INVESCO STRATEGIC MPF SCHEME

DIS PRE-IMPLEMENTATION NOTICE
TO PARTICIPATING EMPLOYERS AND MEMBERS[1]

Attention: 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 and Bank Consortium Trust Company Limited, the sponsor and trustee of Invesco Strategic MPF Scheme, accept responsibility for the information contained in this document. This document is only a summary of the key changes relating to the Invesco Strategic MPF Scheme. Members should also carefully review the first addendum to the consolidated Prospectus. Copies of the Prospectus and the first addendum are available (in hard copies or CD-ROM format at the member's option) 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, Champion Tower, Three Garden Road, Central, Hong Kong, or can be downloaded from INVESNet: www.mpf.invesco.com.hk, or can be obtained by calling the INVESCall Member Hotline at (852) 2842 7878.

You should consider your own risk tolerance level and financial circumstances before making any investment choices. In the event that you do not make any investment choices, your contributions made and/or accrued benefits transferred into the Invesco Strategic MPF Scheme may automatically be invested in accordance with the Default Investment Strategy, which may not necessarily be suitable for you.

Dear Participating Employers and Members,

We are writing to you because important changes to the Mandatory Provident Fund Schemes Ordinance will take effect on 1 April 2017 ("**Effective Date**"). From the Effective Date, the default investment arrangement of the Invesco Strategic MPF Scheme ("**Master Trust**") will be the Default Investment Strategy ("**DIS**") replacing the existing Default Fund (as defined below) of the Master Trust.

You should read this notice carefully because the changes made to the MPF legislation may affect the investment of both your accrued benefits and future contributions.

All capitalised terms used in this notice shall have the meanings as ascribed to them in the Prospectus, unless otherwise stated.

1. What is DIS?

- DIS is a default investment arrangement as stipulated in accordance with the Mandatory Provident Fund Schemes Ordinance. **For members who do not make a fund choice for their MPF account, their accrued benefits, and future investments (meaning future contributions and accrued benefits transferred from another MPF scheme) will be invested in the DIS from the Effective Date onwards.** The DIS is also available as an investment choice itself for members.
- The DIS is not a fund - it is a strategy that uses two constituent funds, namely the Core Accumulation Fund and the Age 65 Plus Fund (collectively the "**DIS Funds**") to automatically reduce the risk exposure as the member approaches retirement age. The DIS Funds will invest in a globally diversified manner and invest in different assets (e.g. equities, bonds, money market instruments, etc.). The DIS Funds are subject to fee and expense caps as imposed by the legislation. For further information about the DIS Funds including their investment objective and policy, please refer to the Annex to this notice.

2. How does DIS affect you?

- If you have accounts in the Master Trust that are set up before the Effective Date ("**pre-existing account**"), depending on whether you have previously made any fund choices, it may affect you in different ways.
- If you have already given a valid Investment Mandate for the accrued benefits and future investments in your pre-existing account or you are 60 years old or above before the Effective Date, you will not be affected by the implementation of the DIS.
- If <u>all</u> your accrued benefits in a pre-existing account are invested in the existing Default Fund (currently the Constituent Fund as specified by an employee member's employer, other than the Guaranteed Fund, or in the absence of such specification, the Capital Stable Fund) as at the Effective Date and you have not given a valid Investment Mandate for the pre-existing account, you will receive a separate notice (i.e. the "**DIS Re-Investment Notice**") sent to you within 6 months from the Effective Date. The DIS Re-Investment Notice will explain that if you do not make an investment choice by replying within a specified period, your accrued benefits in the existing Default Fund will be redeemed in whole and re-invested in accordance with the DIS.

[1] Please note that references to "you" or "your" in this notice refer to, as the case may be in the relevant context, participating employers or members.

Therefore, if you receive the DIS Re-investment Notice, please pay special attention to the contents and make appropriate arrangement. You should note that the risk of the existing Default Fund may be different from that of the DIS and you may be exposed to market risks as a result of any reinvestment of your accrued benefits in the DIS.

