

Schroder Provident Plan

Explanatory Memorandum

April 2025 Edition

(Version 1)

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IMPORTANT: This letter is important and requires your attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Hong Kong) Limited being the sponsor ("Sponsor")¹ of Schroder Provident Plan ("Plan") accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

Unless otherwise defined, terms used in this document bear the same meaning as in the Explanatory Memorandum of the Plan dated April 2025 (the "Explanatory Memorandum").

22 August 2025

Dear Employer/Employee,

Update to disclosures relating to the underlying fund of Global Fixed Income Portfolio

Global Fixed Income Portfolio invests solely in the Schroder Institutional Pooled Funds – Global Bond Fund (the "**Underlying Fund**"). In order to allow the Underlying Fund to tap on the strength of Schroder Investment Management (Singapore) Ltd's investment expertise and utilise the investment management resources available within the Schroders group, with effect from 23 September 2025, in addition to Schroder Investment Management Limited, Schroder Investment Management (Singapore) Ltd will also be appointed to act as a sub-manager of the Underlying Fund.

Correspondingly, the disclosures in the section headed "4 Global Fixed Income Portfolio" in Appendix I to the Explanatory Memorandum will be updated as follows (changes are shown with track changes):

The manager and sub-manager of the Fund is are Schroder Investment Management (Hong Kong) Limited and <u>the sub-managers of the Fund are</u> Schroder Investment Management Limited <u>and Schroder Investment Management (Singapore) Ltd</u> respectively .

For the avoidance of doubt, apart from the appointment as described above, all key features of the Underlying Fund, including fee level, fee structure, the way the Underlying Fund is managed and risk profile, remain unchanged.

¹ The Sponsor is the product provider for the purposes of the Code on Pooled Retirement Funds.

The Explanatory Memorandum will be amended in due course to reflect the changes as set out above. Employers and members should review the Explanatory Memorandum (as amended in due course) for further details.

The latest version of the Explanatory Memorandum is available from the Sponsor upon request.

Should you have any questions, please call Schroder Provident Plan Hotline on 2929 3029.

Yours faithfully,

Schroder Investment Management (Hong Kong) Limited

as Sponsor for Schroder Provident Plan

April 2025

SCHRODER INVESTMENT MANAGEMENT (HONG KONG) LIMITED
EXPLANATORY MEMORANDUM
SCHRODER PROVIDENT PLAN

IMPORTANT NOTES:

- Schroder Provident Plan (the “Plan”) is a pooled retirement fund.
- The Plan is structured to allow participating employers and their employees a choice as to the investment policy to be followed in the investment of their contributions.
- The Plan offers a number of investment options (the “Portfolios”) each of which is distinguished by the specific investment policy or any other specific features of its underlying investment fund or, in respect of Capital Guaranteed Portfolio, underlying insurance policy. These investment funds and policy may directly or indirectly through other fund(s) invest in equities, bonds, debt securities, money market instruments or a combination of these.
- Capital Guaranteed Portfolio invests solely in an insurance policy provided by Sun Life Hong Kong Limited (“Sun Life”). The guarantee is also given by Sun Life and subject to relevant guaranteed features and conditions. Your investments in the Portfolio, if any, are therefore subject to the credit risk of Sun Life. Please refer to Section 8 “Investment Options” and Appendix II to this explanatory memorandum for details of the credit risk, guaranteed features and guarantee conditions.
- This explanatory memorandum should be read in conjunction with the relevant offering documents (including the key facts statements) of the underlying investment funds and the policy documents of the underlying insurance policy in which the Portfolios invest except for the Schroder Institutional Pooled Funds - Global Bond Fund invested by Global Fixed Income Portfolio, details of which are mainly set out under the section headed “4 Global Fixed Income Portfolio” in Appendix I to this explanatory memorandum.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of Portfolios, you are in doubt as to whether a Portfolio is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice and choose the Portfolio(s) most suitable for you taking into account your circumstances.
- Investment involves risks. Past performance should not be taken as an indication of future performance.
- Dealing on severe weather days: Employers or, if applicable, members should note that the processing of switching of Plan Units and change of investment mandate on days when there are severe weather conditions in Hong Kong, i.e. where a typhoon signal number 8 or above or black rainstorm warning is issued by the Hong Kong Observatory, or an “extreme conditions” announcement is made by the Hong Kong Government, will depend on the operational support of the service providers, such as settlement banks.

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Name of Plan

Schroder Provident Plan

Sponsor and Investment Manager

Schroder Investment Management (Hong Kong) Limited
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88 Queensway,
Hong Kong

Trustee and Administrator

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Taikoo Shing,
Hong Kong

Auditors

KPMG
8th Floor, Prince's Building,
10 Chater Road,
Central,
Hong Kong

Legal Advisers

Deacons
5th Floor, Alexandra House,
18 Chater Road, Central,
Hong Kong

For further information please contact Schroder Investment Management (Hong Kong) Limited on telephone 2843 7778.

This explanatory memorandum is issued for information purposes only as the Plan will be governed by the trust deed of the Plan. The Sponsor accepts responsibility for the accuracy of the information contained in this explanatory memorandum as at the date of publication and confirms, having made all reasonable enquires, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

If you are in doubt about the meaning and effect of the content of this explanatory memorandum, you should seek independent professional financial advice. This explanatory memorandum contains details of how the Portfolios are to be invested in the Plan. It should be noted that investment involves risk.

This Plan and the Portfolios have been authorised by the Securities and Futures Commission ("**SFC**") pursuant to section 104 of the Securities and Futures Ordinance ("**SFO**"). The SFC's authorization does not imply official recommendation or endorsement of the Plan and the Portfolios nor does it guarantee the commercial merits of the Plan and the Portfolios or any of their performance. It does not mean the Plan and the Portfolios are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors. The SFC has also not verified the accuracy or truthfulness of the statements made or the opinions expressed in this explanatory memorandum. Where any collective investment scheme is described in this explanatory memorandum as having been authorised by the SFC or approved by the Mandatory Provident Fund Schemes Authority ("**MPFA**"), such SFC authorization/MPFA approval does not imply official recommendation or endorsement of such collective investment scheme nor does it guarantee the commercial merits of the collective investment scheme or its performance. It does not mean the collective investment scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

1 About Schroders

Schroder Investment Management (Hong Kong) Limited is a wholly owned subsidiary of Schroders Plc. With years of investment experience in the Asia Pacific region the Schroders Group is able to offer particular expertise in management of specialist Asian portfolios and is able to draw on the worldwide resources of the Group with offices and research analysts based throughout the region. The Schroders Group worldwide manages assets of over £778.7 billion as at 31 December 2024 in London, Hong Kong, Luxembourg, New York, Singapore, Sydney, Tokyo, Zurich and other investment centres around the world.

Schroder Investment Management (Hong Kong) Limited is one of the leading investors on behalf of pension funds, institutional funds and private client portfolios for Hong Kong and international clients.

2 Why Have a Provident Plan?

There are advantages to both employers and their staff in establishing a provident or retirement benefit plan or scheme. The type of scheme within the Plan can be tailor-made for the particular personnel policies of the employer but for all employers a retirement benefit scheme can be expected to assist in the retention of long serving employees and to attract new staff. To the extent permitted by legislation, the sums contributed can be provided against the long service and severance payment liabilities of the employer and give a measure of financial security to staff on their retirement. Certain tax reliefs are available on contributions made by employers.

The current Occupational Retirement Schemes Ordinance regulates occupational retirement schemes and the advantage of a master trust or pooled arrangement is that an employer can be sure that professionals are ensuring full compliance with the legislation.

3 The Plan

Schroder Provident Plan (the “**Plan**”) is created by a trust deed dated 16 September 1996, as amended, (the “**Trust Deed**”) as a pooled retirement fund to provide a convenient professionally managed vehicle for employers to establish a retirement scheme for their staff. It is suitable for employers of all sizes and corporate employers, partnerships, sole proprietors and the self-employed may join. Schroder Investment Management (Hong Kong) Limited is the sponsor (the “**Sponsor**”) and investment manager (“**Investment Manager**”) of the Plan and BOCI-Prudential Trustee Limited is the trustee of the Plan (the “**Trustee**”). BOCI-Prudential Trustee Limited is registered as a trust company in Hong Kong. The Sponsor is the product provider of the Plan within the meaning of the SFC’s Code on Pooled Retirement Funds (“**PRF Code**”). The Sponsor shall perform such duties and obligations as set out in the Trust Deed and the PRF Code.

The Plan offers flexibility so that specific rules can be adopted by each employer who joins giving an employer a choice of defined contribution or defined benefit rules. With defined contribution rules the sums payable out to an employee on termination of employment are calculated directly based on the sums contributed in respect of that employee and the Plan’s investment performance. In defined benefit rules, the amount payable to an employee on termination of employment will be based wholly or partly on the salary paid to the relevant employee. Employees enrolled to the Plan and whose memberships have not ceased are hereafter referred to as “**members**”.

Pooling of assets results in economies of scale in the cost of management and better diversified portfolio. The Plan allows investment indirectly in investment funds managed by the Schroders Group and monies can thus be pooled with monies of other investors to enhance the benefits of economies of scale and portfolio diversification.

4 Occupational Retirement Schemes Ordinance

All occupational retirement and provident fund schemes must be registered under the Occupational Retirement Schemes Ordinance (“**ORSO**”) unless exempted. The legislation applies to all forms of schemes and the term “retirement scheme” is widely defined. Registration is required for most schemes. Both registered and exempt schemes may participate in the Plan and receive the same Hong Kong tax treatment.

Each employer who participates in the Plan will be required to register or obtain exemption in respect of its participation. The Sponsor and the Trustee will assist the employer to prepare the necessary application form and supporting documents.

5 Plan Structure

The Plan is a trust which employers join by execution of a deed of adherence (“**Deed of Adherence**”). Monies contributed will be allocated to a number of portfolios that is a part of the assets of the Plan to be invested in accordance with a defined investment objective. The Sponsor with the consent of the Trustee decides which portfolios are to be created (“**Portfolios**”). Details of the Portfolios now generally available are set out in Section 8 “Investment Options” of this explanatory memorandum. The Investment Manager, is responsible for the selection of the investments of each Portfolio. For Portfolios to be available to all employers and their staff who join the scheme (i.e. “members”), the Investment Manager, will select on the creation of a Portfolio an investment fund or insurance policy into which monies allocated to that Portfolio will be invested. The only other assets of such a Portfolio will usually be cash or deposits although the Investment Manager, will have power to acquire certain government or other public securities.

Employers have the option of requesting the Sponsor to establish a Portfolio to which only subscriptions to their scheme within the Plan are allocated and that Portfolio will be separately managed and directly invested in securities, bonds and cash or in a range of investment funds. The employer would be able to decide depending on the size of his scheme whether to utilise such a Portfolio for all the monies being contributed or to use it only for employer or member payments.

6 Administration

The Trustee is incorporated in Hong Kong and is a company registered under Part VIII of the Trustee Ordinance.

The Trustee will be responsible for the safe custody of the assets of the Plan and the administration of the Plan including but not limited to keeping all records in respect of the Plan, issuing members' financial statements and paying out benefits as and when they fall due.

In accordance with the Trust Deed, the Trustee shall take into custody or under its control all the investments, cash and other assets forming part of the assets of the Plan and each Portfolio and hold them in trust and, to the extent permitted by law, shall register cash and registrable assets in the name of or to the order of the Trustee and such investments, cash and other assets of the relevant Portfolio shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereto. The Trustee may, from time to time appoint such person or persons (including a connected person of the Trustee) as the custodian, co-custodian or sub-custodian, delegate, nominee or agent in respect of the whole or any part of the assets of the Plan and/or any Portfolio, at the cost of the Plan unless the custodian, co-custodian or sub-custodian, delegate, nominee or agent is an associate of the Trustee. In addition, the Trustee may empower any such person to appoint, with the prior consent in writing of the Trustee, sub-custodians, nominees, agents and/or delegates.

The Trustee shall (A) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of agent, nominee, delegate, custodian, co-custodian or sub-custodian which are appointed for the custody and/or safekeeping of any of the investments, cash, assets or other property comprised in each Portfolio (each a "**Correspondent**"); and (B) be satisfied that each Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant services to the Plan or any Portfolio. Provided that the Trustee has discharged its obligations set out in (A) and (B), the Trustee shall not be liable for any act and omission of any Correspondent that is not a connected person of the Trustee. The Trustee shall remain liable for any act or omission of any Correspondent that is a connected person of the Trustee as if the same were the act or omission of the Trustee. The Trustee shall use reasonable endeavours to recover any loss of investments and other assets arising from any default of a Correspondent.

The Trustee shall not be responsible for any act or omission of Euroclear Bank S.A./N.V., Clearstream Banking, S.A., Centrale de Livraison de Valeurs Mobilieres S.A. or any other such central depository or clearing and settlement system in relation to any investment deposited with such central depository or clearing and settlement system.

The Trustee will also act as the administrator of the Plan.

7 Hong Kong Taxation

The following information is based on current law and practice which may be subject to change from time to time. Employers and members should seek the advice of their own professional advisers as to the taxation or other consequences of their participation. Participating employer and members of a duly registered or exempted scheme under the ORSO would be subject to the following tax treatment under the Hong Kong Inland Revenue Ordinance.

Members

Once an employer's participation in the Plan is registered or exempt under ORSO, the members of the scheme i.e. the employees, will receive qualifying benefits free of Hong Kong salaries tax. In other cases, salaries tax is charged. There is no salaries tax payable on monies contributed to the Plan by an employer on qualifying benefits. The employee's contribution is also not taxable. Qualifying benefits refer to employer's contributions and investment returns accruing on a member dying, becoming permanently ill, retiring (at the age of 45 or above for this tax purpose) and (to some extent) voluntary resignation with 120 or more completed months of employment. If a member resigns, the tax relief on employer's contributions and investment returns is given by reference to a scale dependent upon his years of employment.

Employers

An employer's ordinary annual contributions made to the Plan, in respect of its scheme which is registered or exempt under ORSO, will generally be deductible for profits tax purposes up to 15% of the total emoluments of the employee, but initial and lump sum contributions are allowable for deduction for profits tax purposes in five equal instalments over five years. Refunds of contributions will generally not be permitted and where made will be taxable receipts for profits tax purposes.

The Plan

For so long as the Plan is authorised as a collective investment scheme by the SFC pursuant to Section 104 of the SFO, the Plan should be regarded as a specified investment scheme under section 26A(1A) of the Inland Revenue Ordinance and any sums received or accrued to such Plan (whether they are sourced from Hong Kong or not) should not be subject to Hong Kong profits tax.

US Tax Reporting Obligations under Foreign Account Tax Compliance Act ("FATCA")

The provisions of the Foreign Account Tax Compliance Act were enacted on 18 March 2010 as part of the Hiring Incentive to Restore Employment Act ("FATCA"). It includes provisions under which a Foreign Financial institution ("FFI") may be required to report directly to the US Internal Revenue Service ("IRS") certain information about Plan interests held by US persons for the purposes of FATCA or other foreign entities subject to FATCA and to collect additional identification information for this purpose. FFIs that do not enter into an agreement with the IRS and comply with the FATCA regime could be subject to 30% withholding tax on any payment of US source income including interests and dividends as well as on the gross proceeds deriving from the sale of securities generating US income made to the Portfolio.

The Plan intends to comply with the provisions of FATCA under the terms of the inter-governmental agreement (“**IGA**”) Model II that had been entered into between US Treasury and Hong Kong Government on 13 November 2014 and under the terms of the Hong Kong legislation implementing the IGA rather than under the US Treasury Regulations implementing FATCA. The Sponsor as the sponsoring entity has included the Plan in the list of funds sponsored by it.

In order to comply with its FATCA obligations, from 1 July 2014 the Plan may be required to obtain certain information from its members so as to ascertain their US tax status. If the member is a specified US person under the provisions of FATCA, U.S. owned non-U.S. entity, non-participating FFI or does not provide the requisite documentation, the Plan will need to report information on these members directly to the IRS. Provided that the Plan acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Although the Sponsor will attempt to satisfy any obligations imposed on it and to avoid the imposition of any FATCA penalty withholding on the Plan, no assurance can be given that the Sponsor will be able to achieve this and/or satisfy such FATCA obligations. If the Plan becomes subject to a FATCA penalty withholding as a result of the FATCA regime, the value of the Plan interests held by members may be adversely affected and members may suffer material losses.

