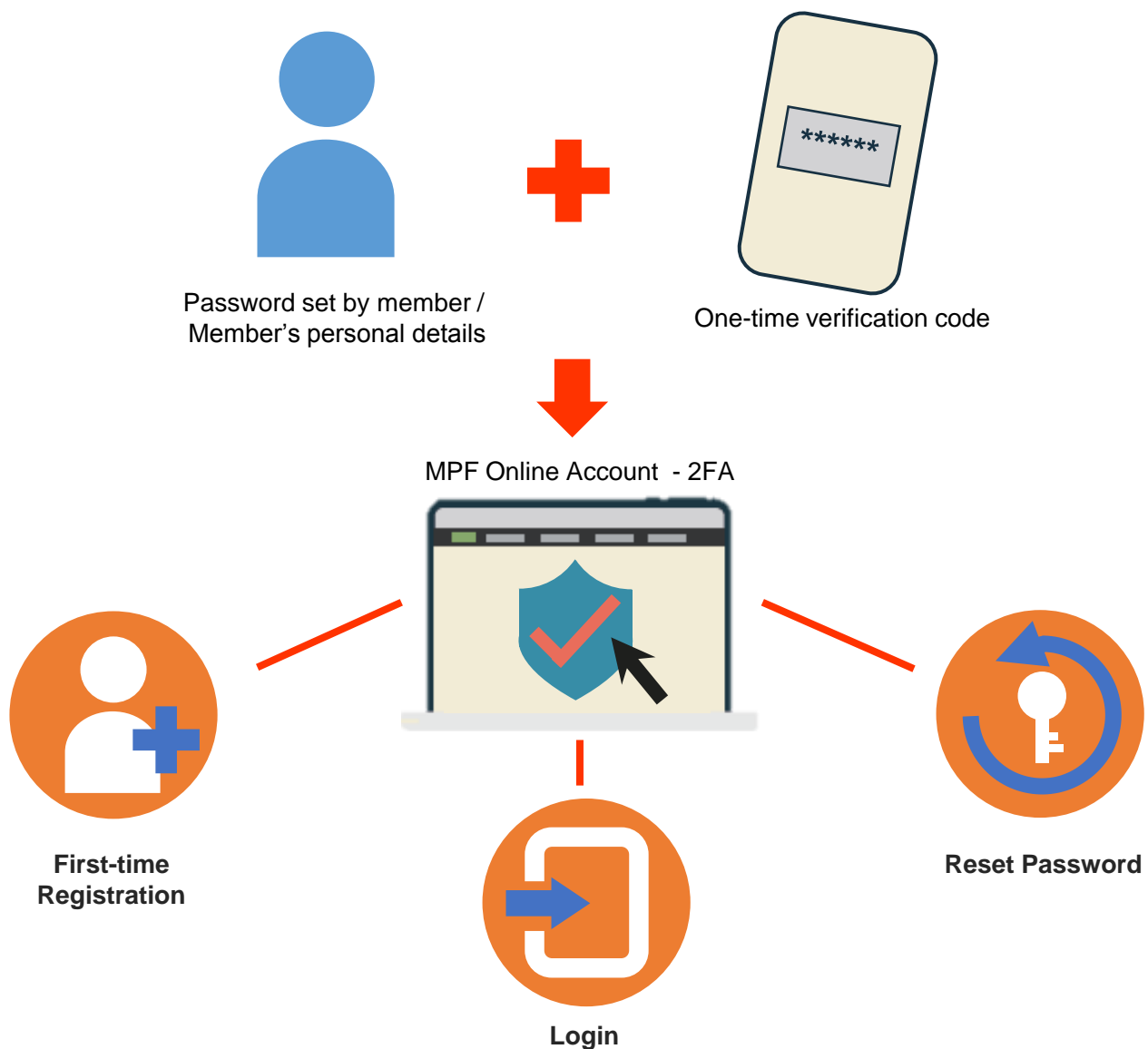




## Two-Factor Authentication - New Identity Confirmation Method for MPF Member Online Account

China Life MPF Online Account on website and mobile apps has launched a more secure and reliable identity confirmation method, the two-factor authentication (“2FA”). For login, a one-time verification code will be sent to member’s mobile no. or email address held by record of China Life Trustees Limited (“China Life Trustees”) every time. Verification code (together with the password set by member) is a must to login. To register online account for first-time and/or to reset password, verification code is also required to work with member’s HKID/passport number and date of birth.