- There are special circumstances where the accrued benefits in the pre-existing account are transferred from another account within the Master Trust (e.g. in the case of cessation of employment, where accrued benefits in your contribution account are transferred to a personal account within the Master Trust), your accrued benefits in the pre-existing account will be invested in the same manner as they were invested immediately before the transfer but your future investments may be invested in the DIS after the implementation of the DIS, unless otherwise instructed.

  Please refer to the section headed "C. Implications for New and Pre-existing Accounts on or after DIS Implementation" below for further details.

3. Do you need to do anything?

- Apart from the above, there are other circumstances where your accrued benefits or future contributions may be affected by the implementation of the DIS. If you have any query on how it will affect you and what actions you need to take, you should call the INVESCall Member Hotline at (852) 2842 7878.
- If you receive the DIS Re-Investment Notice after the Effective Date, you are advised to pay special attention to the contents and make appropriate arrangement.

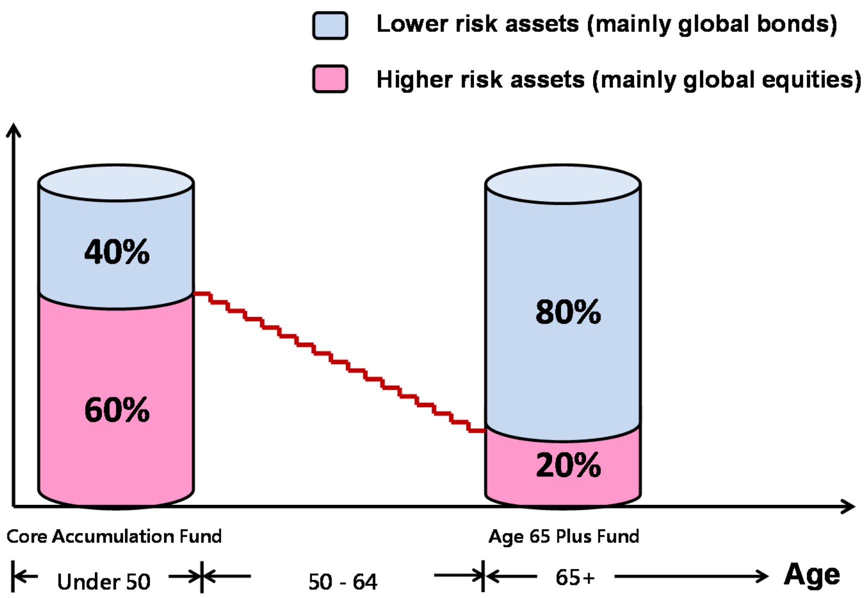
A. What is DIS?

DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not make an investment choice, their future investments will be invested in accordance with the DIS from the Effective Date onwards. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all MPF schemes.

(a) *Objective and Strategy*

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the Core Accumulation Fund ("**CAF**") and the Age 65 Plus Fund ("**A65F**"), according to the pre-set allocation percentages at different ages. The CAF will invest around 60% in higher risk assets (higher risk assets generally mean equities or similar investments) and the remainder in lower risk assets (lower risk assets generally mean bonds or similar investments) of its net asset value ("**NAV**") whereas the A65F will invest around 20% in higher risk assets and the remainder in lower risk assets. The DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, fixed income, money market and cash, and other types of assets allowed under the MPF legislation. For further information about the CAF and A65F including their investment objective and policy, please refer to the Annex to this notice.

Diagram 1: Asset Allocation between the DIS Funds according to the DIS



Note: The exact proportion of the portfolio in higher/lower risk assets at any point in time may deviate from the target glide path due to market fluctuations. Also, the investment allocation of each relevant member between CAF and A65F will be rounded to one decimal place.