Each employer, member and other beneficiaries should seek independent professional advice regarding the FATCA requirements with respect to their own situation. In particular, where they invest in or held Plan interests through an intermediary, nominee or custodian, investors are recommended to check whether such intermediary, nominee or custodian is FATCA compliant and any possible FATCA implications.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No. 3) Ordinance (the “**Ordinance**”) came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information (“**AEOI**”). The AEOI requires financial institutions (“**FI**”) in Hong Kong to collect information relating to account holders, and to file such information as relates to reportable account holders who are tax resident in Reportable Jurisdictions (as defined below) with the Hong Kong Inland Revenue Department (“**IRD**”) who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has activated exchange relationships (“**Reportable Jurisdictions**”); however, the Plan and/or its agents may further collect information relating to residents of other jurisdictions.

With effect from 1 January 2020 the Plan is required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Plan and/or its agents shall collect and provide to the IRD tax information relating to employers, members and other beneficiaries.

The AEOI rules as implemented by Hong Kong require the Plan to, amongst other things: (i) register the Plan’s status as a “Reporting Financial Institution” with the IRD; (ii) conduct due diligence on its accounts (i.e. employers, members and other beneficiaries) to identify whether any such accounts are considered “Reportable Accounts” for AEOI purposes; and (iii) report to the IRD information on such Reportable Accounts. The IRD is expected on an annual basis to transmit the information reported to it to the government authorities of the relevant Reportable Jurisdiction(s). Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax resident in a Reportable Jurisdiction; and (ii) certain entities controlled by individuals who are tax resident in a Reportable Jurisdiction. Under the Ordinance, details of employers, members and other beneficiaries, including but not limited to their name, jurisdiction of birth, address, tax residence, account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant Reportable Jurisdiction(s).

By participating in the Plan and/or continuing to participate in the Plan, employers and members acknowledge that they may be required to provide additional information to the Plan, the Trustee and/or the Plan’s agents in order for the Plan to comply with AEOI. The employer’s and member’s information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such members that are not natural persons), may be communicated by the IRD to authorities in other jurisdictions.

Each employer, member and other beneficiaries should consult his own professional advisor(s) on the administrative and substantive implications of AEOI on his current or proposed participation in the Plan.

8 Investment Options

The Plan is structured to allow an employer or, if the employer so decides when joining the Plan, each of the members employed by it, a choice as to the investment policy to be followed in the investment of their contributions. The Plan’s assets will be allocated to a series of Portfolios. There are a number of Portfolios which are generally available or employers may, if the size of their scheme is sufficient, decide that their subscriptions be allocated to a Portfolio designated solely for the monies of their scheme and operated with an investment objective and policy agreed with the Sponsor in its capacity as the Investment Manager. The Sponsor in its capacity as the Investment Manager will in the latter case act directly as the investment manager of the assets which may be held in equities, bonds or cash or a range of investment funds or insurance policies. The employer may utilise such a Portfolio for investment of all the monies contributed by it and, if applicable, members, or only part thereof for example allowing members to choose from the other generally available Portfolios.

Twelve (12) Portfolios are currently created, eleven (11) investing in investment funds managed by the Schrodgers Group (“**Unitized Portfolios**”) and one (1) investing in an insurance policy, called **Capital Guaranteed Portfolio**, issued by Sun Life. The Capital Guaranteed Portfolio aims to preserve capital and generate a stable return so as to ensure a guaranteed minimum return of not less than 0% per annum before deducting expenses. The Capital Guaranteed Portfolio currently invests into an insurance policy issued, managed, and guaranteed by Sun Life (the “**Insurance Policy**”). The Unitized Portfolios and the Capital Guaranteed Portfolio are now generally available to all employers.

A summary of the Unitized Portfolios and the Capital Guaranteed Portfolio and their underlying investment funds/insurance policy is as follows:

	Fund Type¹ of Portfolio	Underlying investment fund/insurance policy	Categorization of underlying investment fund/insurance policy	Unit/share class of underlying investment fund/insurance policy	Denomination of underlying investment fund/insurance policy	Date of establishment of Portfolio
Unitized Portfolio						
Hong Kong Money Market Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Hong Kong Money Market Fund	Money market fund	Ordinary	HKD	16 September 1996
US Dollar Money Portfolio	Fund investing in SFC-authorised fund(s)	Schroder U.S. Dollar Money Fund	Money market fund	Ordinary	USD	16 September 1996
HK Dollar Fixed Income Portfolio	Fund investing in SFC-authorised fund(s)	Schroder International Selection Fund - Hong Kong Dollar Bond	Bond fund	C Accumulation	HKD	16 September 1996
Global Fixed Income Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Institutional Pooled Funds - Global Bond Fund	Bond fund	Class A	HKD	3 May 2011
Capital Stable Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Capital Stable Fund	Multi-asset fund	C Accumulation	HKD	16 September 1996
Stable Growth Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Stable Growth Fund	Multi-asset fund	C Accumulation	HKD	16 September 1996
Balanced Investment Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Balanced Investment Fund	Multi-asset fund	C Accumulation	HKD	16 September 1996
Growth Portfolio	Fund investing in SFC-authorised fund(s)	Schroder Growth Fund	Multi-asset fund	C Accumulation	HKD	16 September 1996
Global Equity Portfolio	Fund investing in SFC-authorised fund(s)	Schroder International Selection Fund - Global Equity Alpha	Equity fund	C Accumulation	USD	3 May 2011
Asian Portfolio	Fund investing in SFC-authorised fund(s)	Schroder International Selection Fund - Asian Opportunities	Equity fund	C Accumulation	USD	16 September 1996
Hong Kong Equity Portfolio	Fund investing in SFC-authorised fund(s)	Schroder International Selection Fund - Hong Kong Equity	Equity fund	C Accumulation	HKD	3 May 2011
Non-Unitized Portfolio						
Capital Guaranteed Portfolio	Guaranteed fund	Insurance Policy issued by Sun Life	Guaranteed policy	N/A	HKD	1 June 2000

¹ Fund type corresponds to the classification of portfolios pursuant to Chapter 8.10 of the PRF Code.

A summary of each investment fund, in which the Unitized Portfolios invest, including a description of the investment objective and policy as at the date of this publication are set out in Appendix I to this explanatory memorandum. A summary of the Capital Guaranteed Portfolio and the Insurance Policy is set out in Appendix II to this explanatory memorandum.

General

The Portfolios may also hold cash, deposits and certain government or other public securities but the Investment Manager does not intend to utilise the power to hold such securities unless unusual circumstances arise.

Employers and, where permitted by an employer, his employees will be given the opportunity thereafter to choose in which Portfolio or Portfolios to invest their contributions and will be able to change this choice and may also switch invested monies from one Portfolio to another from time to time. Neither the Trustee nor the Sponsor is responsible for any loss arising from any investment selection.

The Sponsor may add to or delete from the list of Portfolios from time to time. The Investment Manager is responsible for investment selection of Portfolios investing in investment funds or insurance policies and Portfolios which invest directly. The Trustee has power to borrow for the purpose of providing cash to pay benefits or expenses up to a limit of 10% of the net asset value of the Plan but not for the purpose of investment.

An employer chooses the form of rules most suited to its needs and can decide if individual members will have power to make their own investment choice or if all decisions will be made by the employer. Investment choice will thus be the responsibility of the employer or employee and not the Sponsor or the Trustee. Where employees are to have investment choice a copy of this explanatory memorandum will be made available to them.

Investment of the Portfolios is made in compliance with the Trust Deed, the applicable investment requirements under Chapters 8.10 – 8.11 of the PRF Code, the ORSO and the Mandatory Provident Fund Schemes (Exemption) Regulation. In particular, the Capital Guaranteed Portfolio is a guaranteed fund. Pursuant to Chapter 8.10C of the PRF Code, the Capital Guaranteed Portfolio shall also comply with Chapter 9 of the PRF Code. Please refer to Appendix III for a summary of the key investment restrictions applicable to the Portfolios.

Creation and closure of Portfolios

Due to the ever changing investment environment, the Trustee and the Sponsor may at any time delete or add to the list of Portfolios. 3 months' prior written notice (or, with the Trustee's consent, such shorter period of notice as may be permitted under the Code or by the SFC) will be given to each employer and, if applicable, members if a Portfolio is to be closed. In exceptional circumstances a shorter notice may be given, subject to any applicable regulatory requirements. When a Portfolio is to close, no contributions will be allocated thereto and the employer or member will be required to switch the accumulated monies to other Portfolios.

9 Operation of the Plan

The assets of the Plan are deemed to be allocated to different Portfolios. The base currency of the Plan and each Portfolio is Hong Kong dollars.

Unitized Portfolios

The assets allocated to the Unitized Portfolios are divided into units ("**Plan Units**") as a convenient method of describing an interest in those assets. The initial value of a Plan Unit in each Unitized Portfolio will be ten Hong Kong dollars. Employers and, if applicable, members who choose to invest in a Unitized Portfolio will be allocated Plan Units in the books of the Trustee and such units will be designated as issued in a particular Unitized Portfolio. The investment return in respect of any Unitized Portfolio is dependent on the price of Plan Units of the particular Portfolio held by an employer or member.

Capital Guaranteed Portfolio

The Capital Guaranteed Portfolio is not unitized so the assets of the Plan allocated to this Portfolio will not be divided into units. Accordingly there will be no Plan Units in respect of the Capital Guaranteed Portfolio. Instead any contributions of employers and, if applicable, members will be allocated to specifically established accounts in dollar amounts. The Trustee will maintain a separate account in respect of each member who chooses to invest in the Capital Guaranteed Portfolio (an "**Additional Account**").

The income of the Capital Guaranteed Portfolio, net of any fees and expenses, will usually be allocated to the relevant Additional Accounts on annual basis in proportion to each member's holding in the Portfolio during the relevant year. For further details of the income of the Capital Guaranteed Portfolio, see Appendix II.

10 Dealing and Valuation

(a) In Respect of the Unitized Portfolios

The net asset value of each Unitized Portfolio is determined for the purpose of issuing and redeeming Plan Units on each Business Day (as defined below) subject to change by the Sponsor in respect of one or more Portfolios by giving not less than 1 month's prior written notice to the Trustee, the employers and any members entitled to giving instructions for investment mandate or switching ("**Valuation Day**") at the Valuation Point (as defined below). A "**Business Day**" is a day on which The Stock Exchange of Hong Kong Limited is open for normal trading or such other day or days as the Sponsor and the Trustee may from time to time determine. "**Valuation Point**" means the close of business in the last relevant market to close on the relevant Valuation Day or such other time on that day as the Sponsor and the Trustee may from time to time determine either generally or in relation to a particular Portfolio subject to, where necessary, the SFC's approval and notification to members. Confirmations of dealings are not issued.

The issue or redemption of Plan Units will be at a price calculated on the value of the assets of the relevant Portfolio less any liabilities attributable to that Portfolio. The net asset value of a Unit of a Portfolio shall be determined by dividing the net asset value of that Portfolio by the number of Plan Units in issue in that Portfolio on that Valuation Day (which shall include all Plan Units of that Portfolio to be redeemed with effect from the Valuation Point on that Valuation Day and exclude all Plan Units of that Portfolio to be issued with effect from the Valuation Point on that Valuation Day).

For the Unitized Portfolios, the assets will usually comprise only units/shares in an investment fund and cash and each of these investment funds has daily valuation and dealing in its units/shares. The price of a unit/share in an investment fund used for valuation will be the quoted and/or published bid or redemption price of the investment fund for the Valuation Day or, if none, the immediately preceding day. The value of a Plan Unit in any Portfolio will be different from the price of a unit/share in the investment fund in which it invests as the initial price of a Plan Unit of HK\$10 will be different and also the Plan administration costs are payable out of the Plan's assets.

(b) In Respect of the Capital Guaranteed Portfolio

The Capital Guaranteed Portfolio is valued on each Valuation Day by the Trustee in accordance with the Trust Deed. The applicable investment return (as provided by the Guarantor), consisting of the interest arising from the Capital Guaranteed Portfolio, net of any fees and expenses, will be accrued to each member's Additional Account in proportion to the member's holding of the Capital Guaranteed Portfolio during the relevant year. Member's Additional Account will usually be credited with the applicable investment return for the relevant year annually on 31 March each year.

(c) Portfolios Established for a Particular Employer

Where a Portfolio is established for a particular employer, the valuation of the assets will be done by the Trustee in accordance with the provisions of the Trust Deed. Quoted securities will generally be valued at mid-market price.

(d) Publication of Prices and Net Asset Value

Prices of Plan Units of all Unitized Portfolios will be published online at www.schroders.com.hk on every Valuation Day. Prices are normally the latest available prices but are indicative only. In respect of the Capital Guaranteed Portfolio, members may obtain the value of their holdings in the Capital Guaranteed Portfolio either through the member's logon to the Trustee's website at www.bocpt.com or upon request to the Trustee.

11 Contributions

Contributions to a defined contribution type scheme within the Plan will be made by the employer usually on a monthly basis by paying the amount to the Trustee in Hong Kong dollars. An employer will choose the desired level of contributions for his staff when joining the Plan and different rates of contribution may be paid for different groups of staff. Where different benefits are required for different grades of staff the employer can create more than one benefit class within the Plan.

The employer can also decide when joining the Plan if the members should be required to contribute to the Plan and if so how much they should contribute. Alternatively, an employer can provide that each member can choose whether or not to contribute. The contribution by the employer or the member is usually specified as a fixed percentage of the employee's monthly basic salary. The contributions of employer and employee are separately recorded and designated in the member's accounts in the books maintained by the Trustee.

If an employer chooses to have a defined benefit scheme, then the employer will be required to contribute to the scheme amounts in accordance with an actuarial valuation instead of contributions calculated as a fixed percentage. The liability of the employer in this case is not at a fixed rate. The employer can choose to make regular contributions if it wishes. ORSO requires an actuarial recommendation to be obtained on the commencement of the scheme as to the funding required – which will take account of factors such as the chosen benefit level, investment returns, inflation, rate of increases in salary level. An actuary must review the scheme at least once every three years.

Contributions are payable on the due date as provided in the rules of the schemes. If the employer fails to pay contributions for 2 months after notice from the Trustee the employer will be treated as having closed its scheme. In such case, the employer and, if applicable, members cease to contribute but members will continue to receive benefits as and when they leave employment in accordance with the rules of the relevant scheme. The Trustee may take legal proceedings against an employer for unpaid contributions (but is not obliged to do so).

The contributions from employers and from members (if any) will be separately recorded and so the Plan Units and/or the Additional Accounts (as the case may be) will indicate if they represent monies paid in by the employer or the member. As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations, the value of investments and the yield from them may go down as well as up. The price of a Plan Unit in respect of any Unitized Portfolio and the value of an Additional Account in respect of the Capital Guaranteed Portfolio will vary depending on the Portfolio's investment performance.

12 Benefits

The Trust Deed contains sets of rules from which an employer will choose. The employer may however vary these standard rules to make them suit its own particular needs. There are three "standard" forms:

- (a) defined contribution rules (benefits based on contributions and investment return) where investment choice is vested in the employer;
- (b) defined contribution rules where investment choice is vested in each individual member; and
- (c) defined benefit rules (final salary benefits).

In each of these standards, the contribution rates vesting scale etc may need to be varied to suit the employer and any of the standard forms can be further amended as is appropriate. In this explanatory memorandum, the details of the scheme described are those as in the standard forms and thus subject to amendment when the employer joins the Plan.

When a member leaves employment for any reason, the benefits of a defined contribution scheme will be based on the value of any Plan Units of Unitized Portfolios credited to his member's account and the value of his Additional Account (if any) in respect of his holding in the Capital Guaranteed Portfolio. The value will be dependent on the investment performance of the Plan Units of the Unitized Portfolio in which they are held and/or the investment performance of the underlying Insurance Policy in respect of the Capital Guaranteed Portfolio and the benefit rules determine whether the whole or only a proportion of the value of the Plan Units and/or the Additional Account are paid to the member. When the member is not entitled to 100% of the value of the relevant Plan Units and/or the Additional Account, the balance is forfeited and, in the standard rules, credited to the employer (see below).

All forms of the rules provide for benefits payable in Hong Kong dollars and on the following occasions:

- (a) retirement at a specified age;
- (b) termination of employment by reason of permanent disability or ill health;
- (c) death in service;
- (d) resignation of the employee; and
- (e) dismissal by the employer.

