

# BEA (MPF) VALUE SCHEME

## FOURTH ADDENDUM TO THE EXPLANATORY MEMORANDUM DATED DECEMBER, 2016

This Fourth Addendum should be read in conjunction with and forms part of the Explanatory Memorandum for the BEA (MPF) Value Scheme (the “**Master Trust**”) dated December, 2016, as amended by the First Addendum and Second Addendum both dated 12<sup>th</sup> December, 2016 and the Third Addendum dated 31<sup>st</sup> January, 2018 (collectively referred to as the “**Explanatory Memorandum**”). All capitalised terms herein contained shall have the same meaning in this Fourth Addendum as in the Explanatory Memorandum, unless otherwise stated. The Sponsor and the Trustee accept responsibility for the information contained in this Fourth Addendum as being accurate as at the date of publication.

With effect from 1<sup>st</sup> January, 2019, the Explanatory Memorandum shall be amended as follows:

### Disclosure updates to the management fees

- Page 39 (as amended by paragraph 11(c) of the First Addendum) - the fee table headed “(D) FEES AND CHARGES PAYABLE OUT OF THE UNDERLYING FUNDS” under the subsection headed “**Fee Table**” under the section headed “**CHARGES AND EXPENSES**” shall be deleted in its entirety and replaced with the following:

<b>(D) FEES AND CHARGES PAYABLE OUT OF THE UNDERLYING FUNDS</b>			
<b>Type of charges &amp; expenses</b>	<b>Name of Constituent Fund</b>	<b>Current level</b>	<b>Deducted from</b>
Management fees <sup>7,7A</sup>	BEA Growth Fund	Nil	Relevant underlying fund assets
	BEA Balanced Fund	Nil	
	BEA Stable Fund	Nil	
	BEA Global Equity Fund	Nil	
	BEA Asian Equity Fund	Nil	
	BEA Greater China Equity Fund	Nil	
	BEA Greater China Tracker Fund	0.31% p.a. of NAV	
	BEA Hong Kong Tracker Fund	Up to 0.10% p.a. of NAV	
	BEA Global Bond Fund	Nil	
	BEA MPF Conservative Fund	Nil	
	BEA Core Accumulation Fund	Nil	
BEA Age 65 Plus Fund	Nil		
Other expenses	Each underlying fund may bear its costs and operating expenses (e.g. establishment cost of the underlying fund, indemnity insurance, auditor's fees and legal charges). Such expenses are summarized in point (vi) of the Explanatory Notes.		Relevant underlying fund assets

- Page 42 - the following sentence shall be inserted immediately at the end of the definition of “**Management fees**” in the subsection headed “**DEFINITIONS**” under the section headed “**CHARGES AND EXPENSES**”:-

“The fees payable to the Trustee are for its trustee and administrative functions, while the fees payable to the Investment Manager are for its investment management functions. As for the Sponsor, its fees are for its services related to product support, dissemination of MPF marketing materials and product development activities. For a breakdown of the management fees payable out of each of the Constituent Funds and the underlying funds, please refer to the respective paragraphs “ix.” and “x.” under the subsection headed “**EXPLANATORY NOTES**” under the section headed “**CHARGES AND EXPENSES**”.

3. Page 42 - the definition of "**Management fees**" under 7A (as inserted by paragraph 11(e) of the First Addendum) under the subsection headed "**DEFINITIONS**" under the section headed "**CHARGES AND EXPENSES**" shall be deleted in its entirety and replaced with the following:-

7A. "**Management fees**" in respect of each of BEA Core Accumulation Fund and BEA Age 65 Plus Fund, mean the fees paid to the Trustee, the Administrator, the Investment Manager (including fees based on fund performance, if any) and the Sponsor of the Master Trust and any of their delegates can only (subject to certain exceptions in the MPF Ordinance) be charged as a percentage of the net asset value of the fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of the constituent fund which applies across both the constituent fund and underlying funds."

4. Page 43 - the following paragraphs shall be inserted after paragraph viii. (as inserted by paragraph 11(h) of the First Addendum) under the subsection headed "**EXPLANATORY NOTES**" under the section headed "**CHARGES AND EXPENSES**":-

"ix. The breakdown of the management fees payable out of the Constituent Funds is as follows:

Fees payable at the Constituent Fund level			
Name of Constituent Fund	Sponsor (p.a. of NAV)	Trustee/ Administrator/ Custodian (p.a. of NAV)	Investment Manager (p.a. of NAV)
BEA Growth Fund	0.30%	0.30%	0.30%
BEA Balanced Fund	0.30%	0.30%	0.30%
BEA Stable Fund	0.30%	0.30%	0.30%
BEA Global Equity Fund	0.30%	0.30%	0.30%
BEA Asian Equity Fund	0.30%	0.30%	0.30%
BEA Greater China Equity Fund	0.30%	0.30%	0.30%
BEA Greater China Tracker Fund	0.20%	0.20%	0.20%
BEA Hong Kong Tracker Fund	0.20%	0.20%	0.20%
BEA Global Bond Fund	0.30%	0.30%	0.30%
BEA MPF Conservative Fund	0.264%	0.263%	0.263%
BEA Core Accumulation Fund	0.295%	0.295%	0.16%
BEA Age 65 Plus Fund	0.295%	0.295%	0.16%

- x. The breakdown of the management fees payable out of the underlying funds is as follows:

Fees payable at the underlying fund level				
Name of Constituent Fund	Investment Manager (p.a. of NAV)	Administrator (p.a. of NAV)	Trustee (p.a. of NAV)	Custodian (p.a. of NAV)
BEA Growth Fund	Nil	Nil	Nil	Nil
BEA Balanced Fund	Nil	Nil	Nil	Nil
BEA Stable Fund	Nil	Nil	Nil	Nil
BEA Global Equity Fund	Nil	Nil	Nil	Nil
BEA Asian Equity Fund	Nil	Nil	Nil	Nil
BEA Greater China Equity Fund	Nil	Nil	Nil	Nil
BEA Greater China Tracker Fund	0.20%	Nil	0.11%	Nil
BEA Hong Kong Tracker Fund	Up to 0.05%	Nil	Up to 0.05%	Nil
BEA Global Bond Fund	Nil	Nil	Nil	Nil
BEA MPF Conservative Fund	Nil	Nil	Nil	Nil
BEA Core Accumulation Fund	Nil	Nil	Nil	Nil
BEA Age 65 Plus Fund	Nil	Nil	Nil	Nil

### Miscellaneous updates

5. Second unnumbered page at the front of the Explanatory Memorandum - the wording "(operated by Bank of East Asia (Trustees) Limited)" shall be inserted after the words "2211 1777".
6. Page 23 (as amended by paragraph 2 of the Third Addendum) - the last sentence of the second paragraph under the subsection headed "**Sponsor**" under the section headed "**MANAGEMENT AND ADMINISTRATION**" shall be replaced with "The Bank is listed on The Stock Exchange of Hong Kong. The Sponsor is responsible for business development, marketing, and product development, as well as ancillary and support services to the Trustee as may be agreed between them from time to time."
7. Page 24 - the words "BEA (MPF) Hotline at 2211 1777" shall be replaced with "BEA (MPF) Hotline on 2211 1777 (operated by Bank of East Asia (Trustees) Limited)".
8. Pages 46 - the words "(operated by Bank of East Asia (Trustees) Limited)" shall be inserted after the phrase "BEA (MPF) Hotline on 2211 1777" appearing on the page.