(b) *Annual de-risking*

Accrued benefits invested through the DIS will be invested in a way that adjusts risk depending on a member's age. The DIS will manage investment risk exposure by **automatically** reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older after reaching 50 years of age. Such de-risking is to be achieved by way of reducing the holding in the CAF and increasing the holding in the A65F over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

In summary, under the DIS:

(1) When a member is below the age of 50, all accrued benefits and future investments will be invested in the CAF.
(2) When a member is between the ages of 50 and 64, all accrued benefits and future investments will be invested according to the allocation percentages between the CAF and A65F as shown in the DIS de-risking table (see Diagram 2 below). The de-risking of the existing accrued benefits and future investments will be automatically carried out as described above.
(3) When a member reaches the age of 64, all accrued benefits and future investments will be invested in the A65F.

Diagram 2: DIS De-risking Table

Age	*Core Accumulation Fund ("**CAF**")*	*Age 65 Plus Fund ("**A65F**")*
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%
59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between the CAF and A65F is made at the point of annual de-risking and the proportion of the CAF and A65F in the DIS portfolio may vary during the year due to market fluctuations.

(c) Fees and out-of-pocket expenses of the CAF and A65F

The aggregate of the payments for services of the CAF and A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the NAV of each of the DIS Funds divided by the number of days in the year. It includes, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor and/or the promoter (if any) of the Master Trust and the underlying investment fund(s) of the respective DIS Funds, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Funds and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying investment fund(s).

The total amount of all payments that are charged to or imposed on the DIS Funds or members who invest in DIS Funds, for out-of-pocket expenses incurred by the trustee on a recurrent basis in the discharge of the trustee's duties to provide services in relation to the DIS Funds, shall not in a single year exceed 0.2% of the NAV of each of the DIS Funds. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS Fund or members who invests in a DIS Fund and such out-of-pocket expenses are not subject to the above statutory limit.

(d) Key Risks Relating to the DIS

DIS is an investment strategy that is subject to various risks and limitations, including:

- Age as the sole factor in determining the asset allocation under the DIS. The DIS does not take into account other factors such as market and economic conditions nor a member's personal circumstances.
- Allocation to higher risk assets in the DIS Funds has to follow prescribed ratio and limits the investment manager's ability to respond to sudden market fluctuations.
- Annual de-risking between the DIS Funds operates automatically regardless of the wish of a member to

adopt a strategy which might catch market upside or avoid market downside.

- Potential rebalancing within each DIS Fund – investments in each of the DIS Funds will need to be re-balanced continuously in accordance with prescribed allocation which may affect the performance of the DIS Funds.
- Additional transaction costs due to rebalancing of assets and annual de-risking may result in greater transaction costs.
- The DIS does not guarantee capital repayment nor positive investment returns, and the DIS Funds are subject to the general investment risks that apply to mixed asset funds.
- Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.
- The A65F holds around 20% of its assets in higher risk assets and may not be suitable for all members beyond the age of 64.

For further information about the risks associated with investing through DIS, please refer to the new "Default Investment Strategy" section of the Prospectus, as amended by the first addendum.

(e) *Information on performance of DIS Funds*

The fund performance of the DIS Funds will be published in the fund factsheet. One of the fund fact sheets will be attached to the annual benefit statement. Members can visit INVESNet: www.mpf.invesco.com.hk or call the INVESCall Member Hotline at (852) 2842 7878 for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

B. Key Features of the Existing Default Fund and the DIS

The existing Default Fund is currently the Constituent Fund as specified by an employee member's employer, other than the Guaranteed Fund, or in the absence of such specification, the Capital Stable Fund. **Please call the INVESCall Member Hotline at (852) 2842 7878 if you have any questions on the existing Default Fund that is applicable to you, including its key features.** As an example, please find below the key features of the Capital Stable Fund and the DIS for reference:

