



Notice to Participating Employers, Employee Members, Self-employed Members, TVC Account Holders and Deferred Members of the HSBC Mandatory Provident Fund – SuperTrust Plus (each, the ‘Scheme Participant’, and collectively, the ‘Scheme Participants’)

July 2024

**Important: If you are in any doubt about the contents of this notice, you should seek independent professional advice. This document contains information regarding changes to the MPF scheme brochure of the HSBC Mandatory Provident Fund – SuperTrust Plus dated May 2023 (‘MPF Scheme Brochure’) and requires your immediate attention.**

### **HSBC Mandatory Provident Fund – SuperTrust Plus**

Various changes are being made to the HSBC Mandatory Provident Fund – SuperTrust Plus (‘**HSBC SuperTrust Plus**’) and are outlined in the box below.

Terms not defined in this notice have the same meanings as in the MPF Scheme Brochure.

**This box summarises the key changes to the HSBC SuperTrust Plus, which are elaborated in the main body of this notice:**

#### **KEY CHANGES**

##### **Overview**

**On 12 August 2024 (‘Effective Date’), there will be changes in the disclosures in the MPF Scheme Brochure (the ‘Changes’) with respect to the use of financial futures contracts by the underlying approved pooled investment funds (‘APIFs’) of the following Constituent Funds (each an ‘Affected CF’ and collectively the ‘Affected CFs’):**

- (a) Age 65 Plus Fund;**
- (b) Core Accumulation Fund;**
- (c) Global Equity Fund;**
- (d) North American Equity Fund;**
- (e) ValueChoice North America Equity Tracker Fund;**
- (f) European Equity Fund; and**
- (g) ValueChoice Europe Equity Tracker Fund.**

##### **Impact**

- (a) The Changes will not have any adverse impact on the Scheme Participants, and will not prejudice rights or interests of the existing Scheme Participants of the HSBC SuperTrust Plus.**
- (b) The Changes will not give rise to any increase to the management fees of the Affected CFs. The management fees of the Affected CFs will remain the same.**

##### **Actions required of Scheme Participants**

- (a) No action is required of the Scheme Participants to effect the Changes.**
- (b) A Scheme Participant who does not wish to be affected by the Changes may exit the Affected CF(s) or transfer out of the HSBC SuperTrust Plus to another Registered Scheme in such manner and within such timeframe as set out in section 5 below.**
- (c) If an affected Scheme Participant does not take any action and, in respect of an affected Scheme Participant who is an Employee Member, the Participating Employer also does not elect to transfer out of the HSBC SuperTrust Plus, then the Scheme Participant’s account balance invested in the Affected CF(s) and/or new contributions and/or accrued benefits transferred from another Registered Scheme (as the case may be) will continue to invest in the Affected CF(s) concerned.**
- (d) No fees, penalties, bid/offer spread or other transaction costs will be charged or imposed on any switching between CFs or transfer out of the HSBC SuperTrust Plus.**

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**If you have any questions in relation to the Changes set out in this notice, please contact the HSBC MPF Employer Hotline +852 2583 8033 or HSBC MPF Member Hotline +852 3128 0128.**

## 1. Overview

### Settlement Mismatch

- 1.1 Globally, a number of securities markets will or have implemented a shorter cycle for the settlement of trades in such markets. For example, previously, settlement of trades in underlying U.S. securities occurred two business days after trade date ('T+2'), but recent rule amendments from the U.S. Securities and Exchange Commission ('SEC') changed such settlement period to one business day after the trade date ('T+1'). Other securities markets are considering similar changes in the near future.
- 1.2 Where subscription orders are received for the APIFs, it will take time for cleared subscription monies to be received. Accordingly, there is a settlement mismatch as proceeds required for settling the trades in the underlying securities in the relevant securities markets may not arrive in time.

### Use of financial futures contracts to address settlement mismatch

- 1.3 Currently, the APIFs invested in directly or indirectly by the Affected CFs may acquire financial futures contracts and financial option contracts for efficient portfolio management or for hedging purposes (as the case may be) only. With effect from the Effective Date, financial futures contracts may also be acquired for other purposes to address any settlement mismatch with the relevant securities markets, subject to the Mandatory Provident Fund Schemes (General) Regulation ('General Regulation').

## 2. Change regarding financial futures contracts in respect of the Affected CFs

On the Effective Date, the statement of investment policy of each Affected CF as disclosed in the MPF Scheme Brochure in relation to the use of financial futures contracts by their respective APIFs will be amended as follows:

<b>Affected CFs (other than Age 65 Plus Fund and Core Accumulation Fund (each, an 'Affected DIS CF' and collectively, the 'Affected DIS CFs'))</b>	
<b>Before the Effective Date</b>	<b>On and after the Effective Date</b>
For efficient portfolio management, the portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts and financial option contracts.	The portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts and financial option contracts for hedging purposes. In addition, the portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts for purposes other than hedging. However it may only do so for addressing any settlement mismatch with the securities market of underlying investments. In any event, such contracts can only be acquired in accordance with the General Regulation.

