December 12, 2016

MASS Mandatory Provident Fund Scheme
DIS Pre-Implementation Notice to Participating Employers and Members[1]

This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice. MassMutual Trustees Ltd accepts responsibility for the information contained in this document. This notice only contains a summary and members should refer to Principal Brochure and its addenda for full details. The Principal Brochure and its addenda could be downloaded/obtained free of charge from our website www.massmutualasia.com or call our MASS MPF hotline at 2533 5522 after December 12, 2016. Member should pay attention that Default Investment Strategy may not be suitable for everyone.

Terms used in this document have the same meaning as that in the Principal Brochure dated February 1, 2016, which was subsequently amended by the First Addendum dated November 21, 2016 (collectively the "Principal Brochure"), unless otherwise defined.

Dear MASS Mandatory Provident Fund Scheme ("Scheme") Members and Participating Employers,

Thank you for your continued support of the Scheme.

We are writing to you because important changes to the Mandatory Provident Fund Schemes Ordinance will take effect on April 1, 2017 ("Effective Date"). From the Effective Date, the new default investment arrangement of the Scheme will be the Default Investment Strategy ("DIS") replacing the existing default investment arrangement of the Scheme.

You should read this notice carefully because the changes made to the MPF legislation may affect the investment of both your accrued benefits and future contributions.

[1] Please note that references to "you" or "your" in this notice refer to, as the case may be in the relevant context, participating employers or members.

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A. What is DIS?

- DIS is a default investment arrangement as stipulated in accordance with the Mandatory Provident Fund Schemes Ordinance. **For members who do not make a fund choice for their MPF accounts, their accrued benefits, future contributions and accrued benefits transferred from another MPF scheme (collectively, "Future Investments") will be invested in the DIS.** The DIS is also available as an investment choice itself for members.
- The DIS is not a fund - it is a strategy that uses two constituent funds, namely the Core Accumulation Fund and the Age 65 Plus Fund (collectively the "DIS **Constituent** Funds") to automatically reduce the risk exposure as the member approaches retirement age. The DIS **Constituent** Funds will invest in a globally diversified manner and invest in different assets (e.g. equities, bonds, money market instruments, etc.). For the investment objective of the DIS Constituent Fund, please refer to the annex. The DIS **Constituent** Funds are subject to fee and expense caps as imposed by the legislation.

B. How does DIS affect you?

- If you have accounts in the Scheme that are set up before the Effective Date ("**pre-existing accounts**"), depending on whether you have previously made any fund choices, it may affect you in different ways:

- If you have already given a valid specific investment instruction for the accrued benefits and Future Investments in your pre-existing account or you are 60 years old or above before the Effective Date, you will not be affected by the implementation of the DIS.
- If **all** your accrued benefits in a pre-existing account are invested in the existing default arrangement ("Existing Default Arrangement", i.e. investing in all constituent funds in equal shares) as at the Effective Date and you have not given a valid specific investment instruction for the pre-existing account, you will receive a separate notice (i.e. the "**DIS Re-Investment Notice**") sent to you on or before the end of September 2017. The DIS Re-Investment Notice will explain that if you do not make an investment choice by replying within a specified timeline, your accrued benefits in the Existing Default Arrangement will be redeemed in whole and re-invested in accordance with the DIS. **Therefore, if you receive the DIS Re-Investment Notice, please pay special attention to the contents and make appropriate arrangement.** You should note that Existing Default Arrangement include the investment in the Guaranteed Fund which provides guarantee, but the default investment strategy does not provide such guarantee and the risk of the Existing Default Arrangement (the risk levels are ranged from "low" to "high") may be different from that of the DIS (the risk level are ranged from "low to medium" to "medium to high") and you may be exposed to market risks as a result of any reinvestment of your accrued benefits in the DIS.
- There are special circumstances. Where the accrued benefits in pre-existing account are transferred from another account within the Scheme (e.g. in the case of cessation of employment, where accrued benefits in your contribution account are transferred to a personal account within the Scheme), your accrued benefits in the pre-existing account will be invested in the same manner as they were invested immediately before the transfer but your future contributions or accrued benefits transferred from another scheme may be invested in the DIS after the implementation of the DIS, unless otherwise instructed.