	Existing Default Fund in the absence of specification by an employee member's employer	The DIS
Name and description (if applicable)	Capital Stable Fund	The DIS is comprised of two Constituent Funds, namely Core Accumulation Fund ("**CAF**") and Age 65 Plus Fund ("**A65F**"), with de-risking mechanism in accordance with pre-set allocation percentages based on member's age
Fund Type	Mixed Assets	For both DIS Funds: Mixed Assets
De-risking Feature	No	Yes
Total Management Fees of the Constituent Fund and its underlying investment funds (if applicable)	Class A Units: 1.195% p.a. of NAV Class H Units: 1.075% p.a. of NAV	For both DIS Funds: Class A Units: 0.75% p.a. of NAV Class H Units: 0.75% p.a. of NAV
Daily fees cap	No	Yes (for details, please refer to section A(c))
Risk profile*	Low to Medium	Core Accumulation Fund: Medium to High Age 65 Plus Fund: Low to Medium
Guarantee feature	No	No

* The "risk profile" indicates the expected risk of the relevant Constituent Fund relative to other Constituent Funds in the Master Trust.

For details of the key features of the existing Default Fund and the DIS, please refer to the Prospectus (or contact the Trustee).

C. Implications for New and Pre-existing Accounts on or after DIS Implementation

(a) *Implications on accounts opened on or after the Effective Date*

When members join the Master Trust or set up a new account in the Master Trust on or after the Effective Date, they have the opportunity to give an Investment Mandate for their future investments. If members fail to or do not want to submit to the Trustee an Investment Mandate at the time of their requests to join / set up a new account in the Master Trust, the Trustee shall invest any of their future investments into the DIS.

(b) *Implications on accounts opened before the Effective Date*

There are special rules to be applied for pre-existing accounts and these rules only apply to members who are under or becoming 60 years of age on the Effective Date:

(1) Generally, for a member's pre-existing account with all accrued benefits being invested into the existing Default Fund but no investment instruction has been given (known as "**DIA account**"):

There are special rules and arrangements to be applied to determine whether accrued benefits in a DIA account will be transferred to the DIS. If your pre-existing account is considered as a DIA account, you will receive a notice called the DIS Re-investment Notice explaining the impacts on your pre-existing account and giving you an opportunity to give a specified investment instruction to the Trustee before the accrued benefits are invested into the DIS.

For details of the arrangement, members should refer to the DIS Re-investment Notice.

(2) For a member's pre-existing account with part of the accrued benefits invested in the existing Default Fund:

If part of the accrued benefits of your pre-existing account was invested in the existing Default Fund, unless the Trustee has received any Investment Mandates, your accrued benefits will be invested in the same manner as accrued benefits were invested immediately before the Effective Date. Future investments will be invested in the DIS in the absence of an Investment Mandate.

Members should note that the implementation of the DIS legislation may have impact on their MPF investments or accrued benefits. Please consult the Trustee by calling the INVESCall Member Hotline at (852) 2842 7878 if you have any doubts or questions on how your MPF investments or accrued benefits are being affected.

D. Rules and Procedures Applicable to Investment through the DIS

(a) *Fund Choice Combination*

From the Effective Date, members may choose to invest their future investments into:

(1) the DIS; and/or

(2) one or more Constituent Funds of their own choice from the list under the section headed "Investment Choices Under the Master Trust" in the Prospectus (including the CAF and the A65F as standalone investments) and according to their assigned allocation percentage(s) to relevant Constituent Fund(s) of their choice.

Members should note that, if investments/accrued benefits in CAF or A65F are made under the member's Investment Mandate as a standalone fund choice rather than as part of DIS offered as a choice ("**standalone investments**"), these investments/accrued benefits will not be subject to the de-risking process. If a member's investments/accrued benefits are invested in any combination of (i) CAF and/or A65F as standalone investments and (ii) the DIS (no matter by default or by Investment Mandate), investments/accrued benefits invested under (i) will not be subject to the de-risking process whereas for investments/accrued benefits under (ii) will be subject to the de-risking process. In this connection, members should pay attention to the different on-going administration arrangements applicable to investments/accrued benefits invested in (i) and (ii). In particular, members will, when giving a Switching Instruction, be required to specify to which part of the benefits (namely, under (i) or (ii)) the instruction relates.