The following are the **standard defined contribution rules** in respect of benefits:

(a) Retirement

On retirement at or after the normal retirement age specified by the employer the member will receive the full value of any Plan Units allocated to his member's account and any dollar amount allocated to his Additional Account. When the member retires, he is entitled to the full benefits and therefore no vesting schedule or forfeiture of Plan Units purchased with the employer's contributions or any dollar amount in the member's Additional Account representing the employer's contributions will apply. The normal retirement age must be over 45 years.

(b) Permanent disability/Ill health

If a member leaves employment due to permanent disability or ill health, he will receive the same benefit as if he had retired at that date regardless of his age or period of service. However, it is provided in the rules that evidence from a doctor as to his medical condition is required before the benefits are paid.

(c) Death

In the case of the death of a member whilst in employment, the benefits will be the same as if he had retired on that day. However the monies will be held in trust for the deceased member's beneficiaries i.e. his relatives or dependents or persons chosen by the member and the Trustee will retain these in Plan Units of the Hong Kong Money Market Portfolio other than monies representing holdings in the Capital Guaranteed Portfolio, which shall remain in the relevant Additional Account on trust for the deceased member's beneficiaries. The Trustee has a discretion as to whom the benefits are payable and in what proportion from the persons able to benefit.

A nomination by a member of a person to receive his benefits if he dies will therefore act as a request to the Trustee but the Trustee is not bound by that request.

(d) Termination of Employment Voluntarily i.e. by Resignation

When a member resigns voluntarily, he is entitled to benefits equal to the value of any Plan Units shown in his member's account as purchased with his own contributions and any dollar amounts in his Additional Account representing his own contributions. He will also be entitled to receive a proportion of the value of any Plan Units purchased for him with his employer's contributions and any dollar amounts allocated to his Additional Account representing his employer's contributions in accordance with what is called a vesting schedule, by reference to the member's years of employment. In the two forms of defined contribution standard rules, there are different vesting schedules given as follows:

Period of Employment*	Percentage of employer's contributions
Less than 5 years	0%
5 years but less than 6 years	50%
6 years but less than 7 years	60%
7 years but less than 8 years	70%
8 years but less than 9 years	80%
9 years but less than 10 years	90%
More than 10 years	100%

Period of Employment*	Percentage of employer's contributions
Less than 3 years	Nil
3 years but less than 4 years	30%
4 years but less than 5 years	40%
5 years but less than 6 years	50%
6 years but less than 7 years	60%
7 years but less than 8 years	70%
8 years but less than 9 years	80%
9 years but less than 10 years	90%
More than 10 years	100%

(* shown here by years but stated in complete calendar months of employment in the Trust Deed)

(e) Termination of Employment by Dismissal

If a member is dismissed without notice by his employer, then all he will be entitled to receive as benefits will be a sum equal to the value of any Plan Units purchased with his own contributions and any dollar amounts allocated to his Additional Account representing his own contributions. Any Plan Units and dollar amounts in his Additional Account representing contributions by his employer will be forfeited for the benefit of the employer after preservation of the "Minimum MPF Benefits" according to Mandatory Provident Fund Schemes (Exemption) Regulation (if applicable). This will usually apply if the employee is dismissed for reasons of serious misconduct, fraud or dishonesty and the Trustee accepts that the dismissal was for such cause. Pending a decision on the cause of dismissal, the Trustee will hold monies in the Hong Kong Money Market Portfolio other than monies representing holdings in the Capital Guaranteed Portfolio, which shall remain in the Additional Accounts pending a decision.

(f) Forfeited Amounts

Amounts forfeited in respect of the Portfolios will be held in units of the Hong Kong Money Market Portfolio. Normally these will be credited to the employer and then the proceeds used to offset against the employer's contributions in the following month unless the employer on joining the Plan wishes to have them dealt with differently for example by re-allocation amongst other members.

In the standard **defined benefit rules**, the benefits payable are to be a percentage of the final salary of a member. The percentage will be as chosen by each employer. The term final salary is defined as the member's average basic monthly salary for the last 12 months of service. The percentage may vary depending on the reason for the member's termination of employment and the period of qualifying service of a member. The employer will be responsible for contributions based on actuarial valuations and for ensuring that sufficient monies will be available to provide benefits.

Benefits will normally be paid within 21 days and no later than 4 weeks after they are due unless the market(s) in which a substantial portion of investments of the relevant Portfolio is made is subject to legal or regulatory requirements (such as foreign currency controls) thus rendering the payment of the benefits within the aforesaid time period not practicable. In such case, the extended time frame for the payment of benefits shall reflect the additional time needed in light of the specific circumstances in the relevant market(s). Interest is not payable from the date of redemption of Plan Units to provide redemption monies until the date of payment. However where monies may need to be retained for example on death of a member or in cases of dispute on a dismissal, the redemption proceeds of Plan Units will be invested in Plan Units of the Hong Kong Money Market Portfolio and any dollar amounts held in a member's Additional Account will be retained there and the redemption proceeds of such Plan Units in the Hong Kong Money Market Portfolio and any dollar amounts held in the member's Additional Account respectively will be paid out to the member or beneficiaries.

If a member or other persons entitled to benefits in the Plan fails to claim such benefits within 24 months after they have fallen due, such benefits will be forfeited. Amounts forfeited will be held in units of the Hong Kong Money Market Portfolio. Normally these will be credited to the employer and then the proceeds used to offset against the employer's contributions in the following month unless the employer on joining the Plan wishes to have them dealt with differently for example by re-allocation amongst other members.

13 Accounts

(a) Annual Plan Accounts

The financial year of the Plan ends on 31 March each year. Accounts of the financial transactions of the Plan will be audited for each year. The audited accounts will be issued as soon as reasonably practicable and in any event within 6 months after the end of each financial year. The audit of the accounts of the Plan will be conducted by auditors appointed by the Trustee. Each Portfolio will not be separately audited.

The audited Plan accounts will be sent to each employer which will make them available for inspection by members.

(b) Annual Scheme Accounts

In addition to the Plan accounts, ORSO requires audited accounts relating to each separate scheme created by each employer's participation or group of employers participation. For this purpose the Plan's auditors may require a certificate from the auditors of the employer. The cost of the scheme audit will be payable by the employer. These scheme accounts have to be filed with the Registrar of Occupational Retirement Schemes but are not available to other employers. Each employer receives only the scheme accounts relating to its participation.

All members will be entitled to inspect a copy of the audited scheme accounts relating to the relevant employer's participation at the office of the Trustee (or such other place as the Trustee and the Sponsor may agree and notify to the employers and members) and if they wish, they may obtain a copy of the accounts at a reasonable charge from the Trustee.

(c) Statements

Each member will receive an unaudited statement each year usually within 2 months and no later than 6 months after the end of each financial year of the Plan (i.e. by end September). For a defined contribution scheme this will show the contributions made by his employer, the contributions (if any) made by himself during the period of his membership and any value of Plan Units in his member's account and any dollar value in his Additional Account on the date up to which the statement is made being the preceding 31 March. For a defined benefit scheme, the statement will show the amount the member would receive if he resigned at the statement date and thus if the standard defined contribution rules were used, it would be the amount based on his salary at that date averaged over the previous 12 months.

The statement for both types of schemes will also show the benefits an employee could expect to receive if he retired (rather than resigned) at the relevant date (31 March).

14 How to Join the Plan

An employer will join the Plan by executing a Deed of Adherence. This is a short document evidencing the employer's participation and it creates the obligation for the employer to pay the contributions and specifies the actual level thereof, the type of rules and all other aspects to be "tailor-made" for the employer. If an employer is part of a group then a group of employers can join in one scheme. The relationship of the employers within the group must meet the requirements of ORSO.

Employers who wish to discuss joining the Plan should complete and return the application form of the Plan to the Sponsor but this creates no binding obligations.

The Deed of Adherence will be drawn up by the Trustee but the employer may wish to seek independent legal advice thereon.

15 Making Investment Choice

An employer or member may specify its instructions by giving an "Investment mandate". This will specify to which Portfolios the contributions will be allocated. The first investment mandate will be given at the time the employer joins the Plan. Subject to as otherwise provided in the Deed of Adherence, an investment mandate can be changed by an employer or, if applicable, a member on each Valuation Day, provided that instructions are received by the Trustee not later than 6:00 p.m. (Hong Kong time) on the Business Day before that Valuation Day or such later time before the Valuation Point relating to that Valuation Day as the Trustee and/or the Sponsor may allow ("**Cut-off Time**"). Instructions received after the Cut-off Time will be dealt with on the next Valuation Day.

The employer or, if applicable, the member may also redeem Plan Units which they hold or realise all or part of the dollar value of the member's Additional Account and re-invest in a different Portfolio. A switch can be of such percentage of the Plan Units or such minimum dollar amount in respect of the Additional Account (as the case may be) as the employer or, if applicable, a member wishes, subject to any percentage or monetary limits expressed in the Deed of Adherence or otherwise agreed. Subject to as otherwise provided in the Deed of Adherence, the switch may be implemented on each Valuation Day provided that instructions are received by the Trustee not later than the Cut-off Time. Instructions received after the Cut-off Time will be dealt with on the next Valuation Day.

The arrangement for changing investment mandate and for switching (e.g. the Cut-off Time and the number of switches allowed in a calendar year) may be varied from that provided in this explanatory memorandum by the relevant Deed of Adherence pursuant to which an employer participates in the Plan. Members should check with their employer for details.

The Trustee will require a form to be completed for giving investment mandates or switching Plan Units or dollar amounts in Additional Accounts and such forms will be provided by the Trustee. Where instructions for changing investment mandate and switching are submitted on a Business Day with severe weather conditions¹ in Hong Kong, only the instructions submitted via online platforms (including website services and app services) will be processed normally (subject to the Cut-off Time and procedures set out above) while instructions submitted through other channels (including e-mail) will be deemed to be received on the next Business Day when there are no severe weather conditions in Hong Kong.

¹ Severe weather refers to the scenario where a typhoon signal number 8 or above or a black rainstorm warning is issued by the Hong Kong Observatory, or an "extreme conditions" announcement is made by the Hong Kong government

16 Fees and Expenses

Payable Out of the Plan

(a) Trustee Fee

The Trustee is paid a fee based on the net asset value of the Plan. This fee may vary as to the level for each Portfolio but is currently 0.45% per annum of the net asset value of each Portfolio accruing on each Valuation Day of the Portfolio payable quarterly in arrears out of the assets of the relevant Portfolio. The Trust Deed allows the fee to be increased generally or for any Portfolio, with the prior approval of the Sponsor and by 3 months' prior written notice to employers and members, up to a maximum of 1% per annum. The fee covers all the duties of the Trustee as trustee and administrator of the Plan including the custody of assets but the fees of any sub-custodian which is not an associate of the Trustee may be charged to a Portfolio.

(b) Member Service Fee

The Sponsor will be entitled to a member service fee of 0.15% per annum of the net asset value of each Portfolio in respect of any Portfolio payable out of the assets of the Portfolio. The Trust Deed allows this fee to be increased by 3 months' prior written notice to employers and members, up to a maximum fee of 0.25% per annum. The fee will accrue on each Valuation Day of each Portfolio and be payable monthly in arrears out of the assets of each Portfolio.

(c) Investment Management Fee

The Investment Manager will not charge an investment management fee at Portfolio level for Portfolios generally available to employers. However, the Portfolios will be subject to fees charged at the investment fund level or at the insurance policy level. Please see Appendices I and II for details of those fees.

Current and maximum levels of Trustee Fee, Member Service Fee and Investment Management Fee of the Plan are as follow:

	Current	Maximum
Trustee Fee	0.45% p.a. of net asset value of the Portfolio	1% p.a. of net asset value of the Portfolio
Member Service Fee	0.15% p.a. of net asset value of the Portfolio	0.25% p.a. of net asset value of the Portfolio
Investment Management Fee	Nil	1.5% p.a. of net asset value of the Portfolio

Where an employer opts for the creation of a Portfolio to be utilised only for its scheme and to be directly invested in securities or other investments (rather than investment funds or insurance policies) an additional investment management fee will be charged by the Investment Manager at a rate agreed with the employer but subject to a maximum of 1.5% per annum. The Trust Deed allows for the current fee to be increased, subject to the maximum by 3 months' prior written notice to the relevant employer. The investment management fee will accrue on each Valuation Day of the relevant Portfolio and be payable monthly in arrears out of the assets of the Portfolio.

The initial costs of the establishment of the Plan and authorization by the SFC (including legal fees) had been charged to the Plan and fully amortized.

Any sub-custodian or nominee fees and any brokerage, taxation, stamp duty or other charges arising in respect of the investments or dealings of the Plan and interest and other expenses relating to borrowing are payable out of the assets of the Plan. Miscellaneous expenses including price publication fee, Plan audit fee, and SFC fee shall be payable out of the Plan. Any costs and expenses incurred by the Trustee or the Sponsor wholly and exclusively in connection with the management and the administration of the Plan including any legal expenses in amending the Trust Deed will be payable out of the Plan. Fees and expenses relating to the investment operations of each Portfolio will be charged to the relevant Portfolio.

The Trustee is entitled to an indemnity in certain circumstances for example in respect of any borrowing or claims made against it (other than where the claim relates to the fraud misfeasance or breach of trust of the Trustee) or the costs of recovering unpaid contributions and any sum will be payable out of the Plan and allocated between the Portfolios unless it relates to a particular Portfolio. Without prejudice to the foregoing, the Trustee shall not be exempted from any liability to members imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may the Trustee be indemnified against such liability by members or at members' expense.

Expenses arising in respect of the Plan will be estimated for each financial year and the sum estimated treated as accruing over a year and the accrued sum will be taken into account in valuing each Portfolio on each Valuation Day. Each Valuation Day, the sum accrued is adjusted to reflect expenses actually arising and allocated between Portfolios according to their respective net asset values.

The subscription price and redemption proceeds of investment funds are payable in the currency of denomination of the relevant class of the investment funds. Where the relevant class of the investment fund is denominated in a currency other than Hong Kong dollars, any costs of currency conversion into or from Hong Kong dollars will be borne by the Plan.

Payable Out of the underlying Investment Funds and Insurance Policy

Where a Portfolio is invested wholly in an investment fund, that investment fund will pay its own expenses and be subject to certain fees and the fees payable are as set out in the description of the investment funds in Appendix I.

Where a Portfolio is invested wholly in an insurance policy, that insurance policy will bear its own expenses and be subject to certain fees and the fees payable for the Insurance Policy are as set out in the description of the Insurance Policy in Appendix II.

A summary of the fees payable out of the Plan and the underlying investment funds and Insurance Policy is set out in Appendix IV.

17 Costs Payable by Employer

An employer will be responsible for its own costs and expenses associated with participation in the Plan including costs and expenses incurred in executing the initial Deed of Adherence and any other subsequent deeds amending the Deed of Adherence or if amendment relates solely to its Scheme, the Trust Deed and any deed required in order to terminate its participation in the Plan or to transfer the assets and accrued benefits to another Plan including the costs of the Trustee relating thereto.

The employer will also be liable for costs of the registration or exemption under the ORSO of its scheme and any subsequent fees payable to the Registrar e.g. the annual registration fee or any costs of any other registration or exemption.

Employers may from time to time require the preparation of and printing of a member's rule book or other explanatory literature for their own staff and they will be responsible for those costs.

If an employer establishes a defined benefit scheme they will be responsible for all fees and expenses of the actuary thereof.

Each scheme that is the part of the Plan relating to an employer (or group of employers) and relevant members must be audited. The employer will be responsible for the fees and expenses of the Plan auditor in respect thereof and will be separately invoiced for these. An employer will also be responsible for ensuring its own auditors provide any necessary certificates to the year end of the Plan.

An employer will also give certain warranties, covenants and indemnities to the Trustee on execution of a Deed of Adherence.

Type of Cost	Estimated Value ⁽¹⁾	Frequency of Payment
ORSO Registration Fee (charged by the Mandatory Provident Fund Schemes Authority)	\$1,800	Per annum
Deed Tendering Fee (charged by solicitor)	To be agreed between the employer and solicitor	One off
Deed Review Fee (charged by Trustee) (with standard rules)	\$5,000 plus disbursement	One off
Trustee Fees for attending meetings with employers and/or members	\$1,500 to \$3,000 (per hour) (to be agreed between employer and Trustee from time to time and depending on complexity)	Upon every meeting attended by the Trustee
Employer Scheme's Account and Audit Fee	To be agreed between the employer and his auditor	per annum

⁽¹⁾ The fixed value portion shall be subject to adjustment by the relevant recipients.