Please refer to the section 2 below for further details.

C. Do you need to do anything?

- Apart from the above, there are other circumstances where your accrued benefits or future contributions may be affected by the implementation of the DIS. If you have any query on how it will affect you and what actions you need to take, you should call the MASS MPF Hotline at 2533 5522.
- If you receive the DIS Re-Investment Notice after the Effective Date, you are advised to pay special attention to the contents and make appropriate arrangement.

1. What is DIS?

DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not make an investment choice, their Future Investments will be invested in accordance with the DIS. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all MPF schemes.

(a) Objective and Strategy

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the Core Accumulation Fund ("CAF") and the Age 65 Plus Fund ("A65F"), according to the pre-set allocation percentages at different ages. The CAF will invest around 60% in higher risk assets (higher risk assets generally mean equities or similar investments) and 40% in lower risk assets (lower risk assets generally mean bonds or similar investments) of its net asset value whereas the A65F will invest around 20% in higher risk assets and 80% in lower risk assets. DIS

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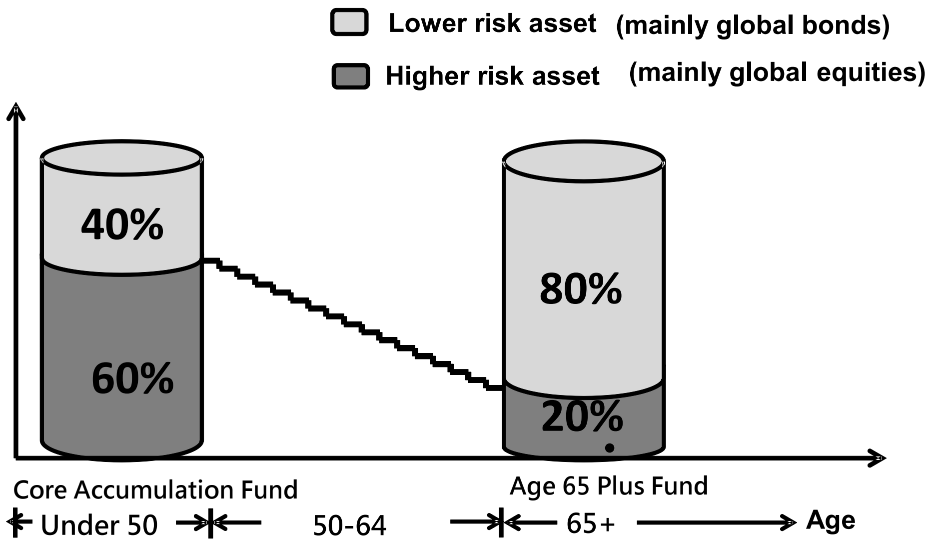
Constituent Funds adopt globally diversified investment principles and use different classes of assets, including global equities, fixed income, money market and cash, and other types of assets allowed under the MPF legislation.

Diagram 1: Asset Allocation between DIS Constituent Funds in the DIS



Note: The exact proportion of the portfolio in higher/lower risk assets at any point in time may deviate from the target glide path due to market fluctuations.

(b) Annual de-risking

Accrued benefits invested through the DIS will be invested in a way that adjusts risk depending on a member's age. The DIS will manage investment risk exposure by **automatically** reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older. Such de-risking is to be achieved by way of reducing the holding in the CAF and increasing the holding in the A65F over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

In summary, under the DIS:

(1) When a member is below the age of 50, all accrued benefits and Future Investments will be invested in the CAF.

(2) When a member is between the ages of 50 and 64, all accrued benefits and Future Investments will be invested according to the allocation percentages between the CAF and the A65F as shown in the DIS de-risking table (as per Diagram 2 below). The de-risking on the existing accrued benefits and Future Investments will be automatically carried out as described above.