(b) *Switching in and out of the DIS*

A member can switch into or out of the DIS at any time, subject to the Trust Deed. If a member wishes to switch out of the DIS, he may elect to switch all or part of his accrued benefits in an account invested in the DIS to other Constituent Funds (including the DIS Funds as standalone investments). Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. If a member switches his accrued benefits out of the DIS, this will result in the cessation of his investment in accordance with the DIS and may negatively affect the balance between risk and return attributes that has been built into the DIS as a long-term strategy.

Members should note that Switching Instructions only apply to accrued benefits and are not equivalent to a change of the Investment Mandate for future contributions, and vice versa.

E. Rules and Procedures of Annual De-Risking

(a) *Dealing day of annual de-risking*

The annual de-risking will be carried out on a member's birthday. Subject to as described in the following paragraph, if a member's birthday falls on a day which is not on a dealing day, then the annual de-risking will be carried out on the next available dealing day. If the birthday of the relevant member falls on the 29th of February and in the year which is not a leap year, then the annual de-risking will be carried out on the 1st of March or the next available dealing day. Members should note that the number of Units will be rounded down to 5 decimal places. Where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a dealing day of annual de-risking unless the Trustee and the Sponsor determine otherwise.

If the Trustee does not have the full date of birth of the relevant member, the de-risking will be carried out as follows:

- If only the year and month of birth is available, the annual de-risking will take place on the last calendar day of the birth month, or if it is not a dealing day, the next available dealing day.
- If only the year of birth is available, the annual de-risking will take place on the last calendar day of the year, or if it is not a dealing day, the next available dealing day.
- If no information at all on the date of birth, member's accrued benefits will be fully invested in A65F with no de-risking applied.

If the relevant member subsequently provide satisfactory evidence as to his year, month and/or day of birth, the relevant member's birthday based on such new evidence will be adopted, and the corresponding allocation percentages will be applied as soon as practicable.

To the extent practicable, a de-risking notice will be sent at least 60 days prior to a member reaching the age of 50, and a de-risking confirmation statement will be sent to members no later than 5 business days after each annual de-risking is completed.

(b) *De-risking process when there is one or more specified instructions*

When one or more of the specified instructions (including but not limited to subscription and redemption) are being processed on the annual date of de-risking for a relevant member, the annual de-risking in respect of such member will normally take place on the next dealing day, after completion of such specified instructions where necessary. For the avoidance of doubt, the sequence for processing de-risking as described above will also apply in all other circumstances involving redemption of accrued benefits from the DIS (provided that the member still has accrued benefits invested in the DIS after the redemption), for example where there is any withdrawal from the Master Trust, or withdrawal as a result of Employee Choice Arrangement or offsetting against long service payment or severance payment, or where an employer elects to transfer out from the Master Trust into other MPF schemes. Members should note that the annual de-risking may be deferred as a result.

If a member would like to switch out from the DIS and/or change his Investment Mandate to invest into individual Constituent Fund(s) (which may include the DIS Funds as standalone Constituent Funds) before the annual de-risking takes place (generally on a member's birthday), he should submit a Switching Instruction and/or a new Investment Mandate (as applicable) before the dealing cut-off time at 4 p.m. on the member's birthday. If the Switching Instruction and/or the new Investment Mandate are received after such dealing cut-off time, the switching and/or change of Investment Mandate (as applicable) will only be performed after the completion of the de-risking process.

Members should be aware that the above de-risking will not apply where a member chooses the CAF and A65F as individual fund choices (rather than as part of the DIS).

F. Rules and Procedures relating to Investment Instructions

Members should give a valid Investment Mandate for each account specifying the investment allocations (in percentage terms) to the Constituent Fund(s) in respect of mandatory contributions (and accrued benefits transferred from other schemes), voluntary contributions (and accrued benefits transferred from other schemes, if any) and flexible voluntary contributions (if any) (each a "**category of contributions**").

An Investment Mandate, in respect of a category of contributions, will only be regarded as valid if it complies with the following:

- the investment allocation to a Constituent Fund or the DIS is specified as an integer, i.e. minimum of 1%; and
- the total investment allocation to the selected Constituent Funds and/or the DIS is equal to 100%.