18 Trust Deed

The Plan is established by a trust deed, as amended, under Hong Kong law dated 16 September 1996 made between Schroder Investment Management (Hong Kong) Limited and The Bank of Bermuda Limited (the "**Trust Deed**"). By a Deed of Retirement and Appointment dated 6 January 2000, HSBC International Trustee Limited was appointed as trustee of the Plan and by a further Deed of Retirement and Appointment dated 3 May 2001, HSBC Trustee (Hong Kong) Limited was appointed as trustee of the Plan and by a further Deed of Retirement and Appointment of New Trustee dated 20 July 2011, HSBC Institutional Trust Services (Asia) Limited was appointed as trustee of the Plan. By another Deed of Retirement and Appointment dated 31 March 2021, BOCI-Prudential Trustee Limited was appointed as trustee of the Plan. When joining the Plan, the employer will execute a document called a Deed of Adherence which sets out the terms upon which the employer participates in the Plan and the particular trusts and rules relating to that participation creating the employer's retirement scheme. The Trust Deed contains provisions for the exculpation of liability and indemnification of the parties in certain circumstances out of the assets of the Plan but the Trustee is not indemnified for its own fraud, misfeasance or

breach of trust. Additionally, the employer agrees to indemnify the Trustee and the Sponsor for loss, cost and expense arising from an employer's participation save for the Trustee's or the Sponsor's fraud or negligence. Without prejudice to the foregoing, the Trustee and the Sponsor shall not be exempted from any liability to members imposed under Hong Kong law or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by members or at members' expense.

The employers and members will have a right to bring a legal action in the Hong Kong courts on a non-exclusive basis. The Trust Deed contains a provision to allow the Trustee to change the proper law of the Plan and any change will be notified to the employers and the members if a change does occur.

19 Variations of the Trust Deed and Rules

The Trust Deed and the rules may be varied by the Trustee without the consent of the employers or members if the Trustee certifies in writing that in its opinion, the proposed alteration, amendments, extension or modification: (a) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements; (b) does not materially prejudice employers' or members' interests, does not to any extent release the Trustee or the Sponsor from any liability to employers or members and does not increase the costs and charges payable under the Plan and/or Portfolios; or (c) is necessary to correct a manifest error. In all other cases involving any material changes, no alteration to the Trust Deed may be made except in accordance with the applicable provisions of the Trust Deed or with the approval of the SFC.

Employer's consent on the amendments is required if the amendment affects it and would materially prejudice any interest of the employer or member or release to any extent the Trustee or the Sponsor from any liability to the employers or members or increase the costs and charges payable from the assets of the Plan. The ORSO, the Mandatory Provident Fund Schemes (Exemption) Regulation and the Trust Deed provide for restrictions on amendment to protect the interests of the members.

One of the protections afforded by the ORSO is that it gives members certain rights relating to changes which may affect their accrued rights or vested benefits in the Plan. It provides that an amendment which is detrimental to a member's accrued rights and vested benefits cannot be made unless 90% of the members concerned agree to that change even if the prejudiced member does not consent.

Notice of all changes effected regardless of whether employer's consent is required will be given to the employer and the employer will need to circulate such notice to all the members.

20 Suspension of Dealing

The Investment Manager may, at any time and from time to time, in consultation with the Trustee, having regard to the best interests of employers and members, suspend issues and redemptions of Plan Units of a Unitized Portfolio in certain circumstances:

- (a) during any period when any market on which investments for the time being comprised in and forming a material part of the assets of the relevant Portfolio are quoted, listed or dealt in is closed otherwise than for ordinary holidays or when any dealings on any such market are restricted or suspended;
- (b) during the existence of any state of affairs as a result of which the acquisition of investments or the making of deposits for the assets of the relevant Portfolio or the disposal of investments or the uplifting of deposits for the time being comprised in the assets of the relevant Portfolio cannot in the opinion of the Investment Manager be effected normally or without seriously prejudicing the interests of employers and members to whose account Plan Units are held including when the dealings in the investment fund in which the Portfolio is invested are suspended;
- (c) during any breakdown in the means of communication normally employed in determining the value of the assets of the relevant Portfolio or any material part thereof or when for any other reason the value of any investment or deposit for the time being comprised in the assets of the relevant Portfolio and representing a significant part of the value thereof, or the amount of any significant liability of the Plan, cannot be promptly and accurately ascertained;
- (d) during any period when the realisation of any investments or the uplifting of any deposits for the time being comprised in the assets of the relevant Portfolio or the transfer of funds involved in such realisation cannot in the opinion of the Investment Manager be effected at normal prices or normal rates of exchange respectively.

The Sponsor must immediately notify the SFC after becoming aware that dealing in Plan Units is suspended. The fact that dealing is suspended must be published by the Sponsor immediately after becoming aware of such suspension and at least once a month during the period of suspension online at www.schroders.com.hk or in such other appropriate manner.

In normal market conditions, the assets of an underlying investment fund in which a Unitized Portfolio invests, and in the case of the Capital Guaranteed Portfolio, the assets invested by the Insurance Policy, comprise mainly realisable investments which can be readily sold. In general, the underlying investment fund and the Insurance Policy are managed such that they can meet their liabilities in meeting realisation requests from investors. Investments held may need to be sold if insufficient cash is available to finance such realisation. If the size of the disposals are sufficiently large, or the market is illiquid or volatile, then there is a risk that the realisation of assets may be restricted or delayed, resulting in a delay in the realisation of benefits from the relevant Portfolio, and where applicable, a delay in the payment of benefits.

21 Termination or Closure of an Employer's Scheme

An employer is free to terminate its participation in the Plan or it can opt to cease to pay contributions or cease to make the Plan available to new staff whilst continuing to pay contributions for existing members.

An employer may cease to pay contributions to the Plan by giving 1 month's prior written notice to the Trustee. On the notice taking effect, the employer and, if applicable, members cease to pay contributions and no new members will be admitted. The rights and the benefits of the existing members are "frozen" but the scheme will continue until all the employees leave employment and receive their benefits. The benefits of members will be determined by the reason of their leaving employment when this occurs and in the standard provisions service continues to accrue although this may be varied so all members are treated as resigning on the date of closure. In a defined contribution scheme, members will still receive the investment return as monies will be held in Plan Units and/or holdings in the Capital Guaranteed Portfolio and the employer or, if applicable, members, will be able to continue to give investment instructions. In a defined benefit scheme, the benefits will be calculated on salary levels at the date of closure – the employer remains liable to fund those benefits which may require further contributions if the actuary so determines. If there is a surplus after the members are paid out, monies will be paid back to the employer.

The Trust Deed is flexible in that it provides that the employer may subsequently agree with the Trustee and the Sponsor to re-commence making contributions to the Plan at any time. If the employer goes into liquidation or, is wound up or otherwise ceases to carry on business it will be deemed to have given notice of ceasing to pay contributions. The above provisions apply although in practice if all members' employment has terminated, the scheme will be fully wound-up.

An employer can by 3 months' prior written notice transfer to another scheme which is a recognised occupational retirement scheme or an overseas scheme but this is subject to certain restrictions in the Trust Deed designed to protect the interests of the members. In such case, any Plan Units are redeemed and the sums together with any dollar amounts held in the relevant members' Additional Accounts will be transferred to the other scheme.

The Sponsor or the Trustee may terminate an employer's participation by 6 months' prior written notice to the employer in which case the provisions for closure apply.

22 Dissolution of the Plan

The Plan will be dissolved after 80 years or if in the opinion of the Trustee it is unable to fulfil its function. In such case, assets are liquidated and sums due to members are generally held until actual termination of employment or, if less, 21 years. Subject to the provisions of the Trust Deed, any sum payable to a member but remaining unclaimed, may at the expiration of 6 years from the date upon which the same were payable to a member or his beneficiaries be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

23 Liquidity Risk Management

The Investment Manager would assess the liquidity profile of each Schroders managed underlying fund invested by the Unitized Portfolios to ensure it is in line with the target investment policy and features. The risk team of the Investment Manager would perform independent assessment and monitoring of Schroders managed underlying funds to ensure that their liquidity profile remains consistent with the agreed design and in compliance with contractual obligations, regulatory requirements, and appropriate for the anticipated liability profile. The risk team of the Investment Manager would also perform a range of liquidity stress scenarios to assess the impact on the liquidity profile from unfavourable market conditions, the ability of the underlying funds to meet significant liabilities (e.g. redemptions) on short notice, or combinations of the two scenarios. The results and conclusions of the independent risk monitoring would be presented to risk committees as appropriate.

In respect of the Capital Guaranteed Portfolio: Sun Life, the issuer and the guarantor of the Insurance Policy invested by Capital Guaranteed Portfolio, manages the liquidity risks of the assets held under the Insurance Policy and provide liquidity support to seek to honour the Capital Guaranteed Portfolio's obligation to meet redemption requests and safeguard the interests of remaining members in case of sizeable redemption. The Investment Manager performs independent ongoing monitoring of Sun Life in this regard.

The following tools may be employed by the Investment Manager to manage liquidity risks:

- Suspension of dealing of units as permitted under the Trust Deed (for details, please refer to Section 20 "Suspension of Dealing"). If such suspension is imposed, it would restrict the ability of a member to redeem his benefits held in the relevant Unitized Portfolio in full within the designated time;
- Borrowings as permitted under the Trust Deed to permit payment required to be made out of the assets of a Portfolio;

Members should note that there is a risk that the above tools may be ineffective to manage liquidity and redemption risks.

24 Conflict of Interest

The Sponsor or its connected persons may act as the investment managers of investment funds in which Portfolios invest and receive a management fee in respect thereof. Where a Portfolio invests in an investment fund managed or distributed by the Sponsor or its connected persons, all initial charges of the underlying investment fund must be waived but, recurrent management fees and charges may be levied proportionate to the amount invested by the Portfolio.

The Sponsor or its connected persons may also be acting in other capacities in respect of investments of Portfolios directly invested, for example, it may make investments for other clients or as principal without making the same available to a Portfolio or transactions may be effected through a connected person which is acting as principal agent or broker and receiving separate compensation or profit provided that all transactions between the Plan and the Sponsor or any of its connected person as principal must be executed at arm's length on normal commercial terms and in best interests of the employers and members. Investment decisions will be made on the basis of publicly available information.

Rebate and soft dollars

The Investment Manager, any investment delegate or any of their connected persons will not receive cash or other rebates from brokers or dealers in consideration of directing transactions in Plan's assets to the brokers or dealers save that goods and services (soft dollars) may be retained if the goods and services are of (i) demonstrable benefit to the employers and, if applicable, members; (ii) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such brokers or dealers; and (iii) execution of transaction for the Plan will be consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates. Such goods and services may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

25 Inspection of Documents

Copies of the following documents may be obtained from the Sponsor at a reasonable cost or may be inspected free of charge during normal office hours at the offices of the Sponsor at Level 33, Two Pacific Place, 88 Queensway, Hong Kong:

- (a) Trust Deed;
- (b) the rules and scheme accounts as applicable to the relevant employer and members;
- (c) latest audited Plan accounts (if any);
- (d) Insurance Policy; and
- (e) Offering documents (including the product key facts statements) of the underlying investment funds of the United Portfolios (which may be obtained from the Sponsor free of charge), except for the Schroder Institutional Pooled Funds – Global Bond Fund invested by Global Fixed Income Portfolio, details of which are mainly set out under the section headed "4 Global Fixed Income Portfolio" in Appendix I to this explanatory memorandum.

26 Contact Details

For enquiries, please call Schroder Investment Management (Hong Kong) Limited on 2843 7778.

Appendix I

The Unitized Portfolios

A summary of each investment funds currently invested in by the Unitized Portfolios including a brief description of the investment objective and policies is set out below for ease of reference. For details of each investment funds including investment objective, investment restrictions, fee and charges and risk factors, please refer to the offering document of the relevant investment funds copies of which are available from the Sponsor on request except for Schroder Institutional Pooled Funds – Global Bond Fund invested by Global Fixed Income Portfolio, details of which are mainly set out in the section headed “4 Global Fixed Income Portfolio” in this Appendix below.

1 Hong Kong Money Market Portfolio

Hong Kong Money Market Portfolio currently invests solely in Schroder Hong Kong Money Market Fund (the “Fund”). Hong Kong Money Market Portfolio's investment objective is aligned with that of the Fund, which is to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a degree of security and ready availability of monies.

The manager's policy will be to invest at least 70% of the Fund's net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC under 8.2 of the Code on Unit Trusts and Mutual Funds (“**UT Code**”) or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for examples, government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptance etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

The Fund's investments will be limited to HK dollar short-term deposits and HK dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value on a temporary basis to be used to provide monies to meet redemption requests and to pay operation expenses. The manager may use this power to borrow but does not intend to gear the Fund. Please refer to section 8 “Investment Options” of the explanatory memorandum for details of borrowing at the Hong Kong Money Market Portfolio level.

The Fund may acquire financial derivative instruments for hedging purposes.

The Fund is a unit trust constituted by a Trust Deed dated 17 June 1986 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.25% p.a. of net asset value of the Fund, subject to a maximum of 0.75% p.a.
Trustee Fee	0.0425% p.a. of net asset value of the Fund, subject to an annual minimum fee of USD20,000 and a maximum of 0.25% p.a.
Administration Fee (service provider's costs)	0.02% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the Hong Kong Money Market Portfolio.

As the Hong Kong Money Market Portfolio will invest substantially all its assets in the Fund, investment in the Hong Kong Money Market Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Investing in the Fund is not the same as placing funds on deposit with a bank or deposit taking company, the manager has no obligation to redeem units at the offer value and the Fund is not subject to the supervision of the Hong Kong Monetary Authority. Further, investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of other relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risks relating to investment in fixed income securities, concentration risk.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

2 US Dollar Money Portfolio

US Dollar Money Portfolio currently invests solely in Schroder U.S. Dollar Money Fund (the “Fund”). US Dollar Money Portfolio’s investment objective is aligned with that of the Fund, which is to provide an investment medium for investors to enjoy the rates available from a managed portfolio of short term and high quality money market investments and seeks to offer returns in line with money market rates combined with a degree of security and ready availability of monies.

The manager’s policy will be to invest at least 70% of the Fund’s net asset value in a range of short-term deposits and high quality money market instruments and money market funds that are authorised by the SFC under 8.2 of the UT Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments refer to securities normally dealt in on the money markets, for examples, government bills, certificates of deposit, commercial papers, short-term notes and bankers’ acceptance etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account.

The Fund’s investments will be limited to US dollar short-term deposits and US dollar denominated high quality money market instruments with a remaining maturity of less than 397 days, or two years in the case of government and other public securities, with a weighted average portfolio maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value to be used to provide monies to meet redemption requests or to pay operation expenses. The manager may use this power to borrow but does not intend to gear the Fund. Please refer to section 8 “Investment Options” of the explanatory memorandum for details of borrowing at the US Dollar Money Portfolio level.

The Fund may acquire financial derivative instruments for hedging purposes.

The Fund is a unit trust constituted by a Trust Deed dated 8 July 1991 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.25% p.a. of net asset value of the Fund, subject to a maximum of 0.75% p.a.
Trustee Fee	0.0425% p.a. of net asset value of the Fund, subject to an annual minimum fee of USD20,000 and a maximum of 0.25% p.a.
Administration Fee (service provider’s costs)	0.02% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the US Dollar Money Portfolio.

As the US Dollar Money Portfolio will invest substantially all its assets in the Fund, investment in the US Dollar Money Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Investing in the Fund is not the same as placing funds on deposit with a bank or deposit taking company, the manager has no obligation to redeem units at the offer value and the Fund is not subject to the supervision of the Hong Kong Monetary Authority. Further, investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of other relevant risks, including: general investment and market risk, liquidity risk, risks relating to investment in fixed income securities, concentration risk.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

3 HK Dollar Fixed Income Portfolio

HK Dollar Fixed Income Portfolio currently invests solely in Schroder International Selection Fund – Hong Kong Dollar Bond (the “Fund”). HK Dollar Fixed Income Portfolio’s investment objective is aligned with that of the Fund, which, is to provide capital growth and income over a three to five year period^{Note} by investing in fixed and floating rate securities denominated in HKD.

