



INVESCO HONG KONG LIMITED

景順投資管理有限公司
41/F, Citibank Tower
3 Garden Road, Central, Hong Kong

General Line +852 3128 6000
Facsimile +852 3128 6001
www.invesco.com.hk

**INVESCO STRATEGIC MPF SCHEME
NOTICE TO PARTICIPATING EMPLOYERS AND MEMBERS**

This document is important and requires your immediate attention. If you are in any doubt about the contents of this document, you should seek independent professional financial advice. Invesco Hong Kong Limited, the sponsor of Invesco Strategic MPF Scheme, accepts responsibility for the information contained in this document.

Dear Participating Employers and Members,

Thank you for your continued support for the Invesco Strategic MPF Scheme (the "**Master Trust**"). We are writing to inform you that certain changes will be made to the Prospectus and the Trust Deed to reflect certain changes to be effected under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 ("**Amendment Ordinance**").

Phased withdrawal

Key points relating to withdrawal of accrued benefits by instalments

1. From 1 February 2016, Members who reach the age of 65 or retire after the age of 60 may choose to withdraw their accrued benefits attributable to mandatory contributions and if applicable, voluntary contributions by instalments by submitting a claim form specifying the exact amount of withdrawal and other relevant information.
2. Please note that bank charges may apply if Members choose to be paid the withdrawal amount directly to their bank account.
3. For Members invested in the Guaranteed Fund, withdrawal by instalments may affect your entitlement to the guarantee and you may lose your guarantee. The guarantee charge will continue to apply to investments that remain in the Guaranteed Fund.
4. The claim form for withdrawal by instalments is available from the Trustee.

With effect from 1 February 2016 (the "**Effective Date**"), a member ("**Eligible Member**") who becomes entitled to benefits in respect of mandatory contributions and, where applicable, voluntary contributions to the Master Trust (together "**Eligible Benefits**") where the member reaches the age of 65 or, after reaching the age of 60 and has permanently ceased employment or self-employment, may elect to have his Eligible Benefits derived from mandatory and, where applicable, voluntary contributions paid in a lump sum or by instalments.

BCT-275T

If an Eligible Member elects to have his Eligible Benefits paid by instalments (i.e. partial payment), for each instalment, he is required to give instructions to the Trustee by submitting a separate claim form (available from the Trustee) specifying the account and the amount of withdrawal. Please note that bank charges may apply if Eligible Members choose to be paid the withdrawal amount directly to their bank account.

To meet each withdrawal request, the Eligible Benefits in all of the Constituent Funds (including the Guaranteed Fund) held by the Eligible Member in the relevant account will be realised on a pro-rata basis, or in such other manner as the Trustee shall, in consultation with the Sponsor deem appropriate and notify to the relevant Eligible Member. Please refer to the section "BENEFITS - Payment of Benefits" in the Prospectus for an illustrative example of the pro-rata realisation.

Unless otherwise agreed between the Trustee and the Eligible Member, and subject to circumstances of delay as noted in the "Benefits" section in the Prospectus, the Trustee will pay each instalment to such Eligible Member no later than 30 days after the date on which the Eligible Member instructs the Trustee to pay that instalment.

Eligible Members who hold any Eligible Benefits in the Guaranteed Fund should take note of the effect of partial withdrawal on guarantee entitlement in the Guaranteed Fund. Upon receipt of a request for payment by instalments, the Eligible Benefits of an Eligible Member held in a contribution account will be transferred to a personal account under the Master Trust. Such Eligible Benefits held in the Guaranteed Fund will be transferred after the application of the guarantee at the rate of 4.5% p.a. or the "new applicable rate", currently 1% p.a., as appropriate. Following such transfer, the guarantee will only apply to a valid claim in respect of all (and not part only) accrued benefits in the personal account upon occurrence of a qualifying event for the period from the date of transfer to the date of withdrawal.