If an Investment Mandate does not comply with the above, including but not limited to cases where the investment allocation to a Constituent Fund and/or the DIS in respect of a category of contributions is specified as less than an integer of 1% or where the investment allocations to the selected Constituent Funds and/or the DIS in respect of a category of contributions add up to more than 100%, the Investment Mandate in respect of such category of contributions will be regarded as invalid. In addition, if the investment allocations to the selected Constituent Funds and/or the DIS in respect of a category of contributions add up to less than 100%, then (a) where the Investment Mandate in question is given in respect of enrolment of the member, then the relevant member will be regarded as not having given a valid Investment Mandate in respect of the shortfall, or (b) where the Investment Mandate in question is in respect of a change of Investment Mandate, then the relevant member will be regarded as not having given any valid Investment Mandate in respect of the change and all investments will be made in the same way as before until valid Investment Mandate is received by the Trustee.

If a member does not give any Investment Mandate or where all or part of the Investment Mandate is regarded as invalid:

- Regular FVC will not be debited from the relevant member's bank account.
- Lump sum FVC will be returned without interest to the member by cheque or telegraphic transfer at the risk and expense of the relevant member.
- In respect of new accounts set up on or after 1 April 2017, the Trustee will invest all or part (as the case may be) of non-FVC in the DIS.

G. Other changes

(a) *Change of arrangement regarding the termination of a Constituent Fund*

Prior to the Effective Date, upon the termination of a Constituent Fund (the "**Terminating Fund**"), a member is entitled to (i) give a Switching Instruction to switch his accrued benefits in the Terminating Fund to another Constituent Fund(s) or (ii) where the Investment Mandate of a member directs the investment of all or part of his accrued benefits in the Terminating Fund, give a new Investment Mandate as he directs. If such member fails to give such a Switching Instruction or new Investment Mandate, he shall be deemed to (i) have requested to make a switch of his accrued benefits in the Terminating Fund into the Default Fund or (ii) have given a new Investment Mandate in the same terms as the previous Investment Mandate, except that references to investing in the Terminating Fund shall be construed as references to investing in the Default Fund.

With effect from the Effective Date, upon the termination of the Terminating Fund, if a member fails to give a Switching Instruction or new Investment Mandate, he shall be deemed to (i) have requested to make a switch of his accrued benefits in the Terminating Fund into investment according to the DIS or (ii) have given a new Investment Mandate in the same terms as the previous Investment Mandate, except that references to investing in the Terminating Fund shall be construed as references to investing according to the DIS.

(b) *Transfers from one account to another within the Master Trust*

In relation to a transfer from one account to another account ("**new account**") within the Master Trust in circumstances as set out in the sub-section headed "General" under the section headed "Transfer to another account of the Master Trust or Other Schemes" in the Prospectus, the accrued benefits so transferred will remain invested in the same manner as they were invested immediately before the transfer, unless a new Investment Mandate is received by the Trustee. For the avoidance of doubt, the Investment Mandate applicable to the original account will generally not apply to any future investments to the new account. Unless Investment Mandates are received by the Trustee or unless the continued application of such Investment Mandates on or after the Effective Date has been reinforced before the Effective Date by certain activities requested by the member (such as the transfer of assets from another scheme) before the Effective Date, future investments will be invested according to the DIS. For the avoidance of doubt, in such case, the member's existing accrued benefits held in the relevant Constituent Funds will remain so invested and will not be switched into the DIS.

(c) *Rounding of units*

With effect from the Effective Date, the number of units of all existing Constituent Funds and the DIS Funds issued will be rounded down to 5 decimal places. This is to facilitate the calculation of the allocation percentages applicable to the two DIS Funds in the de-risking process.

H. Amendments to the Prospectus and Trust Deed

To reflect the above changes, the consolidated Prospectus will be amended by way of a first addendum to the Prospectus ("**First Addendum**") and the Trust Deed will be amended by way of a ninth supplemental deed ("**Ninth Supplemental Deed**"), where applicable. For further information about the DIS (or the DIS Funds) and its key features together with the associated risks involved, please refer to the First Addendum.