(3) When a member reaches the age of 64, all accrued benefits and Future Investments will be invested in the A65F.

Diagram 2: DIS De-risking Table

Age	Core Accumulation Fund("CAF")	Age 65 Plus Fund("A65F")
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%

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59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between CAF and A65F is made at the point of annual de-risking and the proportion of the CAF and the A65F in the DIS portfolio may vary during the year due to market fluctuations.

(c) Fees and out-of-pocket expenses of the CAF and A65F

The aggregate of the payments for services of the CAF and the A65F must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value ("NAV") of each of the DIS Constituent Funds divided by the number of days in the year. It includes, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor and/or the promoter of the Scheme and the underlying investment fund(s) of the respective DIS Constituent Funds, and any of the delegates from these parties and such fees are calculated as a percentage of the NAV of each of the DIS Constituent Funds and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Constituent Fund and its underlying investment fund(s).

The total amount of all payments that are charged to or imposed on the DIS Constituent Funds or members who invest in DIS Constituent Funds, for out-of-pocket expenses incurred by the trustee on a recurrent basis in the discharge of the trustee's duties to provide services in relation to the DIS Constituent Funds, shall not in a single year exceed 0.2% of the NAV of each of the DIS Constituent Funds. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of NAV and transaction costs incurred by a DIS Constituent Fund in connection with recurrent acquisition of investments for the DIS Constituent Fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Constituent Fund.

Out-of-pocket Expenses that are not incurred on a recurrent basis may still be charged to or imposed on the DIS Constituent Funds, and do not subject to the statutory limit.

(d) Key risks relating to the DIS

Limitations on the strategy

(i) The DIS does not take into account factors other than age, members who want their MPF portfolio to reflect their own personal circumstances can make their own selection of funds from the range available in the Scheme.

(ii) The two DIS Constituent Funds have to follow the prescribed allocation between higher risk assets and lower risk assets at all times subject to a tolerance level of + or – 5%.The prescribed exposure between higher risk and lower risk assets of the CAF and the A65F will limit the ability of the investment manager of these two DIS Constituent Funds to adjust asset allocations in response to sudden market fluctuations.

(iii) Annual de-risking for each relevant member will generally be carried out on a member's birthday, regardless of the prevailing market conditions. Members should be aware that the de-risking operates automatically regardless of the wish of a member to adopt a strategy which might catch market upside or avoid market downside. Also, the de-risking process cannot insulate members from "systemic risk", such as broad-based recessions and other economic crises, which will affect the prices of most asset classes at the same time.

(iv) In order to maintain the prescribed allocation between the higher risk assets and lower risk assets within each of the CAF and the A65F, the investments of each of the CAF and the A65F may have to be continuously rebalanced by liquidating some of the better performing assets.

(v) Due to the potential rebalancing of higher risk assets and lower risk assets in the process of maintaining the prescribed allocation within each of the CAF and the A65F and the annual reallocation of accrued benefits for members under the annual de-risking process, the DIS may incur greater transaction costs than a fund/strategy with more static allocation.

General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns. The two designated constituent funds for DIS are mixed asset funds investing in a mix of equities and bonds. Members should note that the DIS which invests in the DIS Constituent Funds is subject to the general investment risks that apply to mixed asset funds.

Risk on early withdrawal and switching

Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes

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retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.

Impact on members keeping benefits in the DIS beyond the age of 64
Members should note that the annual de-risking process will discontinue upon reaching the age of 64. Members should be aware that all accrued benefits (including accrued benefits transferred from another scheme from another scheme)/on-going contribution, if any, will be invested in the A65F which holds around 20% of its assets in higher risk assets which may not be suitable for all members beyond the age of 64.