^{Note} For clarification purpose, the three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund’s performance.

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in HKD issued by governments, government agencies, supra-nationals and companies worldwide and derivatives related to

the above instruments. The Fund may invest in securities with an investment grade or sub-investment grade credit rating and aims to achieve an average credit quality equivalent to investment grade (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash (subject to the restrictions provided in the offering document of the Fund).

The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries), region or sector.

The Fund may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the HK Dollar Fixed Income Portfolio level.

The Fund is a sub-fund of Schroder International Selection Fund, an open-ended investment company incorporated on 5 December 1968 and governed by the law of Grand Duchy of Luxembourg.

The management company and depositary of the Fund are Schroder Investment Management (Europe) S.A. and J.P. Morgan SE – Luxembourg Branch respectively.

Current rates of the fees of the Fund (which may be from time to time adjusted) are:

Management Fee	0.50% p.a. of net asset value of the Fund
Depositary Fee	Up to 0.005% p.a. of net asset value of the Fund
Administration Fee	Up to 0.25% p.a. of net asset value of the Fund
Custody Safekeeping Fee	Up to 0.3% p.a. of net asset value of the Fund
Transaction Fees (charged by the Depositary)	Up to USD75 per transaction
Fund Accounting and Valuation Fees	Up to 0.0083% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 "Fees and Expenses" of this explanatory memorandum for details of the fees payable out of the Plan and the HK Dollar Fixed Income Portfolio.

As the HK Dollar Fixed Income Portfolio will invest substantially all its assets in the Fund, investment in the HK Dollar Fixed Income Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 "Risk Factors" in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risks relating to investment in fixed income securities, derivatives risk, concentration risk, emerging and less developed markets risks.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

4 Global Fixed Income Portfolio

Global Fixed Income Portfolio currently invests solely in the Schroder Institutional Pooled Funds – Global Bond Fund (the "Fund"). Global Fixed Income Portfolio's investment objective is aligned with that of the Fund, which is to provide security of capital and a comparatively high income return.

The Global Fixed Income Portfolio, through its investment in the Fund, seeks to provide investors with long term steady growth primarily through investment in fixed interest and floating rate securities, money market instruments and cash deposits while maintaining a high income yield. Investments of the Fund will include:

- (i) bonds and debentures issued by governments, local authorities and public authorities;
- (ii) corporate bonds and debentures whether secured or unsecured (including securities convertible into or exchangeable for equity shares);
- (iii) securities issued by public international bodies such as the European Investment Bank, International Bank for Reconstruction and Development (which is also known as the World Bank), and Nordic Investment Bank or such other bodies which, in the opinion of the Mandatory Provident Fund Schemes Authority, are of similar standing.

The Fund's indicative asset allocation is as follows:

	% of net asset value
Bonds	70 – 100
US Dollar	10 – 90
Global currencies Ex US Dollar	10 – 90
Cash and cash equivalents	0 – 30

The Fund will hold primarily bonds issued in the major economies of the world. The manager of the Fund may hedge up to 100% of the non-US Dollar exposure into US Dollar. Notwithstanding the foregoing, the Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%, as measured in accordance with section 16 of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation, through investment such as in bonds, money market instruments and/or through currency hedging.

The Fund may borrow up to 10% of the net asset value of the Fund at the time of borrowing for liquidity purposes to meet realisations of the Fund and for other limited purposes as permitted under the Mandatory Provident Fund Schemes Ordinance. The Fund may enter into currency forward contracts, futures contracts and options contracts for hedging purposes only. As such, the Fund will not incur any leverage arising from the use of such financial derivative instruments. The Fund's net derivative exposure is up to 50% of the Fund's net asset value. The Fund currently does not intend to engage in securities lending or repurchase transactions. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the Global Fixed Income Portfolio level.

The Fund is subject to the investment restrictions applicable to approved pooled investment funds pursuant to Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation and the Mandatory Provident Fund Schemes Authority's Code on MPF Investment Funds and other investment restrictions as set out in the trust deed of the Fund.

The Fund is a sub-fund of Schroder Institutional Pooled Funds, an approved pooled investment fund within the meaning of the Mandatory Provident Fund Schemes Ordinance. The Schroder Institutional Pooled Funds is a unit trust established by a trust deed dated 18th November 2002 under the laws of Hong Kong.

The manager and sub-manager of the Fund are Schroder Investment Management (Hong Kong) Limited and Schroder Investment Management Limited respectively.

Current rates of the fees of the Fund (which may be from time to time adjusted) are:

Management Fee	0.625% p.a. of net asset value of the Fund subject to a maximum rate of 2.0% p.a.
Trustee Fee	0.0595% p.a. of net asset value of the Fund subject to a maximum rate of 0.5% p.a.

The Fund also bears other costs, charges and expenses.

Please also refer to section 16 "Fees and Expenses" of this explanatory memorandum for details of the fees payable out of the Plan and the Global Fixed Income Portfolio.

As the Global Fixed Income Portfolio will invest substantially all its assets in the Fund, investment in the Global Fixed Income Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 "Risk Factors" in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, risks relating to investment in fixed income securities, currency and exchange risk, emerging and less developed markets risks, risks related to investment in the People's Republic of China, lack of supply of RMB denominated instruments, risk relating to convertible bonds, risk of investment in Europe.

5 Capital Stable Portfolio

Capital Stable Portfolio currently invests solely in Schroder Capital Stable Fund (the "Fund"). Capital Stable Portfolio's investment objective is aligned with that of the Fund, which is capital preservation combined with steady capital appreciation in HK dollars over the long term.

The Fund will invest in fixed income securities, other asset classes, money market instruments and cash and in quoted equities in any part of the world directly or through investment in funds (including qualified exchange traded funds) ("Underlying Schemes") investing in the foregoing investments. The Fund may directly invest up to 50% of its net asset value in quoted equities and up to 90% of its net asset value in fixed income securities. The Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment. Up to 100% of the Fund's net asset value may be invested in Underlying Schemes. The Fund will only invest in other funds authorised

by the SFC (except for hedge funds under 8.7 of the UT Code) or in eligible schemes^{Note} domiciled in jurisdictions recognized by the SFC (whether authorised by the SFC or not), except that not more than 10% of the Fund's net asset value may be invested in non-eligible schemes not authorised by the SFC.

The Fund may, if the manager considers fit, seek exposure of not more than 15% of its net asset value to other asset classes including but not limited to commodities (including energy, metals and agricultural commodities) indirectly through Underlying Schemes.

The Fund will actively allocate between different asset classes including equities, fixed income securities, other asset classes, money market instruments and cash to achieve the Fund's objectives. The Fund will also make changes to the regional allocation within each of the asset class. The Fund uses a risk-premia approach to analyse different asset classes to identify the driving forces behind the risks and returns of asset classes. The analysis is based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Money market instruments and cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

In addition to active asset allocation, the Fund also aims to achieve its investment objectives through investment in the Underlying Schemes, which perform active security selection. The allocation to the Underlying Schemes is actively managed based on the Underlying Schemes' investment universes, investment strategies, risk and return profiles and the prevailing market conditions.

The Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Schemes, is expected to be the following:

Equities	10-50%
Fixed income	40-90%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Fund may acquire financial derivative instruments for hedging and non-hedging purposes.

The Fund may invest in Underlying Schemes of which the net derivative exposure is more than 50% of the Underlying Scheme's latest available net asset value. Investment in any single Underlying Scheme with a net derivative exposure exceeding 50% of its net asset value, which is (i) an SFC authorised fund (except for hedge funds under 8.7 of the UT Code) or (ii) an eligible scheme^{Note} which is not authorised by the SFC, will not be more than 30% of the Fund's net asset value.

Note: "Eligible schemes" refer to UCITS schemes domiciled in Ireland and Luxembourg, and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS and, in accordance with their home regulation, such UCITS schemes may adopt the commitment approach or value at risk approach in monitoring the derivative exposure or risk of the UCITS schemes.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value to be used to purchase or facilitate the purchase of investments for the Fund to provide monies to meet redemption requests and to pay operation expenses. The manager intends to use this power to borrow but does not intend to gear the Fund. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the Capital Stable Portfolio level.

The Fund is a unit trust constituted by a Trust Deed dated 15 September 1995 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.625% p.a. of net asset value of the Fund, subject to a maximum of 1.5% p.a.
Trustee Fee	0.034% p.a. of net asset value of the Fund, subject to a maximum of 0.5% p.a.
Administration Fee (service provider's costs)	0.02% p.a. to 0.1% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. The Fund will indirectly bear a proportionate share of the management and trustee fees, operating expenses and charges incurred by the Underlying Schemes. Please also refer to section 16 "Fees and Expenses" of this explanatory memorandum for details of the fees payable out of the Plan and the Capital Stable Portfolio.

As the Capital Stable Portfolio will invest substantially all its assets in the Fund, investment in the Capital Stable Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 "Risk Factors" in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risk relating to investment in fixed income securities, equity investment risk, currency and exchange risk, risks of investing in other collective investment schemes/funds, emerging and less developed markets risks, derivatives risk, risk relating to small- and mid-capped companies, risk relating to exchange traded funds.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

6 Stable Growth Portfolio

Stable Growth Portfolio currently invests solely in Schroder Stable Growth Fund (the "**Fund**"). Stable Growth Portfolio's investment objective is aligned with that of the Fund, which is capital appreciation in HK dollars through investing in quoted equities, and fixed income securities, other asset classes and money market instruments and cash in any part of the world directly or through investment in funds (including qualified exchange traded funds) ("Underlying Schemes") investing in the foregoing investments.

The Fund may directly invest up to 70% of its net asset value in quoted equities and up to 70% of its net asset value in fixed income securities. The Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment. The manager intends to adopt a relatively balanced approach towards bonds and equities exposure in the Fund with the objective of achieving capital appreciation with minimal short term performance volatility.

Up to 100% of the Fund's net asset value may be invested in Underlying Schemes. The Fund will only invest in other funds authorised by the SFC (except for hedge funds under 8.7 of the UT Code) or in eligible schemes^{note} domiciled in jurisdictions recognized by the SFC (whether authorised by the SFC or not), except that not more than 10% of the Fund's net asset value may be invested in non-eligible schemes not authorised by the SFC.

The Fund may, if the manager considers fit, seek exposure of not more than 15% of its net asset value to other asset classes including but not limited to commodities (including energy, metals and agricultural commodities) indirectly through Underlying Schemes.

The Fund will actively allocate between different asset classes including equities, fixed income securities, other asset classes, money market instruments and cash to achieve the Fund's objectives. The Fund will also make changes to the regional allocation within each of the asset class. The Fund uses a risk-premia approach to analyse different asset classes to identify the driving forces behind the risks and returns of asset classes. The analysis is based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Money market instruments and cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

In addition to active asset allocation, the Fund also aims to achieve its investment objectives through investment in the Underlying Schemes, which perform active security selection. The allocation to the Underlying Schemes is actively managed based on the Underlying Schemes' investment universes, investment strategies, risk and return profiles and the prevailing market conditions.

The Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Schemes, is expected to be the following:

Equities	30-70%
Fixed income	30-70%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Fund may acquire financial derivative instruments for hedging and non-hedging purposes.

The Fund may invest in Underlying Schemes of which the net derivative exposure is more than 50% of the Underlying Scheme's latest available net asset value. Investment in any single Underlying Scheme with a net derivative exposure exceeding 50% of its net asset value, which is (i) an SFC authorised fund (except for hedge funds under 8.7 of the UT Code) or (ii) an eligible scheme^{note} which is not authorised by the SFC, will not be more than 30% of the Fund's net asset value.

Note: "Eligible schemes" refer to UCITS schemes domiciled in Ireland and Luxembourg, and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS and, in accordance with their home regulation, such UCITS schemes may adopt the commitment approach or value at risk approach in monitoring the derivative exposure or risk of the UCITS schemes.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value to be used to purchase or facilitate the purchase of investments for the Fund to provide monies to meet redemption requests and to pay operation expenses. The manager intends to use this power to borrow but does not intend to gear the Fund. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the Stable Growth Portfolio level.

The Fund is a unit trust constituted by a Trust Deed dated 22 May 1995 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.625% p.a. of net asset value of the Fund, subject to a maximum of 1.5% p.a.
Trustee Fee	0.034% p.a. of net asset value of the Fund, subject to a maximum of 0.5% p.a.
Administration Fee (service provider's costs)	0.02% p.a. to 0.1% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. The Fund will indirectly bear a proportionate share of the management and trustee fees, operating expenses and charges incurred by the Underlying Schemes. Please also refer to section 16 "Fees and Expenses" of this explanatory memorandum for details of the fees payable out of the Plan and the Stable Growth Portfolio.

As the Stable Growth Portfolio will invest substantially all its assets in the Fund, investment in the Stable Growth Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 "Risk Factors" in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risk relating to investment in fixed income securities, equity investment risk, currency and exchange risk, risks of investing in other collective investment schemes/funds, emerging and less developed markets risks, derivatives risk, risk relating to small- and mid-capped companies, risk relating to exchange traded funds.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

7 **Balanced Investment Portfolio**

Balanced Investment Portfolio currently invests solely in Schroder Balanced Investment Fund (the "**Fund**"). Balanced Investment Portfolio's investment objective is aligned with that of the Fund, which is capital growth in HK dollars through investing in quoted equities, and fixed income securities, other asset classes and money market instruments and cash in any part of the world directly or through investment in funds (including qualified exchange traded funds) ("**Underlying Schemes**") investing in the foregoing investments.

The Fund may directly invest up to 90% of its net asset value in quoted equities and up to 50% of its net asset value in fixed income securities. The Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment.

Up to 100% of the Fund's net asset value may be invested in Underlying Schemes. The Fund will only invest in other funds authorised by the SFC (except for hedge funds under 8.7 of the UT Code) or in eligible schemes^{note} domiciled in jurisdictions recognized by the SFC (whether authorised by the SFC or not), except that not more than 10% of the Fund's net asset value may be invested in non-eligible schemes not authorised by the SFC.

The Fund may, if the manager considers fit, seek exposure of not more than 15% of its net asset value to other asset classes including but not limited to commodities (including energy, metals and agricultural commodities) indirectly through Underlying Schemes.

The Fund will actively allocate between different asset classes including equities, fixed income securities, other asset classes, money market instruments and cash to achieve the Fund's objectives. The Fund will also make changes to the regional allocation within each of the asset class. The Fund uses a risk-premia approach to analyse different asset classes to identify the driving forces behind the risks and returns of asset classes. The analysis is based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Money market instruments and cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

In addition to active asset allocation, the Fund also aims to achieve its investment objectives through investment in the Underlying Schemes, which perform active security selection. The allocation to the Underlying Schemes is actively managed based on the Underlying Schemes' investment universes, investment strategies, risk and return profiles and the prevailing market conditions.

The Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Schemes, is expected to be the following:

Equities	50-90%
Fixed income	10-50%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Fund may acquire financial derivative instruments for hedging and non-hedging purposes. The Fund may invest in Underlying Schemes of which the net derivative exposure is more than 50% of the Underlying Scheme's latest available net asset value. Investment in any single Underlying Scheme with a net derivative exposure exceeding 50% of its net asset value, which is (i) an SFC authorised fund (except for hedge funds under 8.7 of the UT Code) or (ii) an eligible scheme^{Note} which is not authorised by the SFC, will not be more than 30% of the Fund's net asset value.

Note: "Eligible schemes" refer to UCITS schemes domiciled in Ireland and Luxembourg, and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS and, in accordance with their home regulation, such UCITS schemes may adopt the commitment approach or value at risk approach in monitoring the derivative exposure or risk of the UCITS schemes.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value to be used to purchase or facilitate the purchase of investments for the Fund to provide monies to meet redemption requests and to pay operation expenses. The manager intends to use this power to borrow but it is not however intended that gearing will form part of the investment policy. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the Balanced Investment Portfolio level.

The Fund is a unit trust constituted by a Trust Deed dated 23 December 1988 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.625% p.a. of net asset value of the Fund, subject to a maximum of 1.5% p.a.
Trustee Fee	0.034% p.a. of net asset value of the Fund, subject to a maximum rate provided in the trust deed of the Fund
Administration Fee (service provider's costs)	0.02% p.a. to 0.1% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. The Fund will indirectly bear a proportionate share of the management and trustee fees, operating expenses and charges incurred by the Underlying Schemes. Please also refer to section 16 "Fees and Expenses" of this explanatory memorandum for details of the fees payable out of the Plan and the Balanced Investment Portfolio.