The First Addendum will be available on or around 12 December 2016 and the Ninth Supplemental Deed will be available on or around 12 December 2016.

Copies of this Notice, the consolidated Prospectus and the First Addendum can be obtained, and copies of the Trust Deed (together with all supplemental deeds) will be 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, Champion Tower, Three Garden Road, Central, Hong Kong. Copies of the consolidated Prospectus and First Addendum will also be 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, or can be obtained by calling the INVESCall Member Hotline at (852) 2842 7878.

I. Means to Obtain Further Information

Members may obtain information about the DIS through the INVESCall Member Hotline at (852) 2842 7878.

Invesco Hong Kong Limited
Bank Consortium Trust Company Limited

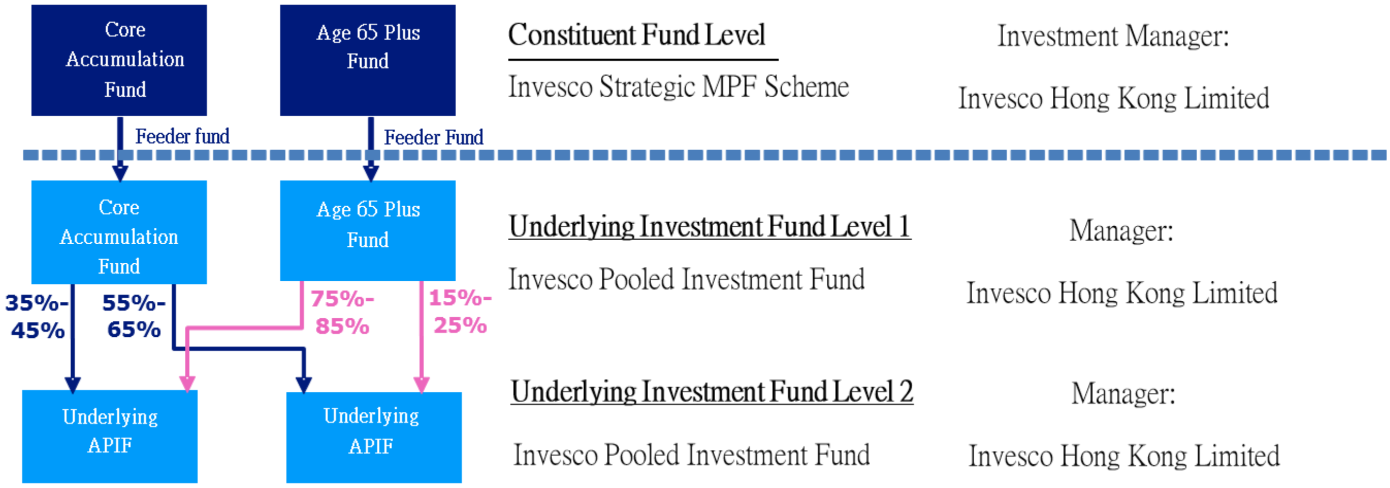
12 December 2016

Annex – Further information on CAF and A65F

Name of Constituent Fund	Objectives	Investment Policy	Risk and Return Profile
Core Accumulation Fund	To achieve capital growth by investing in a globally diversified manner.	*Investment Structure* To feed into an APIF, the Invesco Pooled Investment Fund – Core Accumulation Fund, that invests in two other APIFs (the "**Underlying APIFs**"), which in turn invest directly in a portfolio of global equities, and a portfolio of global fixed income securities, as well as cash and money market instruments as allowed under the MPF General Regulation. *Asset Allocation* Through the two Underlying APIFs, the APIF invested by the Core Accumulation Fund targets to invest 60% of its net asset value in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. Subject to the above, the investment manager of the APIF invested by the Core Accumulation Fund has discretion as to the asset allocation of the APIF. *Geographical Allocation* There is no prescribed allocation for investments in any specific countries or currencies. *Investment strategy of Underlying APIFs* The Underlying APIFs adopt an active investment strategy. The Underlying APIFs seek to achieve returns above that of the constituent index for equity securities and the constituent index for fixed income securities under the Reference Portfolio ("**reference indexes**") through active management of portfolios with reference to the constituents / credit rating, sectors, and geographic allocation of the reference indexes. In other words, the constituents of the portfolios may not be identical to the reference indexes in terms of security selection and weighting and the Underlying APIFs may selectively react to the movement of dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize cost for the purpose of DIS asset rebalancing. *Hong Kong Dollar Currency Exposure* The Core Accumulation Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% through investments in the Underlying APIFs. *Use of Financial Futures and Options Contracts and Securities Lending* The Core Accumulation Fund will not enter into financial futures and options contracts but one of the Underlying APIFs invested by the Invesco Pooled Investment Fund – Core Accumulation Fund may enter into financial futures and options contracts for hedging purposes only. The Core Accumulation Fund will not engage in securities lending.	Medium to High; The return of the Core Accumulation Fund over the long term is expected to be at least similar to the return of its Reference Portfolio[Note].