  

<b>Affected DIS CFs</b>	
<b>Before the Effective Date</b>	<b>On and after the Effective Date</b>
For efficient portfolio management, the portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts and financial option contracts (for hedging purposes only if acquired directly by the underlying APIF).	The portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts and financial option contracts for hedging purposes. In addition, the portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts for purposes other than hedging. However, it may only do so for addressing any settlement mismatch with the securities market of underlying investments. In any event, such contracts can only be acquired in accordance with the General Regulation.

## 3. Implementation of the Changes

No suspension of dealing or valuation will be required for the Changes.

## 4. Impacts of the Changes on the HSBC SuperTrust Plus and Scheme Participants

- 4.1 The Changes will not have any adverse impact on the Scheme Participants, and will not prejudice rights or interests of the existing Scheme Participants of the HSBC SuperTrust Plus.
- 4.2 The Changes will not give rise to any increase to the management fees of the Affected CFs. The management fees of the Affected CFs will remain the same.

## 5. Actions required of Scheme Participants in response to the Changes

- 5.1 No action is required of the Scheme Participants to effect the Changes. If a Scheme Participant for whatever reason does not want to be affected by the Changes, please see below.
- 5.2 A Scheme Participant may submit valid instructions to The Hongkong and Shanghai Banking Corporation Limited (the '**Administrator**') to change investment options via the designated service channels, e.g. paper form, Personal Internet Banking, HSBC HK Mobile Banking app or Interactive Voice Response System ('**IVRS**') before the respective cut-off deadlines prior to the Effective Date (as described in section 5.5 below) to switch out the account balance from the Affected CF(s) and/or change the existing investment options so that the new contributions and accrued benefits transferred from another Registered Scheme will not be invested in the Affected CF(s). Scheme Participants should take note that different cut-off times may apply to valid instructions received through different service channels.
- 5.3 A Scheme Participant that is a Self-employed Member, TVC Account Holder or Deferred Member and who does not wish to be affected by the Changes may transfer out of the HSBC SuperTrust Plus to another Registered Scheme by completing and submitting valid transfer form to the Administrator before the respective cut-off deadlines prior to the Effective Date (as described in section 5.5 below).
- 5.4 However, an Employee Member will not be entitled to transfer out of the HSBC SuperTrust Plus unless the Participating Employer elects to do so. Alternatively, an Employee Member may transfer the accrued benefits derived from employee mandatory contributions under the current employment to another Registered Scheme of their choice once every year under the employee choice arrangement.
- 5.5 Please refer to the below cut-off schedules for submitting dealing instructions:

Instruction	Designated service channels	Received on or before
Portfolio rebalance <sup>1/</sup> asset switch of existing balance <sup>2/</sup> contribution redirection <sup>3</sup>	Via Personal Internet Banking, HSBC HK Mobile Banking app or IVRS*	By 4pm one Business Day prior the Effective Date
	Via paper form	Five Business Days prior the Effective Date
Redemption	Via paper form	15 Business Days
Transfer out	Via paper form <sup>^</sup>	prior the Effective Date

<sup>1</sup> Change the investment allocation of existing investments, new contributions and transfer-in benefits.

<sup>2</sup> Change the investment allocation of existing investments only.

<sup>3</sup> Change the investment allocation of the new contributions and transfer-in benefits.

\* Asset switch of existing balance instruction cannot be processed via IVRS.

<sup>^</sup> Any valid transfer instruction must be received through the Relevant Recipient and the instruction must be accompanied by a transfer form completed by all relevant parties (as appropriate), including the Relevant Recipient. For the purpose of the foregoing, 'Relevant Recipient' means: (a) the eMPF Platform, where the new Registered Scheme has been onboarded the eMPF Platform by the time of the issuance of the instruction; or (b) the transferee trustee of the new Registered Scheme, where the new Registered Scheme does not meet the requirement in (a) above.

- 5.6 No fees, penalties, bid/offer spread or other transaction costs will be charged or imposed on any switching between CFs or transfer out of the HSBC SuperTrust Plus.
- 5.7 If an affected Scheme Participant does not take any action and, in respect of an affected Scheme Participant who is an Employee Member, the Participating Employer also does not elect to transfer out of the HSBC SuperTrust Plus, then the Scheme Participant's account balance invested in the Affected CF(s) and/or new contributions and/or accrued benefits transferred from another Registered Scheme (as the case may be) will continue to invest in the Affected CF(s) concerned.

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The First Supplement to the MPF Scheme Brochure of the HSBC SuperTrust Plus will be issued on 12 August 2024 to reflect the Changes, and the associated consequential changes. You may refer to the First Supplement for further details of the Changes. The MPF Scheme Brochure and its First Supplement will be available on HSBC MPF website at [www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf) or you may request copies of them by contacting the HSBC MPF Employer Hotline +852 2583 8033 or HSBC MPF Member Hotline +852 3128 0128.

For further information, please feel free to contact the above HSBC MPF Employer Hotline or HSBC MPF Member Hotline.

Issued by The Hongkong and Shanghai Banking Corporation Limited and HSBC Provident Fund Trustee (Hong Kong) Limited

Note: Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the MPF Scheme Brochure.

This letter is printed in black and white to reduce associated carbon emissions and pollutants.