

2 July 2019

## **HSBC MPF ANNOUNCES COMPLETION OF MPF SCHEME CONSOLIDATIONS AND FEE REDUCTIONS IMPLEMENTED**

HSBC MPF announced today that it has completed the consolidation of its two MPF schemes and implemented the fee reductions on two of the dedicated equity funds.

Starting 1 July 2019, HSBC Mandatory Provident Fund - ValueChoice (the "ValueChoice") has merged into the HSBC Mandatory Provident Fund - SuperTrust Plus (the "SuperTrust Plus"). Following the merger, members of the combined scheme have 20 constituent funds to choose from. The funds covers a comprehensive set of actively managed funds and more passively managed funds (such as index funds) on one single platform, expanding the fund choices that members can enjoy from the previously individual schemes. Please refer to appendix I for the list of constituent funds under SuperTrust Plus with effect from 1 July 2019.

**Alfred Yip, Head of Pensions of HSBC Hong Kong** said, "With the completion of consolidation, participating members of the SuperTrust Plus and ValueChoice are not only enjoying a wider and comprehensive choice of funds, they are also enjoying higher efficiency in our MPF operation and the corresponding benefit from the larger economy of scale."

In addition to merger, effective 1 July 2019, HSBC MPF has reduced the management fees of two of the constituent funds, namely the European Equity Fund and the North American Equity Fund. Both funds have lowered their management fees from 1.35% to 1.30% per annum of net asset value ('NAV'). These reductions bring the management fees of all HSBC MPF's constituent funds at or below the market median in their respective fund categories<sup>1</sup>. Please refer to appendix II for all funds' management fees from 1 July 2019.

**Yip** continued, “HSBC MPF understands that members always want the best value out of their MPF savings. We continually review our fee structure and services to provide our customers better offerings. It is our seventh fee reduction since inception of MPF. We will remain vigilant in our quest of providing our members with best-of-class product and services, and to partner them to fulfil their retirement dreams.”

For details on the MPF scheme consolidation and fee reduction, you can refer to the information uploaded to [www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf). Participating members and employers of the SuperTrust Plus and ValueChoice should have received a notice about the consolidations and will receive a transfer and confirmation statement before end of August 2019. Customers can call the HSBC MPF Member Hotline 3128 0128 or the HSBC MPF Employer Hotline 2583 8033 for further information.

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**Notes to editors:**

1. Based on the “Mercer MPF FERs and Fees Report” as at 31 March 2019, issued by Mercer (Hong Kong) Limited.

**HSBC MPF**

HSBC currently provides one MPF scheme with a range of diversified constituent funds to match customers’ individual risk profiles. Customers can manage their MPF account conveniently via various service channels including the branch, online, or phone banking. HSBC MPF account balances form part of customers’ ‘Total relationship balance’, allowing members to easily qualify for an HSBC Jade, HSBC Premier or HSBC Advance account to enjoy more privileges on HSBC’s services.

**The Hongkong and Shanghai Banking Corporation Limited**

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group, which serves our customers through four global businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets, and Global Private Banking. The Group serves customers worldwide in 66 countries and territories in our geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US\$2,659bn at 31 March 2019, HSBC is one of the world’s largest banking and financial services organisations.

**Important notes**

- The HSBC Mandatory Provident Fund - SuperTrust Plus is a mandatory provident fund scheme.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.
- You should consider your own risk tolerance level and financial circumstances before investing in the MPF Default Investment Strategy. You should note that the DIS constituent funds, namely, the Core Accumulation Fund and the Age 65 Plus Fund, may not be suitable for you, and there may be a risk mismatch between the DIS constituent

funds and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.

- You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. We recommend that you consult with the Trustee if you have doubts on how you are being affected.
- The Guaranteed Fund invests solely in an approved pooled investment fund in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited. Please refer to the 'Warning' section under 'Guaranteed Fund' in Part II - Fund Structure of the 'Principal Brochure' for details of the credit risk.
- The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II - Fund Structure of the 'Principal Brochure' for full details of the guarantee features and Guarantee Conditions, including the guarantee features in the context of payment of benefits in instalments.
- MPF Benefits, AVC Benefits and TVC Benefits payable on a member's 65th birthday or early retirement on or after his/her reaching age 60 can be paid in one lump sum or in instalments, at the member's election (in such form and on such terms as the Trustee may, to the extent not prohibited by the 'MPF Ordinance' or General Regulation, prescribe). Please refer to the 'Payment of MPF Benefits, AVC Benefits and TVC Benefits' section under 'Payment of benefits' in Part I - Product Information of the 'Principal Brochure' for full details.
- You should not invest based on the information shown on this document alone and should read the 'Principal Brochure'.
- 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 'Principal Brochure'.