Name of Constituent Fund	Objectives	Investment Policy	Risk and Return Profile
Age 65 Plus Fund	To achieve stable growth by investing in a globally diversified manner.	*Investment Structure* To feed into an APIF, the Invesco Pooled Investment Fund – Age 65 Plus Fund, that invests in two other APIFs (the "**Underlying APIFs**"), which in turn invest directly in a portfolio of global equities, and a portfolio of global fixed income securities, as well as cash and money market instruments as allowed under the MPF General Regulation. *Asset Allocation* Through the two Underlying APIFs, the APIF invested by the Age 65 Plus Fund targets to invest 20% of its net asset value in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. Subject to the above, the investment manager of the APIF invested by the Age 65 Plus Fund has discretion as to the asset allocation of the APIF. *Geographical Allocation* There is no prescribed allocation for investments in any specific countries or currencies. *Investment strategy of Underlying APIFs* The Underlying APIFs adopt an active investment strategy. The Underlying APIFs seek to achieve returns above that of the respective reference indexes through active management of portfolios with reference to the constituents / credit rating, sectors, and geographic allocation of the reference indexes. In other words, the constituents of the portfolios may not be identical to the reference indexes in terms of security selection and weighting and the Underlying APIFs may selectively react to the movement of dealings in the portfolios or market fluctuations. This strategy aims to promote efficiency and minimize cost for the purpose of DIS asset rebalancing. *Hong Kong Dollar Currency Exposure* The Age 65 Plus Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% through investments in the Underlying APIFs. *Use of Financial Futures and Options Contracts and Securities Lending* The Age 65 Plus Fund will not enter into financial futures and options contracts but one of the Underlying APIFs invested by the Invesco Pooled Investment Fund – Age 65 Plus Fund may enter into financial futures and options contracts for hedging purposes only. The Age 65 Plus Fund will not engage in securities lending.	Low to Medium; The return of the Age 65 Plus Fund over the long term is expected to be at least similar to the return of its Reference Portfolio.

The investment structure of the Core Accumulation Fund and the Age 65 Plus Fund is illustrated as follows:



Master Trust / Fund	Constituent Fund / Underlying Investment Fund	Investment Manager / Manager
Invesco Strategic MPF Scheme	Core Accumulation Fund	Invesco Hong Kong Limited
	Age 65 Plus Fund	Invesco Hong Kong Limited
Invesco Pooled Investment Fund	Core Accumulation Fund	Invesco Hong Kong Limited
	Age 65 Plus Fund	Invesco Hong Kong Limited
	Underlying APIF	Invesco Hong Kong Limited
	Underlying APIF	Invesco Hong Kong Limited

Note:
Reference Portfolio - To provide a common reference point for the performance and asset allocation of the Core Accumulation Fund and Age 65 Plus Fund, a reference portfolio developed by the MPF industry and published by the Hong Kong Investment Funds Association, is adopted for the purpose of each of Core Accumulation Fund and Age 65 Plus Fund.