(e) Information on Performance of DIS Constituent Funds
The fund performance of the DIS Constituent Funds will be published in the fund factsheets and one of the fund factsheets will be attached to annual benefit statement and sent to members, members can visit www.massmutualasia.com or call the MASS MPF Hotline at 2533-5522 for information. Members may also obtain the fund performance information at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

2. Summary of Existing Default Fund Arrangement and the DIS
Please find below summary of the key features of the Existing Default Arrangement and the DIS for reference:

Particulars	Existing Default Arrangement	DIS
Name	Investing in all constituent funds in equal share (to extent it is practically possible)	Investing in Core Accumulation Fund and Age 65 Plus Fund with de-risking feature
Fund Type	Money market fund, bond fund, balanced fund and equity fund	Mixed assets fund
De-risking Feature	No	Yes
Total Management Fees for constituent funds and its Underlying Investment Funds	• Guaranteed Fund: 1.38% p.a. of the net asset value (exclude guarantee charge of 1.75% p.a. of the net asset value) • Global Stable Fund: 1.38% p.a. of the net asset value • Global Growth Fund: 1.38% p.a. of the net asset value • Hong Kong Equities Fund: 1.38% p.a. of the net asset value • MPF Conservative Fund: 0.83% p.a. of the net asset value • Global Bond Fund: 1.41%-1.42% p.a. of the net asset value • Greater China Equity Fund: 1.58% p.a. of the net asset value • US Equity Fund: 0.98%-0.99% p.a. of the net asset value • Asian Balanced Fund: 1.51%-1.52% p.a. of the net asset value • Asian Pacific Equity Fund: 1.51%-1.52% p.a. of the net asset value • Global Equity Fund: 1.51%-1.52% p.a. of the net asset value • European Equity Fund: 1.51%-1.52% p.a. of the net asset value	• Core Accumulation Fund: 0.75% p.a. of the net asset value • Age 65 Plus Fund: 0.75% p.a. of the net asset value
Daily fees cap	No	Yes
Expected risk profile ^	Ranged from "low" to "high"	Ranged from "low to medium" to "medium to high"
Guarantee feature	Guaranteed Fund: Yes Other constituent funds: No	No

^ The risk level as mentioned above is for reference only and is not a substitute for independent professional advice. The risk level of each constituent fund is determined by the Trustees based on the percentage of Scheme assets of the relevant constituent funds being invested in equities and subject to regular review by the Trustees, and may change without any prior notice. The risk level is not a financial tool and must not be relied upon to make any investment decisions and selection of constituent funds.

For details of the key features of the Existing Default Arrangement and the DIS, please contact the Trustees for details.

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3. Implications for New and Pre-existing Accounts on or after DIS Implementation

(a) Implications on accounts opened on or after Effective Date

When members join the Scheme or set up a new account in the Scheme on or after Effective Date, they have opportunity to give a specific investment instruction for their Future Investments. If members fail to or do not want to submit to the Trustee a specific investment instruction at the time of their requests to join / set up a new account in the Scheme, the Trustee shall invest any of their Future Investments into the DIS.

(b) Implications on accounts opened before Effective Date

There are special rules to be applied for pre-existing accounts and these rules only apply to members who are under or becoming 60 years of age on Effective Date

(i) For a member's pre-existing account with all accrued benefits being invested into the Existing Default Arrangement but no valid specific investment instruction on those accrued benefits being given (known as "DIA account"):

There are special rules and arrangements to be applied to determine whether accrued benefits in a DIA account will be transferred to the DIS. If your pre-existing account is considered as a DIA account, you will receive a notice called the DIS Re-investment Notice explaining the impacts on your pre-existing account and giving you an opportunity to give a specified investment instruction to the Trustee before the accrued benefits are invested into the DIS.

For details of the arrangement, members should refer to the DIS Re-investment Notice.