In the above case, for an Eligible Member who is an employee member who continues employment after reaching the normal retirement age of 65, generally only his accrued benefits derived from mandatory contributions held in a contribution account (after the application of the guarantee at the rate of 4.5% p.a. or the "new applicable rate", currently 1% p.a., as appropriate) will be transferred to a personal account under the Master Trust in the manner as described above. When such Eligible Member subsequently ceases employment and becomes eligible to accrued benefits derived from voluntary contributions (if applicable) and files a request for payment by instalments, his accrued benefits derived from voluntary contributions held in a contribution account (after the application of the guarantee at the rate of 4.5% p.a. or the "new applicable rate", currently 1% p.a., as appropriate) will be transferred to a personal account under the Master Trust. Following such transfer, when the Eligible Member files a valid claim in respect of all (and not part only) of his remaining accrued benefits from the personal account upon occurrence of one of the qualifying events, the guarantee will apply to his personal account in respect of the balances so credited at the "new applicable rate", currently 1% p.a., for the period from the date of transfer to the date of withdrawal.

The above transfer mechanism is subject to the effect of an employer's claim for severance or long service payment. For further details, please refer to the section "Effect of investment in Guaranteed Fund on Employer's claim for severance or long service payment" in the Prospectus.

If you are currently investing in the Guaranteed Fund, a partial withdrawal of the Eligible Benefits may affect your entitlement to the guarantee and you may lose your guarantee. The guarantee charge will continue to apply to investments that remain in the Guaranteed Fund. For details please carefully review the Appendix to the Prospectus, or contact us at INVESCall Member Hotline at +852 2842 7878 before making any such withdrawal.

Members should note that in the case of withdrawal of benefits by instalments, any balance remaining in a member's account will continue to be invested in the relevant Constituent Fund(s) and therefore subject to investment risks.

Save as disclosed above, no fees or financial penalties shall be charged or imposed for payment of benefits other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the payment and are payable to a party other than the Trustee.

Flexible voluntary contributions (FVC)/Voluntary Contributions Withdrawal Fee

Currently, members other than employee members are entitled to make up to 4 withdrawals of their voluntary contributions in each financial year free of charge and all members are entitled to make up to 4 withdrawals of their FVC in each financial year free of charge. In line with the treatment for withdrawal by instalments, with effect from the Effective Date, the period for counting the first 4 free withdrawals of voluntary contributions and/or FVC will be changed from financial year (1 April of a year to 31 March of the next year) to calendar year (1 January of a year to 31 December of the same year). As a transitional measure, the counting of the number of free withdrawals of voluntary contributions and/or FVC by all members will be reset to zero on the Effective Date (such that there will be 4 free withdrawals in respect of each of voluntary contributions and FVC, as applicable, from the Effective Date to 31 December 2016).

With effect from the Effective Date, the fee for additional withdrawal in excess of 4 withdrawals in the same calendar year payable to the Trustee (unless otherwise waived by the Sponsor or the Trustee) will be reduced from up to HK\$300 to up to HK\$100.

Forfeiture of employer's voluntary contribution balance upon dismissal of member

With effect from the Effective Date, the Trust Deed will be amended to clarify that, subject as otherwise provided in the relevant Participation Agreement, the employer's voluntary contribution balance may be forfeited as the Employer shall determine if a member is dismissed from employment without notice or payment in lieu of notice. This clarification is made to align with the arrangement regarding the forfeiture of employer's voluntary contribution balance as set out in the current pro forma Participation Agreement.

Trust Deed

The Trust Deed of the Master Trust will be amended by way of an eighth supplemental deed to reflect the above changes, where applicable.

The Trustee confirms that the amendments to the Prospectus and the Trust Deed will not have any adverse impact on members.

Copies of this Notice and the updated consolidated Prospectus can be obtained, and copies of the Trust Deed (together with all supplemental deeds) are available for inspection, free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of Invesco Hong Kong Limited, 41/F, Citibank Tower, 3 Garden Road, Central, Hong Kong. Copies of the updated consolidated Prospectus are also available (in hard copies or CD-ROM format at the member's option) at the offices of Invesco Hong Kong Limited at the above address or can be downloaded from INVESNet: www.mpf.invesco.com.hk.

If you have any queries, please do not hesitate to call the INVESCall Member Hotline at +852 2842 7878.

Invesco Hong Kong Limited

7 December 2015