

# BOC-Prudential

Easy-Choice Mandatory Provident Fund Scheme

Product Guide



**Investment Manager and Leaflet Issuer:**

BOCI-Prudential Asset Management Limited

**Trustee and Custodian:**

BOCI-Prudential Trustee Limited

**MPF Application and Product Hotline:** (852) 2280 8686

**Website:** [www.boci-pru.com.hk](http://www.boci-pru.com.hk)



### **Important Information**

- **You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of Constituent Funds, you are in doubt as to whether a certain Constituent 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 Constituent 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 (as defined in section 6.7 *MPF Default Investment Strategy* in the MPF Scheme Brochure of BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme (the "Scheme")). You should note that the BOC-Prudential Core Accumulation Fund and the BOC-Prudential Age 65 Plus Fund may not be suitable for you, and there may be a risk mismatch between the BOC-Prudential Core Accumulation Fund and the BOC-Prudential Age 65 Plus Fund 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 MPF Default Investment Strategy 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 MPF Default Investment Strategy may have an impact on your MPF investments and accrued benefits. We recommend that you consult with the Trustee if you have doubts on how you are being affected.**
- **Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The BOC-Prudential MPF Conservative Fund uses method (i) and, therefore, unit prices/NAV/fund performance quoted have incorporated the impact of fees and charges.**
- **You should not solely rely on the stand-alone marketing material to make any investment decision. Please refer to the MPF Scheme Brochure of the Scheme for further details (including risk factors, fees and charges, and fund information).**
- **Investment involves risks. Prices of units of the Constituent Funds may go down as well as up. The past performance information is not indicative of future performance.**

# Investment Choices

BOCI-Prudential has established 16 different Constituent Funds to suit members' different investment needs and risk tolerance levels. Members may invest in different combinations of Constituent Funds and may from time to time change their investment choices\*.

Constituent Fund Name and Investment Policies Summary <sup>1</sup>	Expected Normal Asset Allocation <sup>1</sup>	Risk Level <sup>∇</sup>
<b>Equity Funds</b>		
<b>BOC-Prudential China Equity Fund</b> <ul style="list-style-type: none"> <li>Aims to provide long-term capital growth</li> <li>Invests at least 70% of the Fund's non-cash assets in the China equity sub-fund of the BOC-Prudential Unit Trust Fund</li> </ul>	BOC-Prudential Unit Trust Fund: China equity sub-fund            70 – 100% Cash and time deposits            0 – 30%	High
<b>BOC-Prudential Hong Kong Equity Fund</b> <ul style="list-style-type: none"> <li>Aims to provide long-term capital growth</li> <li>Invests at least 70% of the Fund's non-cash assets in the Hong Kong equity sub-fund of the BOC-Prudential Unit Trust Fund</li> </ul>	BOC-Prudential Unit Trust Fund: Hong Kong equity sub-fund        70 – 100% Cash and time deposits            0 – 30%	High
<b>BOC-Prudential Japan Equity Fund</b> <ul style="list-style-type: none"> <li>Aims to achieve long-term capital growth</li> <li>Invests primarily in the Japan equity sub-fund of the BOC-Prudential Unit Trust Fund</li> </ul>	BOC-Prudential Unit Trust Fund: Japan equity sub-fund                70 – 100% Cash and time deposits            0 – 30%	High
<b>BOC-Prudential Asia Equity Fund</b> <ul style="list-style-type: none"> <li>Aims to achieve long-term capital growth</li> <li>Invests at least 70% of the Fund's non-cash assets in the Asia equity sub-fund of the BOC-Prudential Unit Trust Fund</li> <li>It is intended that the sub-fund will not invest in equities in Japan</li> </ul>	BOC-Prudential Unit Trust Fund: Asia equity sub-fund                 70 – 100% Cash and time deposits            0 – 30%	High
<b>BOC-Prudential Global Equity Fund</b> <ul style="list-style-type: none"> <li>Seeks to achieve long-term capital growth</li> <li>Invests at least 70% of the Fund's non-cash assets in (1) a combination of the global equity, Asia equity, China equity, Hong Kong equity, Japan equity and European equity sub-funds of the BOC-Prudential Unit Trust Fund (collectively, the "equity sub-funds") or (2) a combination of the equity sub-funds and equity-related ITCIS<sup>+</sup> managed by the Investment Manager</li> </ul>	BOC-Prudential Unit Trust Fund: Global equity sub-fund                40 – 100% Asia equity sub-fund                    20 – 80% China equity sub-fund                 0 – 40% Hong Kong equity sub-fund            0 – 30% Japan equity sub-fund                 0 – 30% European equity sub-fund            0 – 50% ITCIS <sup>+</sup> 0 – 60% Cash and time deposits            0 – 30%	High
<b>Equity Funds – Index Tracking Series</b>		
<b>BOC-Prudential CSI HK 100 Tracker Fund</b> <ul style="list-style-type: none"> <li>Aims to achieve long-term capital growth</li> <li>Currently, invests exclusively in an ITCIS<sup>+</sup> selected by the Investment Manager – W.I.S.E. – CSI HK 100 Tracker™, an index-tracking exchange traded fund which seeks to track the performance of the CSI Hong Kong 100 Index by adopting a representative sampling strategy</li> </ul>	ITCIS <sup>+</sup> W.I.S.E. – CSI HK 100 Tracker™                                 90 – 100% Cash and time deposits            0 – 10%	High
<b>BOC-Prudential European Index Tracking Fund</b> <ul style="list-style-type: none"> <li>Aims to achieve long-term capital growth</li> <li>Currently, invests exclusively in an ITCIS<sup>+</sup> selected by the Investment Manager – the BOC-Prudential European Index Fund, which seeks to provide investment performance (before fees and expenses) that tracks the performance of the FTSE MPF Europe Index (unhedged) primarily by adopting a representative sampling strategy</li> </ul>	ITCIS <sup>+</sup> BOC-Prudential Index Fund Series: BOC-Prudential European Index Fund                90 – 100% Cash and time deposits            0 – 10%	High
<b>BOC-Prudential North America Index Tracking Fund</b> <ul style="list-style-type: none"> <li>Aims to achieve long-term capital growth</li> <li>Currently, invests exclusively in an ITCIS<sup>+</sup> selected by the Investment Manager – the BOC-Prudential North America Index Fund, which seeks to provide investment performance (before fees and expenses) that tracks the performance of the FTSE MPF North America Index (unhedged) primarily by adopting a representative sampling strategy</li> </ul>	ITCIS <sup>+</sup> BOC-Prudential Index Fund Series: BOC-Prudential North America Index Fund                 90 – 100% Cash and time deposits            0 – 10%	High