For the accrued benefits of a member's pre-existing account which are only invested according to the original default investment arrangement of the Scheme (i.e. investing in all the constituent funds in equal shares), part of those accrued benefits have been invested in the Guaranteed Fund. Where a guarantee value of those accrued benefits investing the Guaranteed Fund of the member greater than its market value to be paid to the member upon the expiry of the 42-days period from the date of issuance of DRN or the expiry of the 60-day period for un-located members, the above rules will not apply for the member (i.e. those accrued benefits investing the Guaranteed Fund will remain unchanged). For the future contributions and/or accrued benefits transferred from another scheme for that member on or after the expiry of the 42-days period from the date of issuance of DRN or the expiry of the 60-day period for un-located members , these contributions and/or accrued benefits transferred from another scheme will be invested into the DIS. A member could obtain the valuation result of the accrued benefits investing in the Guaranteed Fund by calling our hotline at 2533 5522 on or after the expiry of the 42-days period from the date of issuance of DRN or the expiry of the 60-day period for un-located members. The valuation result would also be shown in the confirmation statement issued to member not later than 5 business days after the dealing day on which (i) all relevant accrued benefits in pre-existing account are invested into the DIS or (ii) the Accrued Benefits (other than the Accrued Benefits in the Guaranteed Fund) in Pre-existing Account are invested into the DIS.

(ii) For a member's pre-existing account with part of the accrued benefits in the Existing Default Arrangement:

If part of the accrued benefits of your pre-existing account was invested into Existing Default Arrangement, unless the Trustee has received any specific investment instructions, your accrued benefits will be invested in the same manner as accrued benefits were invested immediately before the Effective Date. Future Investments will be invested in the DIS.

4. Rules and procedures applicable to investment through DIS

(a) Fund Choice Combination

Members who join the Scheme or set up a new account in the Scheme on or after the Effective Date may choose to invest their Future Investments into:

(i) DIS (with de-risking); or
(ii) One or more constituent funds under the Scheme of their own choice (including the CAF and the A65F as standalone investments) and according to member's assigned allocation percentage(s) to relevant fund(s) of their choice.

Members should note that, if they choose to the CAF and/or the A65F as standalone investments, those investments/benefits will not be subject to the de-risking process. If a member's accrued benefits are invested in any combination of (i) the CAF and/or the A65F as standalone investments and (ii) the DIS (no matter by default or by member's specific investment instruction), accrued benefits invested under (i) will not be subject to the de-risking process whereas for accrued benefits under (ii) will be subject to the de-risking process. In this connection, members should pay attention to the different on-going administration arrangements applicable to accrued benefits invested in (i) and (ii). In particular, members will, when giving a fund switching instruction, be required to specify to which part of the benefits (namely, under (i) or (ii)) the instruction relates.

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(b) Switching/ transfer in and out of the DIS

A member, on or after the Effective Date, could switch all or parts his/her accrued benefits or change his/her investment mandate to:

(i) DIS (with de-risking); and/or

(ii) One or more constituent funds under the Scheme of member's own choice (including the CAF and A65F as standalone investments) and according to member's assigned allocation percentage(s) to relevant fund(s) of member's choice.

If a member has chosen standalone DIS Constituent Funds (without de-risking), the automatic de-risking features of the DIS does not apply to those standalone DIS Constituent Funds.

5. Rules and procedures of annual de-risking

Annual de-risking will be automatically carried out each year on a member's birthday (subject to closure of or the restriction or suspension of trading on any securities market that the DIS Constituent Funds are investing in and suspension of valuation of securities invested by DIS Constituent Funds which may affect the implementation of de-risking of the DIS). If a Member's birthday is not on a dealing day, then the investments will be moved on the next available dealing day. If the birthday falls on the 29th of February and in the year which is not a leap year, then the investment will be moved on 1st of March or the next available dealing day.

The de-risking could be subject to over-riding instruction of switching out or withdrawal of accrued benefits from DIS Constituent Funds received from the member and may therefore be deferred/not be executed. **Member should be aware that the above de-risking will not apply where a member chose the CAF and the A65F as individual fund choices (rather than as part of the DIS).**

To the extent practicable, Trustee will issue a notice to member at least 60 days prior to a member's 50th birthday informing member about the commencement of de-risking and a confirmation statement will be sent to that member no later than 5 business days after the annual de-risking is completed.

6. Rules and procedures relating to investment instructions

(a) Specific investment instruction

If members do not give valid specific investment instructions and no clarification is received by the Trustees upon enrollment, his/her Future Investments will be automatically invested in the DIS.