## Appendix I:

Name of Constituent Funds	Before merger on 1 July 2019		After merger on 1 July 2019
	Available under HSBC Mandatory Provident Fund - ValueChoice	Available under HSBC Mandatory Provident Fund - SuperTrust Plus	Available under HSBC Mandatory Provident Fund - SuperTrust Plus
MPF Conservative Fund	√	√	√*
Global Bond Fund	√	√	√*
Guaranteed Fund		√	√
Age 65 Plus Fund	√	√	√*
Core Accumulation Fund	√	√	√*
Stable Fund		√	√
Balanced Fund		√	√
Growth Fund		√	√
ValueChoice Balanced Fund	√		√*
Global Equity Fund	√		√*
North American Equity Fund		√	√
European Equity Fund		√	√
Asia Pacific Equity Fund		√	√
Hong Kong and Chinese Equity Fund		√	√
Chinese Equity Fund		√	√
ValueChoice US Equity Fund	√		√*
ValueChoice European Equity Fund	√		√*
ValueChoice Asia Pacific Equity Fund	√		√*
Hang Seng Index Tracking Fund	√	√	√*
Hang Seng China Enterprises Index Tracking Fund	√		√*

\*These 11 constituent funds under the SuperTrust Plus are having the same investment objectives and policies, fee levels and fee and charge structure as those corresponding constituent funds in the ValueChoice prior to the merger.

Appendix II:

Available under (Before 1 July 2019)^	Available under (from 1 July 2019)^	Name of Constituent Fund	Management Fees <sup>1,2,3</sup> (As a percentage of NAV per annum)	
			Fee Level (Before 1 July 2019)	New Fee Level (from 1 July 2019)
HSBC Mandatory Provident Fund – SuperTrust Plus and HSBC Mandatory Provident Fund – ValueChoice	HSBC Mandatory Provident Fund – SuperTrust Plus	MPF Conservative Fund <sup>4</sup>	0.75%	0.75%
		Global Bond Fund	0.79%	0.79%
		Hang Seng Index Tracking Fund	Up to 0.755%	Up to 0.755%
		Core Accumulation Fund	0.75%	0.75%
Age 65 Plus Fund				
HSBC Mandatory Provident Fund – SuperTrust Plus		Guaranteed Fund <sup>5</sup>	1.275%	1.275%
		Stable Fund	1.25%	1.25%
		Balanced Fund	1.35%	1.35%
		Growth Fund	1.45%	1.45%
		<b>North American Equity Fund</b>	<b>1.35%</b>	<b>1.30%</b>
		<b>European Equity Fund</b>		
		Asia Pacific Equity Fund	1.45%	1.45%
Hong Kong and Chinese Equity Fund				
Chinese Equity Fund				
HSBC Mandatory Provident Fund – ValueChoice		ValueChoice Balanced Fund*	0.79%	0.79%
		Global Equity Fund*		
	ValueChoice US Equity Fund*			
	ValueChoice European Equity Fund*			
	ValueChoice Asia Pacific Equity Fund*			
	Hang Seng China Enterprises Index Tracking Fund*	Up to 0.79%	Up to 0.79%	

^ Please note that the HSBC Mandatory Provident Fund – ValueChoice (the “HSBC VC”) has been merged with the HSBC Mandatory Provident Fund – SuperTrust Plus (the “HSBC STP”) with effect from 1 July 2019. The combined scheme is operating under the HSBC STP, and the HSBC VC ceases to operate. For details of the scheme merger, please refer to the Merger Notice which is uploaded to our website [www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf).

\* These six constituent funds under ValueChoice have been replicated and established under SuperTrust Plus with effective from 1 July 2019.

1 The Management fees of all constituent funds are deducted from the asset of the fund.

2 Preferential rate on the management fee is credited on monthly basis. Discount on the management fees are refunded as ‘special bonus’ in the form of fund units

allocation to the members' accounts each month and are credited to employer's sub-accounts (if applicable) and member's sub-accounts (if applicable). 'Special bonus' forms part of the account balance and is subject to relevant fees and charges applicable to HSBC MPF scheme. If a member terminates his/her account or transfers all assets out before the units allocation of that month, no 'special bonus' unit rebate will be granted for that month. The Trustee may offer other rebate/incentive arrangement to certain participating employers and/or members.

- 3 Other applicable fees, charges and expenses include, but are not limited to, joining fee, annual fee, contribution charge, offer spread, bid spread, withdrawal charge and other expenses. For further details, please refer to the 'Principal Brochure'.
- 4 Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The MPF Conservative Fund of HSBC MPF scheme uses method (i) and, therefore, its unit prices, net asset value and fund performance quoted have reflected the impact of fees and charges.
- 5 The percentage does not include the guarantee charge of 0.75% pa of NAV.

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