Constituent Fund Name and Investment Policies Summary <sup>1</sup>	Expected Normal Asset Allocation <sup>1</sup>	Risk Level <sup>7</sup>						
<b>Mixed Asset Funds</b>								
<p><b>BOC-Prudential Growth Fund</b></p> <ul style="list-style-type: none"> <li>Seeks to achieve a return higher than the average capital appreciation</li> <li>Invests in (1) a combination of sub-funds of the BOC-Prudential Unit Trust Fund or (2) a combination of sub-funds of the BOC-Prudential Unit Trust Fund and ITCIS+ managed by the Investment Manager</li> <li>Will be primarily invested in the equity sub-funds to form a global equity portfolio, with the balance invested in the bond sub-funds</li> </ul>	<table border="0"> <tr> <td>Equities</td> <td>70 – 100%</td> </tr> <tr> <td>Bonds</td> <td>0 – 30%</td> </tr> <tr> <td>Cash, time deposits, money market or fixed income securities</td> <td>0 – 20%</td> </tr> </table>	Equities	70 – 100%	Bonds	0 – 30%	Cash, time deposits, money market or fixed income securities	0 – 20%	High
Equities	70 – 100%							
Bonds	0 – 30%							
Cash, time deposits, money market or fixed income securities	0 – 20%							
<p><b>BOC-Prudential Balanced Fund</b></p> <ul style="list-style-type: none"> <li>Seeks to achieve a long-term capital growth</li> <li>Invests in (1) a combination of sub-funds of the BOC-Prudential Unit Trust Fund or (2) a combination of sub-funds of the BOC-Prudential Unit Trust Fund and ITCIS+ managed by the Investment Manager</li> <li>Will be invested in a mix of equity and bond sub-funds</li> </ul>	<table border="0"> <tr> <td>Equities</td> <td>40 – 80%</td> </tr> <tr> <td>Bonds</td> <td>20 – 60%</td> </tr> <tr> <td>Cash, time deposits, money market or fixed income securities</td> <td>0 – 20%</td> </tr> </table>	Equities	40 – 80%	Bonds	20 – 60%	Cash, time deposits, money market or fixed income securities	0 – 20%	Medium to High
Equities	40 – 80%							
Bonds	20 – 60%							
Cash, time deposits, money market or fixed income securities	0 – 20%							
<p><b>BOC-Prudential Stable Fund</b></p> <ul style="list-style-type: none"> <li>Will be invested in a conservative manner to reduce the risk of capital losses while attempting to achieve a reasonable level of capital gains</li> <li>Invests in (1) a combination of sub-funds of the BOC-Prudential Unit Trust Fund or (2) a combination of sub-funds of the BOC-Prudential Unit Trust Fund and ITCIS+ managed by the Investment Manager</li> <li>Will be invested in a mix of equity and bond sub-funds</li> </ul>	<table border="0"> <tr> <td>Equities</td> <td>10 – 50%</td> </tr> <tr> <td>Bonds</td> <td>40 – 90%</td> </tr> <tr> <td>Cash, time deposits, money market or fixed income securities</td> <td>0 – 20%</td> </tr> </table>	Equities	10 – 50%	Bonds	40 – 90%	Cash, time deposits, money market or fixed income securities	0 – 20%	Medium
Equities	10 – 50%							
Bonds	40 – 90%							
Cash, time deposits, money market or fixed income securities	0 – 20%							
<b>Bond Fund</b>								
<p><b>BOC-Prudential Bond Fund</b></p> <ul style="list-style-type: none"> <li>Seeks to provide a stable income stream and long-term capital appreciation</li> <li>Invests primarily in the global bond sub-fund of the BOC-Prudential Unit Trust Fund</li> </ul>	<table border="0"> <tr> <td>BOC-Prudential Unit Trust Fund: Global bond sub-fund</td> <td>70 – 100%</td> </tr> <tr> <td>Cash and time deposits</td> <td>0 – 30%</td> </tr> </table>	BOC-Prudential Unit Trust Fund: Global bond sub-fund	70 – 100%	Cash and time deposits	0 – 30%	Medium		
BOC-Prudential Unit Trust Fund: Global bond sub-fund	70 – 100%							
Cash and time deposits	0 – 30%							
<b>Money Market Funds</b>								
<p><b>BOC-Prudential MPF RMB &amp; HKD Money Market Fund<sup>2, 3</sup></b></p> <ul style="list-style-type: none"> <li>Seeks to achieve long-term total returns by primarily investing in a portfolio of money market and debt instruments denominated in Renminbi ("RMB") and Hong Kong dollar ("HKD")</li> <li>Return over the long term is expected to follow the price movement of the RMB and HKD denominated money market and debt instruments</li> </ul>	<table border="0"> <tr> <td>Short-term deposit and money market instruments</td> <td>70 – 100%</td> </tr> <tr> <td>Debt securities</td> <td>0 – 30%</td> </tr> </table>	Short-term deposit and money market instruments	70 – 100%	Debt securities	0 – 30%	Low to Medium		
Short-term deposit and money market instruments	70 – 100%							
Debt securities	0 – 30%							
<p><b>BOC-Prudential MPF Conservative Fund<sup>3</sup></b></p> <ul style="list-style-type: none"> <li>Aims at achieving a return higher than the interest rate in Hong Kong dollar savings account</li> <li>Invests in deposits and debt securities with an average portfolio maturity of not exceeding 90 days and will have a total value of Hong Kong dollar currency investments equal to the total market value of the Constituent Fund</li> </ul>	<table border="0"> <tr> <td>Deposits and debt securities</td> <td>100%</td> </tr> </table>	Deposits and debt securities	100%	Low				
Deposits and debt securities	100%							