Specific investment instruction is considered to be valid if the following conditions are met:

- total allocation percentages of the selected constituent funds for each account and each sub-account (if applicable) are equal to 100%; and
- the member's signature of the submitted form is matched with Trustee's records (if applicable)

(b) Investment instructions apply to sub-accounts

For new enrollment, member's specific investment instructions will apply to all sub-accounts, excluded non-regular voluntary contribution for which a separate specific investment instruction has to be given.

For switching and/or change of investment mandate, a member needs to specify specific investment instructions for different accounts and sub-accounts under the form of "Fund Switching Form". If specific investment instruction is only provided for one sub-account under switching and/or change of investment mandate, the specific investment instructions will be carried out for such specified sub-account only. No switching and/or change of investment mandate will be conducted for the remaining accounts and sub-accounts

If a member fails to provide valid specific investment instruction under enrollment, the members' contribution made and accrued benefits transferred to that sub-account of the Scheme (if applicable) will be invested according to the DIS.

(c) Processing a member's instruction and annual de-risking at the same day

When one or more of the specified investment instructions, including but not limited to subscription, redemption, switching instructions or change of investment mandate are received, validated and accepted by the Trustee before 4:00pm of a Dealing Day on which the date is an annual date of de-risking, the annual de-risking will only take place after completion of these instructions where necessary. If transfer out instruction or withdrawal order is received, validated and accepted by the Trustee before 4:00pm of a Dealing Day on which the date is an annual date of de-risking, annual de-risking will only take place after completion of these instructions where necessary. **The de-risking will be processed within 5 dealing days in normal circumstance after that instruction is completed.**

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7. Additional of 2 constituent funds

2 constituent funds namely the A65F and the CAF will be added to the Scheme. The investment manager of these constituent funds is Invesco Hong Kong Limited. For the investment objectives and the fees and charges of these constituent funds, please refer to the annex.

8. Change of the default investment arrangement

If members do not make any investment choices or give valid specific investment instruction, instead of the default arrangement of investing in all constituent funds of the Scheme in equal shares, their contributions made and/or accrued benefits transferred from another scheme in to the Scheme will be invested according to DIS on or after the Effective Date.

9. Transfer of accrued benefits to an account within the Scheme

If any or all of the accrued benefits in an account of a member are transferred within the Scheme, the transferred accrued benefits remain invested in the same manner as they were invested immediately before the transfer, unless the member otherwise instructs as permitted under the Trust Deed. However, member's Future Investments on or after Effective Date will be invested according to the DIS if no valid specific investment instruction is received from that member.

If a member has ceased to be employed, his/her Accrued Benefits in the contribution account of the Scheme will be automatically transferred to Personal Account of the Scheme, the transferred Accrued Benefits remain invested in the same manner as they were invested immediately before the transfer, unless the member otherwise instructs as permitted under the Trust Deed. However, member's Future Investments on or after Effective Date will be invested according to the DIS if no valid specific investment instruction on the Personal Account is received from that member.

10. Transferring, withdrawal of or off-setting Accrued Benefits investing in DIS

If any accrued benefits investing in DIS are transferred, withdrawn or off-set due to employers switching plans, partial withdrawal or any forms of withdrawals, Employee Choice Arrangement or off-setting, the remaining accrued benefits stayed in the Scheme, if any, are still remain invested in DIS and subject to annual de-risking unless the member otherwise instructs as permitted under the Trust Deed.

11. Risk level of the constituent fund

The risk level of the constituent fund of the Scheme mentioned in Clause 3 of the Principal Brochure is for reference only and is not a substitute for independent professional advice. The risk level of each constituent fund is determined by the Trustees based on the percentage of Scheme assets of the relevant constituent funds being invested in equities and subject to regular review by the Trustees, and may change without any prior notice. The risk level is not a financial tool and must not be relied upon to make any investment decisions and selection of constituent funds.

12. Means to obtain further Information

Members may obtain information about DIS through MASS MPF Hotline at 2533 5522.