As the Balanced Investment Portfolio will invest substantially all its assets in the Fund, investment in the Balanced Investment Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 "Risk Factors" in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risk relating to investment in fixed income securities, equity investment risk, currency and exchange risk, risks of investing in other collective investment schemes/funds, emerging and less developed markets risks, derivatives risk, risk relating to small- and mid-capped companies, risk relating to exchange traded funds.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

8 Growth Portfolio

Growth Portfolio currently invests solely in Schroder Growth Fund (the "**Fund**"). Growth Portfolio's investment objective is aligned with that of the Fund, which is to achieve long term capital growth in HK dollars. The Fund will invest primarily in quoted equities on a global basis directly or through investment in funds (including qualified exchange traded funds) ("**Underlying Schemes**") investing in quoted equities.

The Fund may also invest in fixed income securities, other asset classes and money market instruments and cash in any part of the world directly or through investment in Underlying Schemes investing in the foregoing investments. The Fund may directly invest up to 100% of its net asset value in quoted equities and up to 30% of its net asset value in fixed income securities. The Fund's investment is not subject to any prescribed limit on the region, country, industry, credit rating or market capitalisation of the investment.

Up to 100% of the Fund's net asset value may be invested in Underlying Schemes. The Fund will only invest in other funds authorised by the SFC (except for hedge funds under 8.7 of the UT Code) or in eligible schemes^{Note} domiciled in jurisdictions recognized by the SFC (whether authorised by the SFC or not), except that not more than 10% of the Fund's net asset value may be invested in non-eligible schemes not authorised by the SFC.

The Fund may, if the manager considers fit, seek exposure of not more than 15% of its net asset value to other asset classes including but not limited to commodities (including energy, metals and agricultural commodities) indirectly through Underlying Schemes.

The Fund will actively allocate between different asset classes including equities, fixed income securities, other asset classes, money market instruments and cash to achieve the Fund's objectives. The Fund will also make changes to the regional allocation within each of the asset class. The Fund uses a risk-premia approach to analyse different asset classes to identify the driving forces behind the risks and returns of asset classes. The analysis is based on a combination of fundamental and quantitative factors such as asset class valuation, macroeconomic data and liquidity. Money market instruments and cash will be treated as a separate asset class and will be deployed if necessary to limit downside risk during adverse market conditions.

In addition to active asset allocation, the Fund also aims to achieve its investment objectives through investment in the Underlying Schemes, which perform active security selection. The allocation to the Underlying Schemes is actively managed based on the Underlying Schemes' investment universes, investment strategies, risk and return profiles and the prevailing market conditions.

The Fund's expected asset allocation ranges for each asset class, either directly or through investment in Underlying Schemes, is expected to be the following:

Equities	70-100%
Fixed income	0-30%
Other asset classes	0-15%
Money market instruments and cash	0-30%

The Fund may acquire financial derivative instruments for hedging and non-hedging purposes.

The Fund may invest in Underlying Schemes of which the net derivative exposure is more than 50% of the Underlying Scheme's latest available net asset value. Investment in any single Underlying Scheme with a net derivative exposure exceeding 50% of its net asset value, which is (i) an SFC authorised fund (except for hedge funds under 8.7 of the UT Code) or (ii) an eligible scheme^{Note} which is not authorised by the SFC, will not be more than 30% of the Fund's net asset value.

Note: "Eligible schemes" refer to UCITS schemes domiciled in Ireland and Luxembourg, and collective investment schemes domiciled in the United Kingdom authorized as UK UCITS and, in accordance with their home regulation, such UCITS schemes may adopt the commitment approach or value at risk approach in monitoring the derivative exposure or risk of the UCITS schemes.

The trust deed of the Fund permits borrowing of up to 10% of its net asset value to be used to purchase or facilitate the purchase of investments for the Fund, meet redemption requests or pay operating expenses. The manager intends to use the power to borrow for these purposes which may result in the Fund being geared. Please refer to section 8 "Investment Options" of the explanatory memorandum for details of borrowing at the Growth Portfolio level.

The Fund is a unit trust constituted by a Trust Deed dated 19 August 1997 (as amended).

The manager and trustee of the Fund are Schroder Investment Management (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited respectively.

Current rates of management fee, trustee fee and administration fee of the Fund (which may be from time to time adjusted) are:

Management Fee	0.625% p.a. of net asset value of the Fund, subject to a maximum of 1.5% p.a.
Trustee Fee	0.034% p.a. of net asset value of the Fund, subject to a maximum of 0.5% p.a.
Administration Fee (service provider's costs)	0.02% p.a. to 0.1% p.a. of net value of the Fund

The Fund also bears other costs, charges and expenses. The Fund will indirectly bear a proportionate share of the management and trustee fees, operating expenses and charges incurred by the Underlying Schemes. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the Growth Portfolio.

As the Growth Portfolio will invest substantially all its assets in the Fund, investment in the Growth Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, risk relating to investment in fixed income securities, equity investment risk, currency and exchange risk, risks of investing in other collective investment schemes/funds, emerging and less developed markets risks, derivatives risk, risk relating to small- and mid-capped companies, risk relating to exchange traded funds.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

9 Global Equity Portfolio

Global Equity Portfolio currently invests solely in Schroder International Selection Fund – Global Equity Alpha (the “Fund”). Global Equity Portfolio's investment objective is aligned with that of the Fund, which is to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of companies worldwide.

^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund's performance.

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

‘Alpha’ funds invest in companies in which the manager has a high conviction that the current share price does not reflect the future prospects for that business.

The manager of the Fund seeks to identify companies which it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (the manager terms this as ‘a positive growth gap’).

The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries), region or sector. The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash (subject to the restrictions provided in the offering document of the Fund).

The Fund may not borrow for the account of the Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings. The Fund is a sub-fund of Schroder International Selection Fund, an open-ended investment company incorporated on 5 December 1968 and governed by the law of Grand Duchy of Luxembourg. Please refer to section 8 “Investment Options” of the explanatory memorandum for details of borrowing at the Global Equity Portfolio level.

The management company and depositary of the Fund are Schroder Investment Management (Europe) S.A. and J.P. Morgan SE – Luxembourg Branch respectively.

Current rates of management fee and other service fees of the Fund (which may be from time to time adjusted) are:

Management Fee	0.65% p.a. of net asset value of the Fund
Depositary Fee	Up to 0.005% p.a. of net asset value of the Fund
Administration Fee	Up to 0.25% p.a. of net asset value of the Fund
Custody Safekeeping Fee	Up to 0.3% p.a. of net asset value of the Fund
Transaction Fees (charged by the Depositary)	Up to USD75 per transaction
Fund Accounting and Valuation Fees	Up to 0.0083% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the Global Equity Portfolio.

As the Global Equity Portfolio will invest substantially all its assets in the Fund, investment in the Global Equity Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, equity investment risk, derivatives risk, concentration risk, emerging and less developed markets risks, risk relating to small- and mid-capped companies, currency and exchange risk.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

10 Asian Portfolio

Asian Portfolio currently invests solely in Schroder International Selection Fund – Asian Opportunities (the “Fund”). Asian Portfolio’s investment objective is aligned with that of the Fund, which is to provide capital growth in excess of the MSCI AC Asia ex Japan (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of Asian companies (excluding Japan).

^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund’s performance.

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan).

The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Asia (excluding Japan) (including emerging market countries) or sector. The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash (subject to the restrictions provided in the offering document of the Fund).

The Fund may not borrow for the account of the Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings. Please refer to section 8 “Investment Options” of the explanatory memorandum for details of borrowing at the Asian Portfolio level.

The Fund is a sub-fund of Schroder International Selection Fund, an open-ended investment company incorporated on 5 December 1968 and governed by the law of Grand Duchy of Luxembourg.

The management company and depositary of the Fund are Schroder Investment Management (Europe) S.A. and J.P. Morgan SE – Luxembourg Branch respectively.

Current rates of management fee and other service fees of the Fund (which may be from time to time adjusted) are:

Management Fee	0.75% p.a. of net asset value of the Fund
Depositary Fee	Up to 0.005% p.a. of net asset value of the Fund
Administration Fee	Up to 0.25% p.a. of net asset value of the Fund
Custody Safekeeping Fee	Up to 0.3% p.a. of net asset value of the Fund
Transaction Fees (charged by the Depositary)	Up to USD75 per transaction
Fund Accounting and Valuation Fees	Up to 0.0083% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the Asian Portfolio.

As the Asian Portfolio will invest substantially all its assets in the Fund, investment in the Asian Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, equity investment risk, emerging and less developed markets risks, risks related to investment in the PRC, risks related to investments via the Stock Connect, risks related to investment in China market access products, risks related to investments in other funds with China access, derivatives risk, concentration risk, risk relating to small- and mid-capped companies, currency and exchange risk.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

11 Hong Kong Equity Portfolio

Hong Kong Equity Portfolio currently invests solely in Schroder International Selection Fund – Hong Kong Equity (the “Fund”). Hong Kong Equity Portfolio’s investment objective is aligned with that of the Fund, which is to provide capital growth in excess of the FTSE Hong Kong (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund’s performance.

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, investment funds, warrants and money market investments, and hold cash (subject to the restrictions provided in the offering document of the Fund).

The Fund may not borrow for the account of the Fund, other than amounts which do not in aggregate exceed 10% of the net asset value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings. Please refer to section 8 “Investment Options” of the explanatory memorandum for details of borrowing at the Hong Kong Equity Portfolio level.

The Fund is a sub-fund of Schroder International Selection Fund, an open-ended investment company incorporated on 5 December 1968 and governed by the law of Grand Duchy of Luxembourg.

The management company and depositary of the Fund are Schroder Investment Management (Europe) S.A. and J.P. Morgan SE – Luxembourg Branch respectively.

Current rates of management fee and other service fees of the Fund (which may be from time to time adjusted) are:

Management Fee	1.00% p.a. of net asset value of the Fund
Depositary Fee	Up to 0.005% p.a. of net asset value of the Fund
Administration Fee	Up to 0.25% p.a. of net asset value of the Fund
Custody Safekeeping Fee	Up to 0.3% p.a. of net asset value of the Fund
Transaction Fees (charged by the Depositary)	Up to USD75 per transaction
Fund Accounting and Valuation Fees	Up to 0.0083% p.a. of net asset value of the Fund

The Fund also bears other costs, charges and expenses. Please also refer to section 16 “Fees and Expenses” of this explanatory memorandum for details of the fees payable out of the Plan and the Hong Kong Equity Portfolio.

As the Hong Kong Equity Portfolio will invest substantially all its assets in the Fund, investment in the Hong Kong Equity Portfolio is subject to the risks associated with investment in the Fund. As such, investors are recommended to read and understand, prior to any investment being made, the risks associated with investing in the Fund as set below. Please refer to Section 13 “Risk Factors” in this Appendix I for a description of the relevant risks associated with investing in the Fund, including: general investment and market risk, liquidity risk, equity investment risk, concentration risk, risks related to investment in the PRC, risks related to investments via the Stock Connect, risks related to investment in China market access products, risks related to investments in other funds with China access, derivatives risk, risk relating to small- and mid-capped companies, currency and exchange risk.

Please refer to the offering document (including the product key facts statement) of the Fund for the detailed descriptions of its statement of investment policy and objectives, risks associated with investing in the Fund and details of securities financing transactions (if any) conducted by the Fund and its collateral policies (if applicable).

12 General

The underlying investment fund of each Unitized Portfolio described in this Appendix I has been authorised by the SFC. In addition, Schroder Institutional Pooled Funds – Global Bond Fund invested by Global Fixed Income Portfolio has been approved by the MPFA. Such SFC authorization/MPFA approval does not imply official recommendation or endorsement of such underlying investment funds nor does it guarantee the commercial merits of the underlying investment funds or their performance. It does not mean the underlying investment funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

13 Risk factors

As a Unitized Portfolio invests substantially all its assets in an underlying investment fund, investment in such Unitized Portfolio is subject to the risks associated with investment in the underlying investment fund, as well as any collective investment scheme that may be invested by such underlying investment fund. In this section, references to "underlying fund" shall mean the relevant underlying investment fund, and any collective investment scheme that may be invested by such underlying investment fund, as the context requires.

1. General investment and market risk

Past performance of the Unitized Portfolio and the underlying fund does not indicate the future performance. The underlying fund's investment portfolio may fluctuate in value due to any of the key risk factors below which may have adverse impact on the underlying fund and consequently, your investment in the Unitized Portfolio may suffer losses. There is no guarantee of the repayment of principal.

Where an underlying fund invests principally in global securities, it is subject to risks associated with foreign securities, such as changes in international economic and political developments that cause sharp market fluctuations. These factors could significantly and adversely affect the performance of the underlying fund and consequently, may have adverse impact on the Unitized Portfolio.

2. Liquidity risk

Some of the markets in which an underlying fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of securities traded on such markets. Certain securities may be difficult or impossible to sell, and this would affect the relevant underlying fund's ability to acquire or dispose of such securities at their intrinsic value. As a result, this may have adverse impact on the relevant underlying fund and its investors such as the Unitized Portfolio investing in such underlying fund.

3. Equity investment risk

An underlying fund's investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors. If the market value of the stocks go down, the net asset value of the underlying fund and consequently the net asset value of the relevant Unitized Portfolio may be adversely affected.

4. Risks relating to investment in fixed income securities

- **Credit and counterparty risk** – Investment in fixed income securities is subject to the credit/default risk of the issuer and the counterparty, which may also adversely affect the settlement of the securities or result in settlement default. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero). This may in turn affect the prices of the underlying fund and consequently may have adverse impact on the prices of the Unitized Portfolio.
- **Credit ratings risk** – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Interest rate risks** – Changes in market interest rates will affect the value of the fixed income securities held by the underlying fund. In general, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise. Long-term fixed income securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility.
- **Credit downgrading risk** – The credit rating of fixed income securities or their issuers may be subsequently downgraded. In the event of such downgrading, the value of the underlying fund may be adversely affected. Such securities may not be disposed immediately and the underlying fund may therefore be subject to additional risk of loss. Consequently, these may have adverse impact on the net asset value of the Unitized Portfolio.
- **Liquidity and volatility risk** – Securities not listed or rated or actively traded may have low liquidity and higher volatility, and their prices may be subject to fluctuations. The bid and offer spread of their price may be high and the underlying fund may therefore incur significant trading costs and may even suffer losses when selling such instruments. This may adversely impact on the performance of the Unitized Portfolio.
- **Valuation risk** – Valuation of the underlying fund's investment may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the underlying fund and this in turn may have impact on the net asset value of the Unitized Portfolio.
- **Sovereign debt risk** – The underlying fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the fund to participate in restructuring such debts. The underlying fund may suffer significant losses when there is a default of sovereign debt issuers and this may adversely impact on the performance of the Unitized Portfolio.

5. Risks of investing in other collective investment schemes/funds

The Unitized Portfolio by investing in an underlying fund will be subject to the risks associated with such underlying fund. The Unitized Portfolio does not have control of the investments of the underlying fund and there is no assurance that the investment objective and strategy of the underlying fund will be successfully achieved which may have a negative impact to the net asset value of the Unitized Portfolio.

The underlying fund in which the Unitized Portfolio may invest may not be regulated by the SFC. There may be additional costs involved when investing into the underlying fund. There is also no guarantee that the underlying fund will always have sufficient liquidity to meet the Unitized Portfolio's redemption requests as and when made.

6. Emerging and less developed markets risks

Investment in emerging and less developed markets may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal, regulatory and taxation risks, market and settlement risks, ownership and custody risk, execution and counterparty risk, and the likelihood of a high degree of volatility, which may adversely affect the net asset value of the underlying fund and consequently the net asset value of the Unitized Portfolio.

7. Derivative risk

An underlying fund may have exposure in derivatives or may use derivatives to meet its specific investment objective. There is no guarantee that the performance of derivatives will result in a positive effect for the underlying fund. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the underlying fund. Where derivatives are used for hedging, there is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the underlying fund, and consequently the Unitized Portfolio, may suffer significant losses.