Constituent Fund Name and Investment Policies Summary <sup>1</sup>	Expected Normal Asset Allocation <sup>1</sup>	Risk Level <sup>∇</sup>
<b>MPF Default Investment Strategy ("DIS")<sup>4</sup></b>		
<b>BOC-Prudential Core Accumulation Fund</b> <ul style="list-style-type: none"> <li>Seeks to provide capital growth to members by investing in a globally diversified manner</li> <li>Targets to hold 60% of its underlying assets in higher risk assets through investing in a combination of equity sub-funds of the BOC-Prudential Unit Trust Fund and/or ITCIS<sup>+</sup>, with the remainder investing in lower risk assets, through investing in a combination of bond sub-funds of the BOC-Prudential Unit Trust Fund and/or ITCIS<sup>+</sup></li> <li>Aims to achieve a performance that is referenced against the Reference Portfolio</li> </ul>	Equities, warrants, interests in an ITCIS <sup>+</sup> that tracks an index comprising equities or equities-like securities and/or other investments as identified in the relevant guidelines issued by the MPFA <sup>#</sup> from time to time: 55 – 65% Bonds or fixed income instruments: 35 – 45% Cash, time deposits or money market securities: 0 – 10%	Medium to High
<b>BOC-Prudential Age 65 Plus Fund</b> <ul style="list-style-type: none"> <li>Seeks to provide stable growth for the retirement savings to members by investing in a globally diversified manner</li> <li>Targets to hold 20% of its assets in higher risk assets through investing in a combination of equity sub-funds of the BOC-Prudential Unit Trust Fund and/or ITCIS<sup>+</sup>, with the remainder investing in lower risk assets through investing in a combination of bond sub-funds of the BOC-Prudential Unit Trust Fund and/or ITCIS<sup>+</sup></li> <li>Aims to achieve a performance that is referenced against the Reference Portfolio</li> </ul>	Bonds or fixed income instruments: 75 – 85% Equities, warrants, interests in an ITCIS <sup>+</sup> that tracks an index comprising equities or equities-like securities and/or other investments as identified in the relevant guidelines issued by the MPFA <sup>#</sup> from time to time: 15 – 25% Cash, time deposits or money market securities: 0 – 10%	Medium

**Please refer to the "Risks" of each Constituent Fund under section 3.4.1 "Investment Policies of the Constituent Funds" and section 4.1 "Risk Factors" of the MPF Scheme Brochure of the Scheme for details about the risks associated with the Constituent Funds.**

\* Risk involved in fund switching - Members should note that the performance of the investment markets could fluctuate significantly. Fund prices may go down as well as up. There is no guarantee that, given the time required to implement fund switching instructions, such instructions will achieve members' desired results. Members should consider carefully their own risk tolerance level and financial circumstances (as well as their own retirement plan) before making any investment choices. If in doubt, members should contact their independent financial advisor for further advice.

∇ The risk level of each Constituent Fund is categorized into low, low to medium, medium to high and high. The risk levels are determined by the Investment Manager based on the investment mix of each Constituent Fund and/or its underlying investments, and represent only the views of the Investment Manager. The risk levels are for reference only and will be reviewed and (if appropriate) updated at least annually taking into account the prevailing market circumstances.

<sup>1</sup> Please refer to section 3.4.1 "Investment Policies of the Constituent Funds" of the MPF Scheme Brochure of the Scheme for details.

<sup>2</sup> The BOC-Prudential MPF RMB & HKD Money Market Fund is subject to currency risk, and there is no guarantee that the RMB will not depreciate or RMB will not be subject to devaluation. This Constituent Fund is also subject to certain other specific risks, including but not limited to limited pool of investments, credit/insolvency risk of counterparties, liquidity risk for RMB debt securities investment and interest rate risk for RMB debt securities investment. Please refer to part (III) of section 4.1 "Risk Factors" of the MPF Scheme Brochure of the Scheme for details.

<sup>3</sup> Investments in the BOC-Prudential MPF RMB & HKD Money Market Fund and BOC-Prudential MPF Conservative Fund are not the same as placing funds on deposit with a bank or deposit-taking company and that there is no obligation to redeem the investment at the subscription value and that these Constituent Funds are not subject to the supervision of the Hong Kong Monetary Authority.

<sup>4</sup> For details of DIS, please refer to section 6.7 "MPF Default Investment Strategy" of the MPF Scheme Brochure of the Scheme. For key risks relating to DIS, please refer to part (IV) of section 4.1 "Risk Factors" of the MPF Scheme Brochure of the Scheme.

<sup>+</sup> "ITCIS" means "index-tracking collective investment scheme approved by the Mandatory Provident Fund Schemes Authority".

<sup>#</sup> "MPFA" means "Mandatory Provident Fund Schemes Authority".

# Management Fees\* (Current Level)^

Participating employers and members of the Scheme may pay certain fees, charges and expenses upon and after joining the Scheme, including joining fee and annual fee (if any). Fees and charges may also be payable arising from transactions in individual member's account, and there are fund operating charges and expense of Constituent Funds, fees and charges payable out of the underlying funds, and other fees and charges for providing additional services. The following table merely sets out the management fees of Constituent Funds and underlying funds. Please refer to section 5 "Fees and Charges" of the MPF Scheme Brochure of the Scheme for details.