Amendments to the Trust Deed, Principal Brochure and other relevant documents of the Scheme

Amendments will be made to the Trust Deed, Principal Brochure and other relevant documents to reflect the above changes. The latest version of the Trust Deed will be available for inspection at our office during normal business hours (9:00 a.m. to 5:30 p.m.) from Monday to Friday after Effective Date. To reflect the above changes, the Principal Brochure will be revised by the way of the Second Addendum and the Third Addendum. The Principal Brochure (including its addenda) can be downloaded from our website www.massmutualasia.com after December 12, 2016. You can also obtain hardcopies of the Principal Brochure (including its addenda) at our head office or by contacting our MASS MPF Hotline as shown below after Effective Date. You can now obtain and download copies of the existing version of the Principal Brochures from our website, our head office or by contacting our MASS MPF Hotline as shown below.

Should you have any queries, please do not hesitate to contact our MASS MPF Hotline at 2533 5522. If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

For and on behalf of
MassMutual Trustees Ltd.

Jonas Wong
President

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<u>Investment objectives and the fees and charges of the Age 65 Plus Fund and the Core Accumulation Fund</u>

Age 65 Plus Fund

Investment objectives

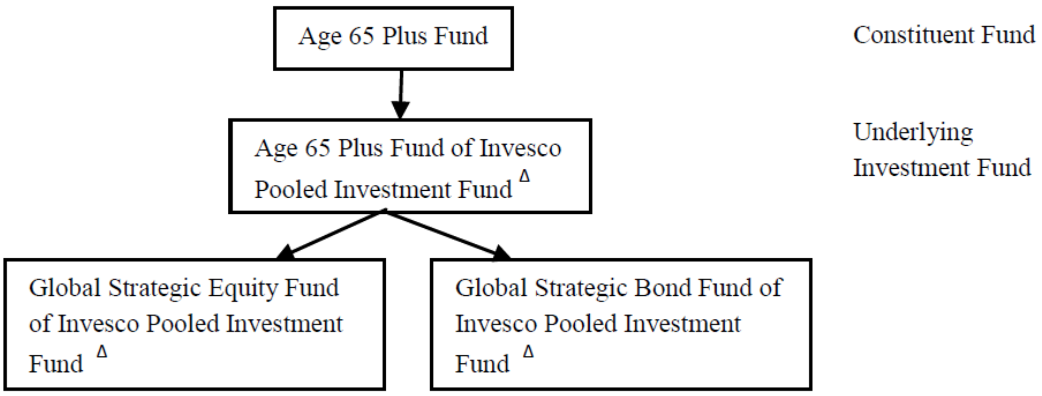
The investment objective of A65F is to achieve stable growth by investing in a globally diversified manner.

Investment Strategy

The A65F through the underlying approved pooled investment funds ("APIFs") of the underlying investment fund adopts active investment strategy. The underlying investment fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the A65F through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the A65F but may not be identical to the MPF industry developed Reference Portfolio for the A65F in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing.

Investment Structure

The A65F shall be invested in an approved pooled investment fund named the Age 65 Plus Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a global diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the Regulation.



Δ managed by Invesco Hong Kong Limited

Asset Allocation

The A65F, through the underlying investment fund, targets to invest 20% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The asset allocation to the higher risk assets (ranged from 15% to 25%) is subject to the discretion of investment manager of the A65F.

Geographical Allocation

There is no prescribed allocation for investments in any specific countries or currencies.

Hong Kong Dollar Currency Exposure

The A65F through its underlying investment fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the Regulation) of not less than 30% through currency hedging operations.

Policies regarding the acquisition, holding and disposal of financial futures contracts, financial option contracts and security lending

The A65F and its underlying investment fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the A65F and its underlying investment fund, through its APIFs, will enter into financial futures contracts and financial options contracts for hedging purposes only. Besides, the A65F will not engage in currency forward contracts.

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Risk and expected return
Investment in the A65F is subject to market fluctuations and to the risk inherent to investing in securities. Investors should regard the A65F as a low to medium risk investment. The return of the A65F over the long term is expected to be at least similar to the return of the MPF industry developed Reference Portfolio for the A65F.

