

Press Release: For Immediate Release



Total Retirement Solution for Members - Offering Regular Withdrawal Option for Post-Retirement and Launch of a New Constituent Fund

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.

(Hong Kong – 21 November 2022) **BOCI-Prudential Asset Management Limited** ("**BOCI-Prudential Asset Management**" or the "**Company**") is pleased to announce that the **Total Retirement Solution for Post-Retirement** has been rolled out under the existing Mandatory Provident Fund Scheme — BOC-Prudential Easy-Choice Mandatory Provident Fund Scheme (the "Scheme"). The solution is specifically designed with the following three features:

1. Providing Regular Withdrawal Option¹ to Eligible Retired Members² who have reached retirement stage;

2. Establishment of a new constituent fund — BOC-Prudential Hong Kong Stable Retirement Fund (the “New CF”); and
3. Offering Monthly Unit Rebate (for Eligible Retired Members who have elected the Regular Withdrawal Option and invested in the New CF) ³.

Mr. Dick Lee, CEO of BOCI-Prudential Asset Management, stated that, “There is a rapid growth of aging population, and Hong Kong people’s life expectancy has been increasing. A one-off withdrawal of all MPF accrued benefits when a MPF member reaches retirement age may not be the most desirable option to tackle the longevity risk. In recent years, some MPF service providers have been actively developing various kinds of “post-retirement solutions” that seek to assist members in making long-term preparation for retirement life.

In view of this, BOCI-Prudential Asset Management specifically designed a new solution for the Scheme that aims at fulfilling members’ financial needs before retirement (accumulation phase) and after retirement (decumulation phase). We understand that certain members may expect to receive a relatively stable stream of income after retirement, or prefer to have an arrangement that allows them to withdraw retirement savings regularly to suit their own needs. The newly rolled-out solution therefore offers a Regular Withdrawal Option for Eligible Retired Members. When the member reaches retirement stage, regardless of the constituent fund(s) he has invested in, he may opt to provide the Trustee with a standing instruction⁴ to specify a fixed sum⁵ to be withdrawn monthly. The Trustee will automatically make monthly payments to the Eligible Retired Member from his accrued benefits based on amount specified in the instruction, and no withdrawal or handling fees will be levied.”

Mr. Anthony Wong, Deputy Head of Retirement Services, Marketing Department of the Company also said that, “For the sake of enabling members to make retirement plans that suit themselves, the solution also includes establishing the BOC-Prudential Hong Kong Stable Retirement Fund. It came to our attention that certain members desire to invest in local market which they are most familiar with and closely related to. Therefore, a relatively large portion of assets of this New CF will, through its sole investment in an underlying sub-fund of the Umbrella Unit Trust⁶, namely BOC-Prudential Hong Kong Stable Retirement Fund (the “Underlying Retirement Fund”), be invested in Hong Kong dollar denominated local bonds or fixed income instruments. However, considering the importance of portfolio diversification and long-term return enhancement, a relatively small portion of the New CF’s assets, through its investment in the Underlying Retirement Fund, will be invested in global equities. The investment objective of the New CF is to seek to achieve a stable and long-term capital appreciation, with the focus of investing in assets with lower risk exposure, and an expectation of a lower level of volatility.”

Name of the New CF	Fund Structure	Fund Descriptor	Investment Focus⁷	Risk Level⁸
BOC-Prudential Hong Kong Stable Retirement Fund	Feeder Fund (the New CF invests solely in the Underlying Retirement Fund)	Mixed Assets Fund (Hong Kong) Maximum Equity - 25%	(Through the relevant underlying sub-funds of the Umbrella Unit Trust invested by the Underlying Retirement Fund) <ul style="list-style-type: none"> - 75 – 95% in bonds - 5 – 25% in equities With balance in cash, time deposits or money market securities	Low to Medium

Besides, as part of the retirement solution, Eligible Retired Members who have invested in the New CF and elected the Regular Withdrawal Option will also enjoy a Monthly Unit Rebate, and the amount of such rebate is 0.4% per annum of the member’s holding in the new CF.