## Tips for 2FA

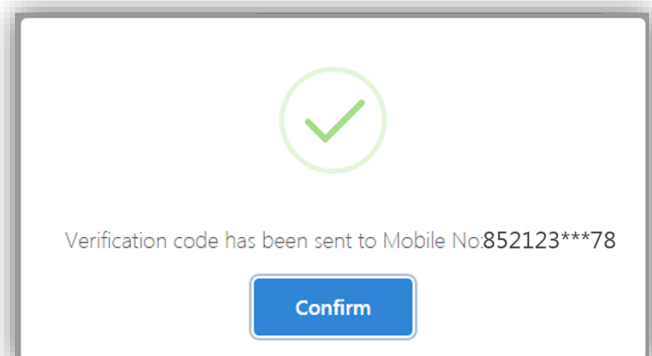
1. To use the online account, mobile phone or email address is a must to receive the verification code. Therefore, members please make sure you have provided your mobile number and email address to us. To update the relevant information, you may complete the “Amendment to Participation Form” and return it to China Life Trustees.



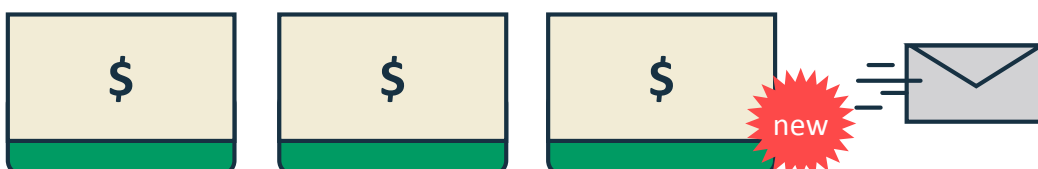
2. If a member has registered with other China Life MPF account(s) before, no re-registration is needed for a newly opened account. New account will be added to his/her online account automatically. By logging in to the same account, a member can check and manage all China Life MPF accounts under his/her name in “List of Accounts”.

| Scheme No.  | Account Type                      | Member No. | Latest Constituent Fund Subscription Date | Latest Contribution Period | Total Balance (HK\$) | Gain/(Loss) of Account Since Inception |
|-------------|-----------------------------------|------------|---|----------------------------|----------------------|--|
| 00009999999 | Personal Account Holder           | 000001     | 17/04/2014                                |                            | 32,547.91            | 3,089.72                               |
| 00008888888 | Smart Easy Personal Contributions | 000001     | 29/05/2019                                | 05/2019                    | 3,207,941.97         | 835,774.19                             |
| 00001234567 | Contribution Account              | 000001     | 13/11/2019                                | 10/2019                    | 282,838.97           | 69,233.80                              |

3. If both member’s mobile number and email address are held by China Life Trustees’ record, the verification code will be sent to his/her mobile. The sending channel will also be shown after pressing “Send verification code”.



4. If a member holds more than one China Life MPF accounts, and registered with different mobile numbers / email addresses, the verification code will be sent to the mobile number / email address of the account opened most recently.



## Reform of Guaranteed Funds

China Life Guaranteed Return Fund will be terminated on 30 November 2020. Should you choose to remain invested in the China Life Guaranteed Return Fund, the payout amount of it will be transferred to and used to purchase units in China Life Retire-Easy Guarantee Fund.

Please note the following cut-off times for instructions involving China Life Guaranteed Return Fund:

- **Rebalancing and change of investment mandate instructions** involving China Life Guaranteed Return Fund, which are received by China Life Trustees Limited after **4 p.m. (HKT) on 18 November 2020** will be rejected.
- Instructions for **member enrolment, subscriptions (i.e. contributions and transfer-in assets), redemption (i.e. claims, withdrawals, and transfer-out assets)** involving China Life Guaranteed Return Fund, which are received by China Life Trustees Limited after **4 p.m. (HKT) on 26 November 2020** will be withheld. Such instructions involving the China Life Guaranteed Return Fund will be deemed and processed as instructions with respect to the China Life Retire-Easy Guarantee Fund. Processing of these instructions will be resumed from 1 to 3 Dec 2020 free of charge.

Besides, certain changes will also be made to the China Life Retire-Easy Guarantee Fund, including changes to its guarantee mechanism, reduction of Management fees and guarantee charge, and change to its name, which will take effect on 4 December 2020.