Name of Constituent Funds	Management Fees* of Constituent Funds (% of net asset value of the Constituent Fund per annum)	Management Fees*^ of Underlying Funds (% of net asset value of the underlying fund per annum)
<b>Equity Funds</b>		
BOC-Prudential China Equity Fund	<b>1.55%</b>	<b>0.0875%</b>
BOC-Prudential Hong Kong Equity Fund		
BOC-Prudential Japan Equity Fund		
BOC-Prudential Asia Equity Fund		
BOC-Prudential Global Equity Fund		
<b>Equity Funds - Index Tracking Series</b>		
BOC-Prudential CSI HK 100 Tracker Fund	<b>0.8125%</b>	<b>0.075%</b>
BOC-Prudential European Index Tracking Fund	<b>0.9025%</b>	<b>0.0875%</b>
BOC-Prudential North America Index Tracking Fund		
<b>Mixed Asset Funds</b>		
BOC-Prudential Growth Fund	<b>1.55%</b>	<b>0.0875%</b>
BOC-Prudential Balanced Fund		
BOC-Prudential Stable Fund		
<b>Bond Fund</b>		
BOC-Prudential Bond Fund	<b>1.4%</b>	<b>0.0875%</b>
<b>Money Market Funds</b>		
BOC-Prudential MPF RMB & HKD Money Market Fund <sup>2, 3</sup>	<b>0.8%</b>	<b>N/A</b>
BOC-Prudential MPF Conservative Fund <sup>3</sup>		
<b>MPF Default Investment Strategy<sup>4</sup></b>		
BOC-Prudential Core Accumulation Fund	<b>0.75%</b>	<b>Nil (after fee rebate)</b>
BOC-Prudential Age 65 Plus Fund		

- \* Management fees include fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor of a scheme for providing their services to the relevant Constituent Fund. They are usually charged as a percentage of the net asset value of a Constituent Fund. In the case of the BOC-Prudential Core Accumulation Fund and the BOC-Prudential Age 65 Plus Fund, management fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the Mandatory Provident Fund Schemes Ordinance) be charged as a percentage of the net asset value of the fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of the fund which applies across both the fund and underlying funds. For the avoidance of doubt, management fees of the BOC-Prudential Core Accumulation Fund and the BOC-Prudential Age 65 Plus Fund shall not include custodian fees which are not calculated by reference to the net asset value of these Constituent Funds. Any amount of management fees exceeding the relevant specified rate will be rebated to the relevant Constituent Funds daily by the Trustee and Investment Manager respectively.
- ▲ Any amount of fees charged by the Trustee and the Investment Manager of the ITCIS<sup>+</sup> exceeding the specified rate will be rebated to the Constituent Funds by the Trustee and Investment Manager respectively.
- ^ In respect of any increase in fees and charges from the current level, at least three months prior notice must be given to all scheme members and participating employers.
- <sup>2</sup> The BOC-Prudential MPF RMB & HKD Money Market Fund is subject to currency risk, and there is no guarantee that the RMB will not depreciate or RMB will not be subject to devaluation. This Constituent Fund is also subject to certain other specific risks, including but not limited to limited pool of investments, credit/insolvency risk of counterparties, liquidity risk for RMB debt securities investment and interest rate risk for RMB debt securities investment. Please refer to part (III) of section 4.1 "Risk Factors" of the MPF Scheme Brochure of the Scheme for details.
- <sup>3</sup> Investments in the BOC-Prudential MPF RMB & HKD Money Market Fund and BOC-Prudential MPF Conservative Fund are not the same as placing funds on deposit with a bank or deposit-taking company and that there is no obligation to redeem the investment at the subscription value and that these Constituent Funds are not subject to the supervision of the Hong Kong Monetary Authority.
- <sup>4</sup> For details of DIS, please refer to section 6.7 "MPF Default Investment Strategy" of the MPF Scheme Brochure of the Scheme. For key risks relating to DIS, please refer to part (IV) of section 4.1 "Risk Factors" of the MPF Scheme Brochure of the Scheme.
- + "ITCIS" means "index-tracking collective investment scheme approved by the Mandatory Provident Fund Schemes Authority".

**On-going Costs Illustrations and an Illustrative Example for BOC-Prudential MPF Conservative Fund are available for distribution together with the MPF Scheme Brochure of the Scheme. These documents demonstrate the effect of fees and charges on contributions to the Constituent Funds available under the Scheme. Before making any investment decisions concerning MPF investments, members should refer to the latest version of these documents which can be obtained from our website [www.boci-pru.com.hk](http://www.boci-pru.com.hk) or via our MPF Application and Product Hotline 2280 8686.**

**Investment involves risk. The above information is for reference only. You should not solely rely on the stand-alone information to make any investment decision. Please refer to the MPF Scheme Brochure of the Scheme for details (including risk factors, fees and charges, and fund information).**