For more details of the Total Post-Retirement Solution and the New CF, please refer to the corresponding leaflet.



¹ Please refer to section 6.11 “Regular withdrawal option upon reaching retirement stage” and section 6.13 “Payment of accrued benefits” of the MPF Scheme Brochure of the Scheme for details.

² An Eligible Retired Member is a member who satisfies either of the two circumstances (as listed below) for withdrawal of accrued benefits under section 6.10 “Withdrawal of accrued benefits” of the MPF Scheme Brochure of the Scheme, and thus is eligible for the Regular Withdrawal Option:

- he attains the normal retirement age of 65; or
- he attains the early retirement age of 60 and certifies to the Trustee by statutory declaration that he has permanently ceased his employment or self-employment with no intention of becoming employed or self-employed again.

³ The unit rebate will be calculated and paid monthly from the Management fees, and will be credited into the members’ account in the form of allotment of new units of the New CF. Such allotment will be made after the number of units to be rebated is ascertained at the end of the relevant period. The Investment Manager reserves the right to change the applicable rate of the rebate by giving members not less than one month’s notice (or such other notice period as required by the MPFA and the SFC). Please refer to section 5.4 “Unit rebate for investment in the BOC-Prudential Hong Kong Stable Retirement Fund upon reaching retirement stage” and section 6.11 “Regular withdrawal option upon reaching retirement stage” of the MPF Scheme Brochure of the Scheme for details. If no regular withdrawal option is elected by the Eligible Retired Member or no investment is made in the New CF, no unit rebate will be paid to the member under section 5.4 of the MPF Scheme Brochure of the Scheme.

⁴ Providing the Trustee a standing instruction in such a form as may be prescribed from time to time by the Trustee.

⁵ In multiples of HK\$1,000, with a minimum amount of HK\$2,000.

⁶ “Umbrella Unit Trust” means the BOC-Prudential Unit Trust Fund, which is an umbrella unit trust.

⁷ Please refer to section 3.4.1 “Investment policies of the Constituent Funds” of the MPF Scheme Brochure of the Scheme for further details of the New CF’s investment policies.

There is no assurance that the New CF will meet your retirement needs. Under certain market circumstances, the New CF may not be able to deliver stable return and the strategy to achieve lower level of volatility may not be effective. Investors should note that lower volatility does not necessarily mean lower risk. For risks associated with the New CF, please refer to the “Risks” of BOC-Prudential Hong Kong Stable Retirement 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.

⁸ The risk level of each Constituent Fund is categorized into low, low to medium, 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.

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About BOCI-Prudential Asset Management Limited

BOCI-Prudential Asset Management Limited ("BOCI-Prudential Asset Management") was jointly established by BOCI Asset Management Limited (which is a subsidiary company wholly owned by BOC International Holdings Limited) and Prudential Corporation Holdings Limited (which is a subsidiary company wholly owned by Prudential Holdings Limited) in 1999. BOCI-Prudential Asset Management offers a broad spectrum of investment products and services ranging from mandatory provident fund scheme, retirement schemes, retail unit trusts to exchange traded funds, apart from the tailor-made investment strategies for individual and institutional clients. In terms of assets under management on MPF, BOCI-Prudential Asset Management is one of the top five MPF investment managers[#] in Hong Kong. The managed Mandatory Provident Fund Scheme is one of the Master Trust Schemes engaged by the Government for the provision of MPF services to its eligible employees.

For more information about BOCI-Prudential Asset Management, please visit our Company's website at www.boci-pru.com.hk[^].

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[#]Source: Mercer (Hong Kong) Limited. Mercer MPF Market Shares Report (as of 31 December 2021).

[^]The website has not been reviewed by the SFC.

Investment involves risk. The New CF may not be suitable for everyone. 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).

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