For details, please refer to the “Notice to Participating Employers and Members” issued on 28 August 2020.



Award

### China Life (Overseas) Named “Good MPF Employer” for 5 Consecutive Years

The result of MPFA’s 2019-2020 Good MPF Employer Award has been announced. China Life (Overseas) has been named “Good MPF Employer” for 5 consecutive years, and once again received “MPF Support Award” and “e-Contribution” awards. These awards recognized China Life’s dedication in performing employer’s duties, attend to retirement protection of employees, and proactively promote MPF e-services.





### United States

It was another positive month for US equity markets with the S&P 500 registering its best August since 1986 with technology stocks leading the way again. Sentiment was also boosted by US Federal Reserve signaled interest rates would be kept low for an extended period. The outlook for corporate profits has also begun to improve. The root cause of the uncertainty, the COVID-19 pandemic, has not been resolved and suboptimal decision making at multiple levels of government has resulted in increasing numbers of new COVID-19 infections, which could provide further headwinds for the US economy.

### Europe (including UK)

European and UK equities rallied in August driven by positive economic data and optimism that the worst of the pandemic's economic damage was behind us. Against this backdrop, cyclical parts of the market (those most linked to the business cycle) outperformed traditionally defensive areas. We are cautious in Euro Zone due to its cyclical bias as we see better opportunities in other regions. Remain to be seen if liquidity easing by European Central Bank proves to be effective.

### Asia Pacific (ex Hong Kong ex China ex Japan)

Asian equity market performance was positive over the month as investor sentiment was boosted by progress on vaccine development and an improving global economy. This positive sentiment was dampened somewhat by the continuation of the Covid-19 outbreak and the persistence of US-China tensions. We believe growth recovery path will be uneven across countries given the effectiveness of containment efforts. The renewed US-China tension will likely be a key risk to monitor given upcoming election in the US. We continued to focus on long-term structural trends in Asia.

### Hong Kong and China (A-shares and H-shares)

Chinese equities sustained its strong performance in August. Investors remained confident with the country's effectiveness in containing COVID-19 and economic recovery that has extended into the third quarter. Hong Kong market rebounded strongly. The COVID-19 situation has largely stabilized, and the local authority relaxed some of the social distancing measures. We expected the recovery to continue thanks to effective containment efforts and supportive policies. In Hong Kong, the recent resurgence in confirmed cases concerns investors, but we are confident in its government's capabilities in managing the situation.

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- may contain financial information which is not prepared in accordance with the laws or practices of your country of residence;
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## Enjoy Tax Deductions while Increasing Retirement Savings through TVCs

Launched in April 2019, Tax Deductible MPF Voluntary Contributions ("TVCs") are the first tax incentive introduced by the Government to encourage MPF scheme members to make voluntary contributions for enriching their retirement savings. The initiative has received a positive response from the public since its inception. According to MPFA statistics, as at the end of March 2020, close to 40,000 TVC accounts had been opened with a total contribution amount of \$1,706 million. The average contribution was \$48,000 per TVC contributing account.

TVCs are generally more popular among middle and high income earners, probably because of the larger tax savings. But there are also quite a number of lower-income TVC account holders, reflecting greater awareness of the need to increase retirement savings through voluntary contributions amongst the general working population.

The three major features of TVCs are **convenience**, **flexibility** and **simplicity**:

1. **Convenience:** Holders of MPF contribution accounts or personal accounts, or members of MPF-exempted ORSO Schemes can open a TVC account in an MPF scheme of their choice and make contributions direct with their trustees. Scheme members can also use various digital means provided by trustees to open a TVC account and handle contributions online to reduce unnecessary social contact during the epidemic.
2. **Flexibility:** Scheme members can increase, decrease, stop or resume contributions anytime during the year according to their individual needs or financial situation, which is a timely flexibility for members, especially in the face of market volatility.
3. **Simplicity:** TVCs are very simple to manage, as members can transfer their MPF from their TVC account under one scheme in a lump sum to another TVC account under another scheme at any time.

Many people expect the economic situation to remain unstable. While fluctuations in the economic cycle are temporary, retirement protection involves long-term planning. Employees who wish to enjoy tax savings and get better prepared for retirement should act early to open a TVC account and make contributions.