8. Risk relating to small- and mid-capped companies

An underlying fund may invest in the securities of small- and/or mid-capped companies. Investing in these securities may expose the underlying fund to risks such as greater market price volatility, less publicly available information, and greater vulnerability to fluctuations in the economic cycle. This may adversely impact on the performance of the Unitized Portfolio.

9. Risk relating to exchange traded funds

An underlying fund may invest in exchange traded funds ("ETFs"). ETFs generally are passively managed and may not be able to adapt to market changes. ETFs may be subject to tracking error risk, which is the risk that its performance may not track that of the index exactly. The trading price of units of ETFs is driven by market factors such as demand and supply of the units, and units may trade at a substantial premium or discount to net asset value. Where an underlying fund invests in synthetic ETFs, such investments are susceptible to more significant price fluctuations and higher volatility, and are exposed to risk of fall in collateral value and risk of default of counterparties. This may adversely impact on the performance of the underlying fund and consequently the Unitized Portfolio.

10. Risks relating to hedging

There is no guarantee that the desired hedging instruments will be available or hedging techniques will be effective. While an underlying fund may enter into such hedging transactions to seek to reduce risks, unanticipated changes in currency, interest rates and market circumstances may result in a poorer overall performance of an underlying fund. An underlying fund may not obtain a perfect correlation between hedging instruments and the portfolio holdings being hedged. Such imperfect correlation may prevent the intended hedge or expose the relevant underlying fund to risk of loss. The underlying fund may suffer significant losses in adverse situation and consequently, this may have adverse impact on the performance of the Unitized Portfolio.

11. Concentration risk

An underlying fund may invest only in a specific country/region/sector/asset class. An underlying fund's portfolio may not be well diversified in terms of the number of holdings and the number of issuers of securities that the underlying fund may invest in. Such underlying fund may be adversely affected by or depend heavily on the performance of those securities. Such underlying fund is likely to be more volatile than a broad-based fund, such as a global or regional equity or bond fund, as the underlying fund will be more susceptible to fluctuations in value resulting from the limited number of holdings or from adverse conditions, such as economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events, in the respective country/region/sector/asset class in which the underlying fund invests. This may have adverse impact on the value of the Unitized Portfolio.

12. Currency and exchange risk

Investments of an underlying fund may be denominated in a wide range of currencies different from the base currency of the underlying fund. This exposes the underlying fund to exchange rate fluctuations and currency risk. The performance of the underlying fund, and consequently the performance of the Unitized Portfolio, may therefore be adversely affected by movements in the exchange rate between the currencies in which the assets are held and the currency of denomination of the underlying fund and the Unitized Portfolio, as well as any changes in exchange control policies.

13. Risks related to investment in the People's Republic of China ("PRC")

An underlying fund investing in the securities market in the PRC is subject to the risks specific to the PRC market including change in political, social or economic policy risk, liquidity and volatility risk, currency and exchange risk. The Unitized Portfolio by investing in such underlying fund will also be subject to the PRC related risks.

- **Change in political, social or economic policy risk** – The investment will be sensitive to any significant change in relevant policies in the PRC which may adversely affect the capital growth and thus the investment performance.
- **Legal and regulatory risk** – The regulatory and legal framework for capital markets and joint stock companies in the PRC is still developing. PRC companies are required to follow the PRC accounting standards and practice which may deviate significantly from international accounting standards. The possibility of error in the settlement and clearing systems of the mainland Chinese securities markets under extreme circumstances cannot be ruled out. Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the underlying fund and the Unitized Portfolio.
- **Liquidity and volatility risk** – Compared with the securities available in other markets, there is a low level of liquidity in the equity securities and debt securities of the PRC markets. This could potentially lead to severe price volatility.
- **Currency and exchange risk** – The PRC government's control of currency conversion and exchange rates may adversely affect the operations and financial results of the companies invested in by the underlying fund, and correspondingly adversely affecting the performance of the Unitized Portfolio.
- **PRC taxation consideration** – The underlying fund investing in securities issued by companies resident in the PRC are subject to dividend withholding tax but are not currently subject to capital gains tax in the PRC. The tax laws, regulations and practice in the PRC are inherently uncertain and liable to change without prior notice. They may also be changed with retrospective effect. The underlying fund may not have made any provision for Chinese capital gains tax. In such case, where appropriate, a provision may be introduced for the underlying fund to cover capital gains tax, withholding taxes or other taxes. Consequently, investors may be advantaged or disadvantaged depending upon the final rules. Any increased tax liabilities on the underlying fund may adversely affect the Unitized Portfolio's value.

14. Risks related to investments via the Stock Connect

An underlying fund may invest directly in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively "Stock Connect"). The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the program is effected, the underlying fund's ability to invest in China A-shares or access the PRC market through the program will be adversely affected. In such event, the underlying fund's ability to achieve its investment objective could be negatively affected, and consequently negatively impacting the performance of the Unitized Portfolio.

15. Risks related to investments in China market access products

An underlying fund may use China market access products to gain exposure to China A-shares indirectly. This involves additional risks including lack of a secondary market in such instruments, illiquidity of the underlying securities, difficulty in selling these instruments at times when the underlying markets are closed and counterparty default risk. These may have adverse impact on the net asset value of the underlying fund, and consequently the net asset value of the Unitized Portfolio.

16. Risks related to investments in other funds with China access

An underlying fund may invest in other funds with China access through Qualified Foreign Investor ("QFI") status. Therefore, the underlying fund is indirectly exposed to the risks associated with the QFI regime such as suspension or revocation of the QFI status, as well as repatriation and liquidity risks. These may have adverse impact on the net asset value of the underlying fund, and consequently the net asset value of the Unitized Portfolio.

17. Lack of supply of RMB denominated instruments

Although the issuance of offshore RMB debt instruments has increased substantially in recent years, supply may lag the demand for offshore RMB debt instruments under certain circumstances. In some cases, new issues of offshore RMB debt instruments may be oversubscribed and may be priced higher than and/or trade with a lower yield than equivalent onshore RMB debt instruments. If the onshore RMB debt instruments market subsequently opens up, this may lead to the convergence of the yields in the two markets. This may result in higher yields for the offshore RMB debt instruments and, consequently, decrease the price of such offshore RMB debt instruments. This may affect the net asset value of the underlying fund that invests in such RMB debt instruments, and consequently the net asset value of the Unitized Portfolio.

18. Risk relating to convertible bonds

An underlying fund may invest in convertible bonds. Convertibles are a hybrid between debt and equity, permitting holders to convert into shares or stocks in the company issuing the bond at a specified future date. Prior to conversion, convertible bonds have the same general characteristics as non-convertible fixed income securities and the market value of convertible bonds tends to decline as interest rates increase and increase as interest rates decline. However, while convertible bonds generally offer lower interest or dividend yields than non-convertible fixed income securities of similar quality, they enable the underlying fund to benefit from increases in the market price of the underlying stock, and hence the price of a convertible bond will normally vary with changes in the price of the underlying stock. Therefore, the Unitized Portfolio, through investment in the underlying fund, is subject to greater volatility than straight bond investments, with an increased risk of capital loss, but with the potential of higher returns. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

19. Risk of investment in Europe

An underlying fund may invest in securities which may include a substantial investment in European securities. In light of the current fiscal conditions and concerns on sovereign debt of certain European countries, the underlying fund may be subject to an increased amount of volatility, liquidity, price, currency and default risk should there be any adverse credit events in the European region. Notwithstanding the governments of the European countries have adopted measures to address these problems, it is possible that these measures may not work and may adversely affect the value of the underlying fund's investment in European securities and consequently, may have adverse impact on the net asset value of the Unitized Portfolio. If these adverse economic or financial events in Europe continue, they could have additional unfavourable effects on the economies and financial markets of other parts of the world thereby affecting the value of the underlying fund's investment and consequently, may have adverse impact on the net asset value of the Unitized Portfolio.

Appendix II

The Capital Guaranteed Portfolio

A summary of the Insurance Policy (as defined below) currently invested in by the Capital Guaranteed Portfolio including a brief description of the investment objective and policy is set out below for ease of reference. For details of the Insurance Policy including investment objective, investment restrictions and fee and charges, please refer to the Insurance Policy, a copy of which is available for inspection at the offices of the Sponsor.

The Capital Guaranteed Portfolio of the Plan is currently invested into an insurance policy entered into between the trustee of the Plan in its capacity as trustee of the Capital Guaranteed Portfolio and FWD Life Insurance Company (Bermuda) Limited (“**FWD**”) and dated 1 April 2000 (the “**Insurance Policy**”). Endorsements for extension of guarantee period of the Insurance Policy for another ten years from 1 April 2010 and subsequently for another year from 1 April 2020 were entered into by the trustee of the Plan and FWD. With effect from 1 February 2021, the insurer of the Insurance Policy has been changed from FWD to Sun Life Hong Kong Limited (“**Sun Life**”). The guarantee of the Insurance Policy is also given by Sun Life (the “**Guarantor**”). Endorsements for extension of guarantee period of the Insurance Policy for another three years from 1 April 2021 and subsequently for another 5 years from 1 April 2024 were entered into by the trustee of the Plan and Sun Life.

The Insurance Policy is governed by the laws of Hong Kong and is denominated in Hong Kong dollars.

Operation of the Capital Guaranteed Portfolio

Any contributions of employers and, if applicable, members will be allocated to specifically established accounts in dollar amounts (instead of in units). The Trustee will maintain a separate account in respect of each member who chooses to invest in the Capital Guaranteed Portfolio (an “**Additional Account**”).

The assets allocated to the Capital Guaranteed Portfolio are invested into the Insurance Policy. The assets held under the Insurance Policy will be pooled with the assets of other retirement schemes (together the “**Guaranteed Retirement Fund**”) and the Guarantor will maintain an account in the name of the Trustee representing the holdings of the Trustee in the Guaranteed Retirement Fund (“**Trustee’s Account**”).

Investment Return of the Capital Guaranteed Portfolio

The investment return of the Capital Guaranteed Portfolio is derived from income received from the Insurance Policy. The Insurance Policy offers a guaranteed minimum return of not less than 0% per annum (for details please refer to the sections below).

The income of the Capital Guaranteed Portfolio will usually be allocated to the relevant Additional Accounts on annual basis in proportion to each member’s holding in the Capital Guaranteed Portfolio during the relevant year. As the Trustee will deduct a proportional amount of the fees and expenses attributable to the Capital Guaranteed Portfolio from each member’s Additional Account, there is no guarantee that the value of a member’s Additional Account will be the same or more than the total amount of contributions made by the employer, and if applicable, the member.

The Insurance Policy

Investment Objective and Policy

The investment objective of the Insurance Policy is to preserve capital and generate a stable return so as to ensure that the Guarantor can provide the guarantee described below. Not less than two thirds of the assets will be invested in high quality worldwide fixed income securities with credit ratings issued by Standard and Poors or Moody’s or other equivalent reputable rating agencies of “A” or above. The balance of the assets may be invested in worldwide blue chip equities and other assets either through direct investment or through authorised or unauthorised unit trusts.

Rate of Investment Return

The applicable investment return of the Insurance Policy will be calculated in respect of each fiscal year, the first of which will run from 1 June 2000 to 30 September 2000 and thereafter from 1 October to 30 September each year (a “**Fiscal Year**”).

This rate of investment return, which is declared annually by the Guarantor at its absolute discretion, is based on the yield earned by the investments held by the Insurance Policy, net of all relevant taxes but including realized and unrealized gains and adjustments made by an actuary to smooth market fluctuations. When determining the yield earned, the Guarantor will use the market value of the investments held under the Insurance Policy except in the case where the securities are intended to be held to maturity, if any, in which case the amortized value of such securities will be employed. For as long as the guarantee described below applies, the rate of investment return declared by the Guarantor will not be negative.

The rate of investment return applicable to each Fiscal Year will be declared by the Guarantor, at its absolute discretion, after the completion of the audit following the end of the relevant Fiscal Year (the “**Declared Rate**”). At the same time, the Guarantor will also declare an interim rate for the period commencing after the completion of the previous Fiscal Year (the “**Interim Rate**”). The Interim Rate (expressed as a percentage) will be a rate equal to the Declared Rate (expressed as a percentage) for the previous Fiscal Year less (a) any amounts (expressed as a percentage) certified by an actuary as being an exceptional non-recurring element in such Declared Rate and (b) such further amount up to 0.5% as determined by the Guarantor. Accordingly, the Interim Rate will normally be equal to or lower than the Declared Rate.

Please note that the actual rate of investment return of the underlying investments held by the Insurance Policy may be more or less than the Declared Rate or the Interim Rate and the Guarantor is entitled to retain any excess and will make up any shortfall.

On 31 March each year (the “**Credit Date**”) the Guarantor will first credit the Trustee’s Account with the applicable investment return for the preceding year. The Trustee will in turn credit the investment return in proportion to each member’s holding in the Capital Guaranteed Portfolio over the relevant period after deduction of any fees and expenses attributable to the Capital Guaranteed Portfolio to Additional Account of that member.

The distinction between the Declared Rate and the Interim Rate will only affect a member withdraws from the Capital Guaranteed Portfolio by either switching out of the Capital Guaranteed Portfolio or becoming entitled to his benefits as described in Section 12 “Benefits” of this explanatory memorandum. In this case, the investment return will be credited to his Additional Account up to the day of withdrawal, in accordance with the applicable interest rates (see below).

When a member withdraws the investment return credited to his Additional Account in respect of all Fiscal Year(s) ending before the Credit Date immediately prior to his withdrawal will be calculated at the applicable Declared Rate(s). From the period commencing from the end of the last Fiscal Year which ended before the Credit Date immediately prior to his withdrawal to the date of his withdrawal, the investment return will be calculated at the Interim Rate (i.e. from 1 October up until the date of withdrawal).

Accordingly, as the Interim Rate will be lower than the Declared Rate, it is in a member’s interest to withdraw on a Credit Date (i.e. 31 March) thereby minimising the length of time to which the Interim Rate will apply.

The past Declared Rate and the latest available Interim Rate of the Insurance Policy is published online at www.schroders.com.hk. The past Declared Rate is for reference only. Past performance should not be taken as an indication of future performance.

The Guarantee

Since 1 April 2000, the Guarantor guarantees that any Declared Rate or Interim Rate in respect of each Fiscal Year will not be less than 0% per annum of the total contributions made by the Trustee, on behalf of the employer and, if applicable, members, and received by the Guarantor during the relevant period. The guarantee will remain unchanged until the expiry of the guarantee period or the earlier termination of the Insurance Policy or cessation of the application of the Insurance Policy to the Capital Guaranteed Portfolio.

Termination

The Trustee may terminate the Insurance Policy on not less than 6 months’ prior written notice to the Guarantor. The Guarantor may terminate the Insurance Policy on not less than 6 months’ prior written notice to the Trustee.

The Trustee will notify employers and members entitled to exercise investment choice of the termination of the Insurance Policy as soon as practicable after giving notice of termination or after receiving notice of termination from the Guarantor.

Fees and Expenses payable to the Insurance Policy

Aggregate Management Fee	Up to 1.50% per annum ⁽¹⁾
Trustee Fee/Custody Fee	N/A

⁽¹⁾ The aggregate management fee payable at the underlying insurance policy level is inclusive of the investment management fee of 0.75% per annum and the guarantor’s fee, as a percentage per annum of the net asset value of the Trustee’s Account as calculated by the Guarantor on each Credit Date. This fee shall be retained by the Guarantor and shall be payable out of the interest accrued in respect of the balance of the Trustee’s Account as at the relevant Credit Date. In the event that in any year, insufficient interest has accrued to bear all or part of the fee payable to the Guarantor, the Guarantor shall be entitled to retain such outstanding amount from any interest that subsequently accrues in respect of the balance of the Trustee’s Account.

The costs of establishment of the Insurance Policy shall be borne solely by the insurer of the Insurance Policy and shall not be paid out of the assets of the Plan.

Risk factors

As the Capital Guaranteed Portfolio invests substantially all its assets in the Insurance Policy, investment in the Capital Guaranteed Portfolio is subject to the risks associated with investment in the Insurance Policy, as well as any collective investment scheme that may be invested by the Insurance Policy. Investors are recommended to read and understand, prior to any investment being made, the risks of investment applicable to the Insurance Policy as set out below.

