



July 2024

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

With effect from 12 August 2024 (the ‘Effective Date’), there will be changes in the disclosures in the MPF scheme brochure of the HSBC Mandatory Provident Fund – SuperTrust Plus (the ‘Changes’) with respect to the use of financial futures contracts by the underlying approved pooled investment funds (‘APIFs’) of the following seven Constituent Funds (each an ‘Affected CF’ and collectively the ‘Affected CFs’):

- Age 65 Plus Fund;
- Core Accumulation Fund;
- Global Equity Fund;
- North American Equity Fund;
- ValueChoice North America Equity Tracker Fund;
- European Equity Fund; and
- ValueChoice Europe Equity Tracker Fund.

1. What are the Changes?

There will be changes in the disclosures in the MPF scheme brochure of the HSBC Mandatory Provident Fund – SuperTrust Plus (the ‘MPF Scheme Brochure’) with respect to the use of financial futures contracts by the underlying APIFs of the Affected CFs. The use of financial futures contracts is for the purpose to address any settlement mismatch in certain securities markets with a shorter cycle for the settlement of trades.

Disclosure in the MPF Scheme Brochure dated May 2023	Disclosure in First Supplement of the MPF Scheme Brochure dated 12 August 2024
Global Equity Fund, North American Equity Fund, ValueChoice North America Equity Tracker Fund, European Equity Fund and ValueChoice Europe Equity Tracker Fund (each an ‘Affected CF’)	
<p>For <u>efficient portfolio management</u>, the portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts and financial option contracts.</p> <p>* The underlined words will be deleted.</p>	<p>The portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts and financial option contracts <u>for hedging purposes</u>. <u>In addition, the portfolio of the APIF held by the relevant Affected CF may acquire financial futures contracts for purposes other than hedging</u>. 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.</p> <p>* The underlined words will be added.</p>
Age 65 Plus Fund and Core Accumulation Fund (each an ‘Affected DIS CF’)	
<p>For <u>efficient portfolio management</u>, the portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts and financial option contracts <u>(for hedging purposes only if acquired directly by the underlying APIF)</u>.</p> <p>* The underlined words will be deleted.</p>	<p>The portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts and financial option contracts for hedging purposes. <u>In addition, the portfolio of the APIF held by the relevant Affected DIS CF may acquire financial futures contracts for purposes other than hedging</u>. 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.</p> <p>* The underlined words will be added.</p>

2. What is the 'Effective Date'?

The Effective Date of the Changes will be 12 August 2024.

3. Why would HSBC MPF decide to effect the Changes?

- i. Globally, a number of securities markets will or have implemented a shorter cycle for the settlement of trades in such markets. For example, U.S. Securities and Exchange Commission ('SEC') changed the settlement of trades from two business days after trade date ('T+2') to one business day after the trade date ('T+1') recently. Other securities markets are considering similar changes in the near future.
- ii. Where subscription orders are received for the APIFs, normally it takes T+2 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.
- iii. The Changes will allow the Investment Manager of the underlying APIFs to have the flexibility to use financial futures contracts to address any settlement mismatch with the relevant securities markets.

4. What is the impact to Scheme Participants of the Changes?

The Changes will allow flexibility to the Investment Manager of the underlying APIFs to address any settlement mismatch and will not have any adverse impact on Scheme Participants.

5. Will there be any changes to the management fee level of the Affected CFs after the Changes?

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.

6. Will there be any changes to the risk rating/risk class of the Affected CFs after the Changes?

The Changes will not change the risk rating/risk class of the Affected CFs.

7. What actions shall Scheme Participants take to effect the Changes?

No action is required of the Scheme Participants to effect the Changes. Besides, as described in Q3, we believe that the Changes will not have any adverse impact on the Scheme Participants.

8. What if Scheme Participants do not want to be affected by the Changes?

As described in Q3, we believe that the Changes will not have any adverse impact on the Scheme Participants.

Scheme Participants may submit valid instructions to The Hongkong and Shanghai Banking Corporation Limited (the 'Administrator') to change investment options before the respective cut-off deadlines prior to the Effective Date (as described in Q9 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) if they do not want to be affected by the Changes.

Scheme Participants may complete and submit valid transfer form to the Administrator before the respective cut-off deadlines prior to the Effective Date (as described in Q9 below) if:

- Scheme Participants who are Self-employed Member, TVC Account Holder or Deferred Member, they may transfer out of the HSBC Mandatory Provident Fund – SuperTrust Plus to another Registered Scheme;

- Scheme Participants who are Employee Members, they 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.

9. What are the respective cut-off schedules of receiving dealing instructions via different service channels?

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

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

² Change the investment allocation of existing investments only.

³ Change the investment allocation of the new contributions and transfer-in benefits.

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

[^] 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.

10. How can Scheme Participants obtain more information about the Changes?

For further details of the Changes, Scheme Participants may refer to the Notice to Scheme Participants which is already available on the HSBC MPF website, and the First Supplement to the MPF Scheme Brochure which will be issued on 12 August 2024 and be available on the HSBC MPF website in due course.

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 of HSBC Mandatory Provident Fund – SuperTrust Plus.