO Changes

2.1 General

With effect from the Effective Date:

- (a) in respect of the China HK DAA Fund SIPO Change, the statement of investment policies of the China HK DAA Fund will be amended so that the scope of investment of the China HK DAA Fund relating to debt securities will be expanded to cover debt securities denominated in Hong Kong dollars and issued by issuers including corporations, government and government related entities.
- (b) in respect of the Lifestyle Funds SIPO Change, the statements of investment policies of the Lifestyle Funds will be amended to expand the exposure range for both equity and debt securities. Please see below for



details:

	Before the Effective Date	On and after the Effective Date
Growth Portfolio	<ul style="list-style-type: none"> • Equity content: Around 90% • Bonds, cash and cash-based investments: Around 10% 	<ul style="list-style-type: none"> • Equity content: Between 70% and 100% • Debt securities and cash or cash-based investments: Between 0% and 30%
Balanced Portfolio	<ul style="list-style-type: none"> • Equity content: Around 50% • Bonds, cash and cash-based investments: Around 50% 	<ul style="list-style-type: none"> • Equity content: Between 35% and 65% • Debt securities and cash or cash-based investments: Between 35% and 65%
Capital Stable Portfolio	<ul style="list-style-type: none"> • Equity content: Around 30% • Debt securities and cash/cash-based investments: Around 70% 	<ul style="list-style-type: none"> • Equity content: Between 15% and 45% • Debt securities and cash or cash-based investments: Between 55% and 85%

2.2 Impact on the Members

As a result of the China HK DAA Fund SIPO Change, the scope of investment of the China HK DAA Fund relating to the debt securities will be expanded to cover debt securities denominated in Hong Kong dollars and issued by issuers including corporations, government and government related entities. The China HK DAA Fund SIPO Change will, in the Trustee's view, increase the flexibility of the Investment Manager and expand the investible universe for the underlying funds of the bond content of the China HK DAA Fund in order to capture the steady growth of the HK dollar-denominated bond market.

On the other hand, as a result of the Lifestyle Funds SIPO Change, the Lifestyle Funds' exposure range for both equity and debt securities will be expanded. The Lifestyle Funds SIPO Change will, in the Trustee's view, increase the flexibility of the Investment Manager and expand the available choices of underlying funds for investment by the Lifestyle Funds.

The Trustee considers that the aforementioned changes will enhance the performance of the China HK DAA Fund and the Lifestyle Funds in the long run, which is beneficial to Members. The Trustee confirms that the China HK DAA Fund SIPO Change and Lifestyle Funds SIPO Change will not have any adverse impact on Members and will not prejudice the rights or interest of the existing Members of the Scheme. Further, the changes will not give rise to any increase to the management fees of the China HK DAA Fund and the Lifestyle Funds.

3. Risk Factors Enhancement

3.1 General

With effect from the Effective Date, with respect to the Risk Factors CFs, the associated risk factors as set out in the



MPF Scheme Brochure will be enhanced.

Risk factors	Summary of update
(i) Credit/credit rating risk	To update the category of approved credit rating agencies per the latest version of "III.1 Guidelines on Debt Securities" issued by the MPFA in March 2023
(ii) Risks relating to investments via the Stock Connect	To include exchange-traded funds as part of the eligible investment via the Stock Connect

3.2 Impact on the Members

The Risk Factors Enhancement will reflect the latest regulatory and market developments with respect to the risk factors of the Risk Factors CFs. The Risk Factors Enhancement will not impact on the risk profiles of the Risk Factors CFs. In particular, we confirm that the risk profiles of the Risk Factors CFs will remain unchanged. We therefore consider that the Risk Factors Enhancement should not have an adverse impact on the Scheme or the Members.

4. Address Changes

Following a relocation of offices, the Address Changing Companies' addresses will be updated on the below effective dates:

Address Changing Companies	Current address	Updated address	Effective date of address change
AIA Company (Trustee) Limited	11/F, AIA Hong Kong Tower, 734 King's Road, Quarry Bay, Hong Kong	Room 501, 5/F, AIA Building, 1 Stubbs Road, Hong Kong	30 September 2024
AIA Investment Management HK Limited	Unit 1203, 12/F Kerry Centre, 683 King's Road, Quarry Bay, Hong Kong	Room 701, 7/F, AIA Building, 1 Stubbs Road, Hong Kong	16 September 2024
AIA Company Limited	35/F, AIA Central, 1 Connaught Road Central, Hong Kong	AIA Building, 1 Stubbs Road, Hong Kong	24 June 2024

The Trustee's postal address for the submission of MPF administrative documents will remain unchanged at 8/F, AIA Financial Centre, 712 Prince Edward Road East, Kowloon, Hong Kong.

5. Alternatives available

Members need not take any action to effect the Changes. In particular, they need not buy/sell or transfer units in the MCF and/or SIPO Changes CFs if they decide to continue to invest in these Constituent Funds.

For the reasons set out in sections 1 and 2 above, the Trustee therefore does not expect that the MCF Underlying



Fund Change or the SIPO Changes will have any adverse impact on the Members' interests.

However, if the Members who are holding units in the MCF and/or SIPO Changes CFs (as the case may be) and/or whose investment mandates are to invest contributions (including transfer-in monies) in the MCF and/or SIPO Changes CFs (as the case may be) do not wish to remain investing in and/or invest their future contributions in the MCF and/or SIPO Changes CFs (as the case may be) from the Effective Date onwards, they may notify the Trustee to switch their unit holdings and/or future investment out of the MCF and/or SIPO Changes CFs (as the case may be) (a) by returning to the Trustee a valid and complete Investment Mandate Form by post or by fax to 2565 0001, by noon (Hong Kong time) on 17 October 2024; or (b) by submitting a valid and complete fund switching request online via aia.com.hk or our mobile app, before 4:00 p.m. (Hong Kong time) on 17 October 2024. Paper submission of instructions must reach the Trustee at 8/F, AIA Financial Centre, 712 Prince Edward Road East, Kowloon, Hong Kong.

Further, any Participating Employers or Members (other than the Employee Members) who wish to opt out of the Scheme before the MCF Underlying Fund Change and the SIPO Changes take effect may do so by giving a prior written notice in accordance with the sub-section "6.5 Withdrawal from participation in the Scheme" of the MPF Scheme Brochure.

In addition, the Employee Members may transfer their accrued benefits attributable to their own mandatory contributions to other MPF schemes via the Employee Choice Arrangement in accordance with the governing rules of the Scheme and the relevant laws and regulations. Kindly note that this transfer option may only be exercised once a year.

No fees, penalties, bid/offer spread or other transaction costs will be charged or imposed on any opt-out of the Scheme or any change of investment mandate or fund switching in respect of the MCF or SIPO Changes CFs.

6. Expenses

The costs of the Changes will be borne by the Trustee. As such, no expenses relating to the Changes will be borne by the Participating Employers, the Members or the Scheme.

Where can you learn more?

The Changes will be reflected in the updated offering documents of the Scheme, i.e., the MPF Scheme Brochure and the key scheme information document of the Scheme. We have also taken this opportunity to make certain cosmetic changes to the disclosure in the MPF Scheme Brochure in order to enhance its readability and consistency. The offering documents of the Scheme can be downloaded from aia.com.hk. Hard copies can also be requested at the Employer Hotline on 2100 1888 or Member Hotline on 2200 6288.

Yours sincerely,

Elaine Lau
Chief Executive Officer
AIA Company (Trustee) Limited

If you have any questions about the content of this notice, you should seek independent professional advice.

AIA Company (Trustee) Limited accepts responsibility for the accuracy of the contents of this notice.