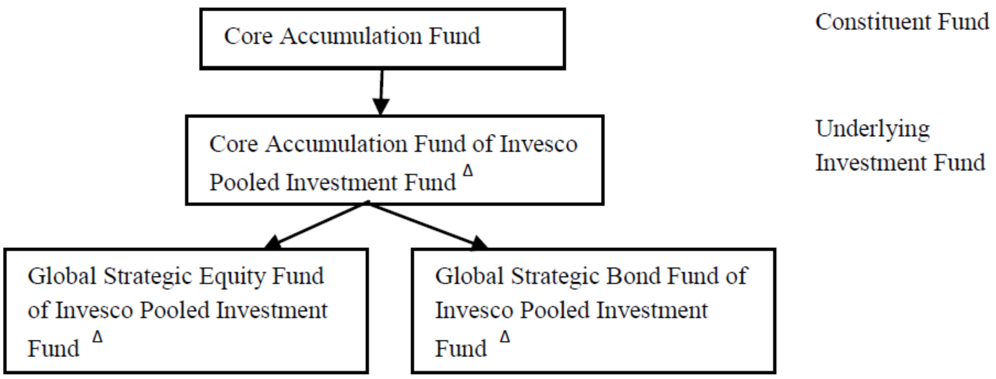
Fee and charge
The A65F is subject to the statutory cap of 0.75% p.a. of each of the NAV of the DIS Constituent Funds divided by the number of days in a year for the management fee (i.e. payment of services) and 0.2% p.a. of each of the NAV of the DIS Constituent Funds for out-of-pocket expenses that are incurred by the Trustee on a recurrent basis.

The fee for the payment of accrued benefits by instalment does not apply to the withdrawal solely or partly from DIS Constituent Funds and members who invest in the DIS Constituent Funds.

Core Accumulation Fund
Investment objectives
The investment objective of the CAF is to achieve capital growth by investing in a globally diversified manner.

Investment Strategy
The CAF through the APIFs of the underlying investment fund adopts active investment strategy. The underlying investment fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the CAF through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the CAF but may not be identical to the MPF industry developed Reference Portfolio for the CAF in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing.

Investment Structure
The CAF shall invest in an approved pooled investment fund named the Core Accumulation Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a globally diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the Regulation.



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Asset Allocation
The CAF, through the underlying investment fund, targets to invest 60% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global bonds, cash and money market instruments). The asset allocation to higher risk assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The asset allocation to the higher risk assets (ranged from 55% to 65%) is subject to the discretion of investment manager of the CAF.

Geographical Allocation
There is no prescribed allocation for investments in any specific countries or currencies.

Hong Kong Dollar Currency Exposure
The CAF through its underlying investment fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the Regulation) of not less than 30% through currency hedging operations.

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Policies regarding the acquisition, holding and disposal of financial futures contracts, financial option contracts and security lending

The CAF and its underlying investment fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the CAF and its underlying investment fund, through its APIFs, will enter into financial futures contracts and financial options contracts for hedging purposes only. Besides, the CAF will not engage in currency forward contracts.

Risk and expected return

Investment in the CAF is subject to market fluctuations and to the risk inherent to investing in securities. Investors should regard the CAF as a medium to high risk investment. The return of the CAF over the long term is expected to be at least similar to the return of the MPF industry developed reference portfolio for the CAF.

Fee and charge

The CAF is subject to the statutory cap of 0.75% p.a. of each of the NAV of the DIS Constituent Funds divided by the number of days in a year for the management fee (i.e. payment of services) and 0.2% p.a. of each of the NAV of the DIS Constituent Funds for out-of-pocket expenses that are incurred by the Trustee on a recurrent basis.

The fee for the payment of accrued benefits by instalment does not apply to the withdrawal solely or partly from DIS Constituent Funds and members who invest in the DIS Constituent Funds.

For details of the investment objectives, fees and charges of the A65F and the CAF, please refer to the Second addendum of the Principal Brochure.

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