1. General Investment Risk

The investment returns of the Insurance Policy will be affected by market fluctuations, liquidity risk, interest rate risk, currency risk, and economic and social risks. Further, such risk factors may affect Sun Life as the Guarantor, as well as the value of underlying assets of the Insurance Policy. Hence the Declared Rate and the Interim Rate which will be determined entirely by Sun Life may also be affected. Sun Life may declare zero rate of return at the end of the Fiscal Year.

2. Limited Duration of the Guarantee

The guarantee that Declared Rate and the Interim Rate will not be less than zero is only applicable for guarantee period of the Insurance Policy. After the guarantee period of the Insurance Policy ends, the guarantee will lapse and the return will depend on the actual investment gains or losses of the Insurance Policy, and therefore may be positive or negative.

3. Credit Risk of Sun Life

Members are not investing in the Insurance Policy and do not have any rights or ownership over the Insurance Policy or its underlying assets. The Insurance Policy and its underlying assets are legally and beneficially owned by Sun Life. Members only have a contractual right to claim the amount representing the benefits under the Plan from Sun Life. The guarantee of the Insurance Policy is also provided by Sun Life. Investments in the Capital Guaranteed Portfolio are therefore subject to the credit risks of Sun Life.

4. Credit/Counterparty risk

The Insurance Policy is exposed to the credit/default risk of issuers of debt securities that the Insurance Policy may invest in.

5. Interest Rate Risk

The Insurance Policy is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

6. Downgrading Risk

The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Insurance Policy may be adversely affected.

7. Credit Rating Risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

8. Equity Market Risk

The Insurance Policy may invest in equity securities which are subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer specific factors.

9. Regulatory Risk

Investments may be affected by changes to the rules and regulations governing exchange controls or taxation, including withholding tax, and by changes to economic or monetary policies.

10. Risks of Investing in Other Collective Investment Schemes

The Insurance Policy's investment in other collective investment schemes will be subject to the risks associated with the underlying collective investment schemes. The Insurance Policy does not have control of the investments of the underlying collective investment schemes and there is no assurance that the investment objective and strategy of the underlying collective investment schemes will be successfully achieved which may have a negative impact to the investment return of the Insurance Policy.

The underlying collective investment schemes in which the Insurance Policy may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes which may have a negative impact to the investment return of the Insurance Policy. Notwithstanding the above, the Insurance Policy's investment in other collective investment schemes will comply with the applicable investment restrictions in the Code on Pooled Retirement Funds (as amended from time to time) issued by the SFC.

11. Inflation Risk

The cost of living in the future may be higher than now due to the effects of inflation. Therefore, the benefits under the Insurance Policy may not be sufficient for increasing protection needs in the future even if Sun Life fulfills all of the contractual obligations.

12. Other Risk Factors

Investment in the Capital Guaranteed Portfolio is not equivalent to placing funds on deposit with a bank or deposit taking company. Investments in the Capital Guaranteed Portfolio should be regarded as a medium to long-term investment.

Appendix III

Investment Restrictions

Investment of the Portfolios is expected to comply with the Trust Deed, the applicable investment requirements under Chapters 8.10 – 8.11 of the PRF Code, the ORSO and the Mandatory Provident Fund Schemes (Exemption) Regulation. In particular, the Capital Guaranteed Portfolio is a guaranteed fund. Pursuant to Chapter 8.10C of the PRF Code, the Capital Guaranteed Portfolio shall also comply with Chapter 9 of the PRF Code.

Summary of Investment Restrictions of PRF Code

Each Portfolio is subject to the investment restrictions under the PRF Code, as summarised below.

<u>Summary</u>	<u>Reference in PRF Code</u>
A Portfolio of the Plan shall only be one of the following: (i) a portfolio investing in SFC-authorized fund(s); (ii) a cash management portfolio; (iii) a guaranteed portfolio; or (iv) a direct investment portfolio.	8.10
<u>(i) Portfolio investing in SFC-authorized fund(s)</u>	8.10A
(a) A Portfolio investing in SFC-authorized fund(s) may normally invest 90% or more of its total net asset value in one or more SFC-authorized fund(s) falling under Chapter 7 (plain vanilla funds), 8.2 (money market funds), 8.6 (unlisted index funds and index tracking exchange traded funds) or 8.10 (listed open-ended funds) of the UT Code, or approved pooled investment funds. The remaining assets shall be held in cash or cash equivalents. In addition, the name(s) of the underlying fund(s) and their respective investment allocation(s) must be disclosed in the offering document.	
(b) Furthermore, any underlying fund must be a non-derivative fund (" Non-Derivative Fund "). (Note: A Non-Derivative Fund is a fund with a net derivative exposure of up to 50% of its net asset value, calculated in accordance with the UT Code and the requirements and guidance issued by the SFC which may be updated from time to time.)	
(c) A Portfolio investing in SFC-authorized fund(s) may borrow up to 10% (by total net asset value) of its underlying assets but only on a temporary basis for the purpose of meeting redemptions or defraying operating expenses.	
(d) Where a Portfolio investing in SFC-authorized fund(s) invests in any SFC-authorized fund(s) issued by the Sponsor (being the product provider of the Plan) or its connected person(s) or delegate(s), all initial charges and redemption charges on such underlying fund(s) must be waived.	
(e) The Sponsor or its delegate(s) may not obtain a rebate on any fees or charges levied by the underlying fund(s) (or their management companies), or any quantifiable monetary benefits in connection with investments in the underlying fund(s), of a portfolio investing in SFC-authorized fund(s).	
<u>(ii) Cash management portfolio</u>	8.10B
(a) A Portfolio which is a cash management portfolio may only invest in and hold cash or cash equivalents in short-term bank deposits, bank current accounts, and certificates of deposit.	
(b) A Portfolio which is a cash management portfolio shall comply with the requirements under 8.2(f) of the UT Code, as amended by the PRF Code. (Note: References in 8.2(f) of the UT Code to: (1) "two years in case of Government and other public securities [see Notes (1) and (2) to 7.5]" shall be deleted; (2) "security" and "securities" under Notes (1) and (2) shall be replaced by "asset" and "assets" respectively; and (3) Note (3) shall be deleted.)	
(c) A Portfolio which is a cash management portfolio shall comply with the requirements under 8.2(h) of the UT Code, as amended by the PRF Code. (Note: References in 8.2(h) of the UT Code to "Notwithstanding 7.21" shall be deleted.)	
(d) A Portfolio which is a cash management portfolio shall comply with the requirements under 8.2(n) of the UT Code, as amended by the PRF Code. (Note: References in 8.2(n) of the UT Code to: (1) "securities" under Notes (1) and (2) shall be deleted; (2) "(iii) amount receivable and due unconditionally within one working day on pending sales of portfolio securities" under Note (1) shall be deleted; (3) "(iii) amount receivable and due unconditionally within five working days on pending sales of portfolio securities" under Note (2) shall be deleted; and (4) Note (3) shall be deleted.)	
<u>(iii) Guaranteed portfolio</u>	8.10C
A Portfolio which is a guaranteed portfolio contains a structure in which a guaranteed amount will be paid to scheme participants at a specific date in the future and that complies with requirements under Chapter 9 of the PRF Code.	

Summary	Reference in PRF Code
(iv) Direct investment portfolio	8.10D
(a) A Portfolio which is a direct investment <u>portfolio</u> may invest at the management company's discretion, subject to the provisions of its constitutive documents and the PRF Code.	
(b) A Portfolio which is a direct investment portfolio must comply with the core investment requirements under Chapter 7, and where applicable, the specific investment requirements under 8.2 or 8.6 of the UT Code.	
(c) A Portfolio which is a direct investment <u>portfolio</u> must be a Non-Derivative Fund.	
In addition, no moneys of a Portfolio may be invested in the securities of, or lent to, as applicable, the Sponsor, the Investment Managers, the guarantor, the Trustee, or any of their connected persons except where any of these parties is a substantial financial institution or an insurance company. For the purposes of this provision securities do not include interests in collective investment schemes, either authorised under section 104(1) of the Securities and Futures Ordinance ("SFO") or recognized jurisdiction schemes pursuant to 1.2 of the UT Code.	8.11

Summary of Investment Restrictions under Trust Deed

Assets of a Portfolio (other than a customised Portfolio) may only be invested in an underlying investment fund, in deposits or in Unrestricted Investments.

The Investment Manager shall not for account of any Portfolio invest in (a) Restricted Investments if as a result the percentage of the net asset value of a Portfolio to be invested therein would exceed the percentage from time to time permitted by ORSO; (b) a Restricted Loan; (c) unquoted shares if as a result thereof the percentage of the net asset value of a Portfolio to be invested therein would exceed the percentage from time to time permitted by ORSO.

"Unrestricted Investments" means any investment issued by or the payment of principal and interest on which is guaranteed by, a government, or any fixed interest investments issued by its public or local authorities or other multilateral agencies.

"Restricted Investments" means any security of or issued by an employer or its affiliate thereof save a security issued by an affiliate of an employer which is in the form of an option which if exercised will result in the asset held in the Trust property being shares issued by a company which is not an employer or its affiliate of an employer and a Security in the form of an option by whomsoever issued if the exercise of such option would result in the asset held in the Trust property being shares of an employer.

"Restricted Loan" means a loan excluding for this purpose a deposit made with any authorised institution within the meaning of the Banking Ordinance, to an employer or its affiliate.

Appendix IV
Summary of Fees

(i) Fees of Unitized Portfolios (please refer to Section 16 “Fees and Expenses” and Appendix I of this explanatory memorandum for further details about the applicable fees and charges)

Portfolio	Fees (% per annum based on net asset value)						Total (a+b+c+d+e+f)
	Portfolio level			Underlying investment fund level [#]			
	Trustee fee ^{**} (a)	Member Service fee [^] (b)	Investment Management fee* (c)	Trustee fee (d)	Management fee (e)	Custody/ depository fee and administration fee (f)	
Hong Kong Money Market Portfolio	0.45%	0.15%	N/A	0.0425% ¹	0.25%	0.02%	0.9125%
US Dollar Money Portfolio	0.45%	0.15%	N/A	0.0425% ¹	0.25%	0.02%	0.9125%
HK Dollar Fixed Income Portfolio	0.45%	0.15%	N/A	N/A	0.50%	Up to 0.5633% ²	Up to 1.6633%
Global Fixed Income Portfolio	0.45%	0.15%	N/A	0.0595%	0.625%	N/A	1.2845%
Capital Stable Portfolio	0.45%	0.15%	N/A	0.034%	0.625%	0.02% to 0.10%	1.279% to 1.359%
Stable Growth Portfolio	0.45%	0.15%	N/A	0.034%	0.625%	0.02% to 0.10%	1.279% to 1.359%
Balanced Investment Portfolio	0.45%	0.15%	N/A	0.034%	0.625%	0.02% to 0.10%	1.279% to 1.359%
Growth Portfolio	0.45%	0.15%	N/A	0.034%	0.625%	0.02% to 0.10%	1.279% to 1.359%
Global Equity Portfolio	0.45%	0.15%	N/A	N/A	0.65%	Up to 0.5633% ²	Up to 1.8133%
Asian Portfolio	0.45%	0.15%	N/A	N/A	0.75%	Up to 0.5633% ²	Up to 1.9133%
Hong Kong Equity Portfolio	0.45%	0.15%	N/A	N/A	1%	Up to 0.5633% ²	Up to 2.1633%

Notes

[#] The underlying investment funds also bear other costs, charges and expenses. Please refer to the offering documents (including the product key facts statements) of the underlying investment funds for more details of other fees and charges except for Schroder Institutional Pooled Funds – Global Bond Fund, of which details of fees and charges are set out in Section 16 “Fees and Expenses” of this explanatory memorandum.

^{**} Subject to maximum rate of 1% p.a. of net asset value of the Portfolio

[^] Subject to maximum rate of 0.25% p.a. of net asset value of the Portfolio

^{*} Subject to maximum rate of 1.5% p.a. of net asset value of the Portfolio

¹ Subject to an annual minimum fee of USD20,000

² Inclusive of fund accounting and valuation fees of up to 0.0083% p.a. of the net asset value of the underlying investment fund. In addition, a transaction fee of up to USD75 is payable per transaction.

(ii) **Fees of the Capital Guaranteed Portfolio (please refer to Section 16 “Fees and Expenses” and Appendix II of this explanatory memorandum for further details about the applicable fees and charges)**

Capital Guaranteed Portfolio	Fees					Total (a+b+c+d+e)
	Portfolio level			Underlying insurance policy level		
	Trustee fee [®] (a)	Member Service fee [^] (b)	Investment Management fee [*] (c)	Aggregate management fee (d)	Trustee fee/ custody fee (e)	
Capital Guaranteed Portfolio	0.45% ¹	0.15% ¹	N/A	Up to 1.50% ²	N/A	Up to 2.10% ³

Notes

* Subject to maximum rate of 1% p.a. of net asset value of the Portfolio

^ Subject to maximum rate of 0.25% p.a. of net asset value of the Portfolio

* Subject to maximum rate of 1.5% p.a. of net asset value of the Portfolio

¹ Percentage per annum based on the net asset value of the Capital Guaranteed Portfolio.

² The aggregate management fee payable at the underlying insurance policy level is inclusive of the investment management fee of 0.75% p.a. and the guarantor's fee, as a percentage per annum of the net asset value of the Trustee's Account as calculated by the Guarantor on each Credit Date. This fee shall be retained by the Guarantor and shall be payable out of the interest accrued in respect of the balance of the Trustee's Account as at the relevant Credit Date. In the event that in any year, insufficient interest has accrued to bear all or part of the fee payable to the Guarantor, the Guarantor shall be entitled to retain such outstanding amount from any interest that subsequently accrues in respect of the balance of the Trustee's Account.

³ The trustee fee, member service fee and investment management fee at the Capital Guarantee Portfolio level is calculated by reference to the net asset value of the Capital Guarantee Portfolio whereas the aggregate management fee at the underlying insurance policy level is calculated by reference to the net asset value of the Trustee's Account as calculated by the Guarantor on each Credit Date.

(iii) **Costs payable by Employer (please refer to Section 17 “Costs Payable by Employer” of this explanatory memorandum for further details about the applicable fees and charges)**

Type of Cost	Estimated Value ⁽¹⁾	Frequency of Payment
ORSO Registration Fee (charged by the Mandatory Provident Fund Schemes Authority)	\$1,800	Per annum
Deed Tendering Fee (charged by solicitor)	To be agreed between the employer and solicitor	One-off
Deed Review Fee (charged by Trustee) (with standard rules)	\$5,000 plus disbursement	One-off
Trustee Fees for attending meetings with employers and/or members	\$1,500 to \$3,000 (per hour) (to be agreed between employer and Trustee from time to time and depending on complexity)	Upon every meeting attended by the Trustee
Employer Scheme's Account and Audit Fee	To be agreed between the employer and his auditor	Per annum

⁽¹⁾The fixed value portion shall be subject to adjustment by the relevant recipients.

Personal Data (Privacy) Ordinance

We, Schroder Investment Management (Hong Kong) Limited, BOCI-Prudential Trustee Limited, and persons performing functions in relation to our products and services, are subject to the Hong Kong Personal Data (Privacy) Ordinance, which regulates the use of personal data concerning individuals.

We are required by applicable laws and regulations to obtain information about you at the time you start to deal with us. Such information (and other information we acquire about you) may be used by us and other companies within our respective groups for:

- (a) carrying out your instructions;
- (b) providing investment management, banking, financial, retirement scheme (including the Mandatory Provident Fund) or any related services, as agreed with you from time to time, whether those services are implemented by ourselves or by any other companies within the respective groups.
- (c) observing any legal, governmental or regulatory requirements including any disclosure or notification requirements, to which we are subject; and
- (d) for any purposes related to any of the above.

In connection with these purposes we may provide data to:

- (a) any agent, contractor or third party service provider which provides financial, trustee, custody, administrative, telecommunications, computer, payment or securities clearing or other services to us in connection with the operation of our business;
- (b) statutory, governmental or regulatory bodies or institutions as required by applicable law or regulations;
- (c) any other offices we may have; and
- (d) any other persons including any of our associated companies under a duty of confidentiality to us.

You are entitled, by written request to the relevant Data Protection Officer referred to below, to access to the personal data we hold about you and, if applicable, to correct any inaccuracies in that data. A reasonable fee may be charged for processing any data access request. Further information on applicable policies and practices relating to personal data is available on written request to the Data Protection Officer, BOCI-Prudential Trustee Limited at Suites 1501-1507 & 1513 -1516, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong.