SECURITIES AND FUTURES COMMISSION
證券及期貨事務監察委員會

Code on Pooled Retirement Funds

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CODE ON POOLED RETIREMENT FUNDS

Explanatory Notes:

(a) The Securities and Futures Commission is empowered under section 104(1) of the Securities and Futures Ordinance (Cap. 571) (SFO) to authorize any collective investment scheme and to impose any corresponding authorization conditions as it considers appropriate. This Code, which is published pursuant to section 399(1) of the SFO, provides guidance in relation to the authorization of a collective investment scheme that is a pooled retirement fund.

(b) The Commission may review its authorization at any time and may modify, add to or withdraw such authorization, as it deems fit.

(c) The issue of any advertisement, invitation or document to the public in Hong Kong to participate in an unauthorized pooled retirement fund may amount to an offence under section 103(1) of the SFO. The Commission is empowered under section 105(1) of the SFO to authorize any advertisement, invitation or document referred to in section 103(1) and to impose any corresponding authorization conditions as it considers appropriate.

(d) This Code is established having regard to the regulatory objectives of the Commission set out in section 4 of the SFO. The spirit of this Code should be observed.

(e) The Commission may modify or relax the application of a requirement in this Code if it considers that, in particular circumstances, strict application of the requirement would operate in an unduly burdensome or unnecessarily restrictive manner.

(f) This Code does not have the force of law.

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PART I: GENERAL MATTERS

Chapter 1: Authorization Procedures

General

1.1 PRFs and investment portfolios are expected to comply with the provisions of this Code in order to be authorized in Hong Kong.

1.2 Applications for authorization which seek waivers of any of these provisions must give detailed reasons why waivers are sought.

Nomination of an individual as approved person

1.3 1.5 of the UT Code applies.

1.4 1.6 of the UT Code applies.

1.5 1.7 of the UT Code applies.

Documents to be supplied to the Commission

1.6 An application for authorization of a PRF and/or investment portfolio(s) must contain a completed application form as set out on the Commission's website and be accompanied by the following and such other documents as may be required by the Commission from time to time:

(a) The PRF and investment portfolio(s)'s principal brochure and constitutive documents;

(b) [Deleted]

(c) All other sales literature, proposed advertisements and printed materials intended to be issued in Hong Kong to prospective scheme participants, where applicable;

(d) A checklist of compliance with the Code;

(e) [Deleted]

(f) The application fee payable in such form as may be required by the Commission;

Note: The current fee schedule is available on the Commission's website.

(g) The letter nominating an individual to be approved by the Commission as an approved person [see 1.3] containing the individual's name, employer, position held and contact details, including, in so far as applicable, the address, telephone and facsimile numbers, and electronic mail address; and

(h) A written undertaking from the Hong Kong Representative, where applicable (see 7.3).

Offer of PRFs and investment portfolios

1.7 PRFs and investment portfolios shall only be made available to ORSO schemes, employers and/or members of ORSO schemes and not otherwise for any public offering.

Effect of breach of this Code

1.8 Failure by any person to comply with any applicable provision of this Code:

(a) shall not by itself render the person liable to any judicial or other proceedings, but in any proceedings under the SFO before any court, this Code may be admissible in evidence, and if any provision set out in this Code appears to the court to be relevant to any question arising in the proceedings, it may be taken into account in determining the question;

(b) may cause the Commission to consider whether such failure adversely reflects on the person's fitness and properness (in so far as the relevant person is licensed or registered under the SFO and its obligations are stated in this Code);

(c) may cause the Commission to consider whether such failure adversely reflects on whether the PRF and/or investment portfolio(s), the principal brochure and/or the advertisements should remain authorized;

(d) may cause the Commission to consider whether such failure adversely reflects on whether further PRF and/or investment portfolio(s) issued, managed and/or originated by such person, and/or principal brochure and advertisements in relation to such PRF and/or investment portfolio(s), should be granted authorization in the interest of the scheme participants (i.e. where there is a serious breach, the Commission may refuse to authorize new PRF and/or investment portfolio(s) issued, managed and/or originated by the person in breach and/or principal brochure and advertisements in relation to such PRF and/or investment portfolio(s) for a stated period); and

(e) may cause the Commission to impose additional authorization condition(s) which may include restricting the further offering of the PRF and/or investment portfolio(s) under 1.7 of this Code.

Chapter 2: Administrative Arrangements

Product Advisory Committee

2.1 According to section 8 of the SFO, the Commission is empowered to set up committees, whether for advisory or other purposes. The Commission will establish a Product Advisory Committee for the purposes of consultation and advice on matters which may relate to collective investment schemes within the scope of this Code. The remit of the Products Advisory Committee and its membership will be set out in its Terms of Reference.

Data Privacy

2.2 The information requested under this Code may result in the applicant providing the Commission with personal data as defined in the Personal Data (Privacy) Ordinance. The data supplied will only be used by the Commission to perform its functions, in the course of which it may match, compare, transfer or exchange personal data with data held or obtained by the Commission, government bodies, other regulatory authorities, corporations, organizations or individuals in Hong Kong or overseas for the purpose of verifying those data. Subject to the limits in section 378 of the SFO, the Commission may disclose personal data to other regulatory bodies. You may be entitled under the Personal Data (Privacy) Ordinance to request access to or to request the correction of any data supplied to the Commission, in the manner and subject to the limitations prescribed. All enquiries should be directed to the Data Privacy Officer at the SFC.

Chapter 3: Interpretation

Unless otherwise defined, words and expressions used in this Code are as defined in the SFO.

3.1A "Advertising Guidelines" means the Advertising Guidelines Applicable to Collective Investment Schemes Authorized under the Product Codes.

3.1B [Deleted]

3.2 "approved person" has the meaning assigned to it by section 102(1) of the SFO.

3.2A "APIF" means an approved pooled investment fund as defined under the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485A of Laws of Hong Kong).

3.2B "cash management portfolio" means an investment portfolio complying with the requirements set out in 8.10B of this Code.

3.3 "collective investment scheme" has the meaning assigned to it by section 1 of Part 1 of Schedule 1 to the SFO.

3.4 "Commission" or "SFC" means the Securities and Futures Commission referred to in section 3(1) of the SFO.

3.5 "connected person" in relation to a company means:

(a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or able to exercise, directly or indirectly, 20% or more of the total votes in that company;

(b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a);

(c) any member of the group of which that company forms part; or

(d) any director or officer of that company or of any of its connected persons as defined in (a), (b) or (c).

3.6 "constitutive documents" means the documents which govern the existence and operation of a PRF and investment portfolio(s) and includes the policy document in the case of a PRF and investment portfolio(s) which are the subject of or regulated by an insurance arrangement and the trust deed in the case of a PRF and investment portfolio(s) governed by a trust and all material agreements.

3.6A "direct investment fund" means an investment portfolio complying with the requirements set out in 8.10D of this Code.

3.6B "fund investing in SFC-authorized fund(s)" means an investment portfolio complying with the requirements set out in 8.10A of this Code.

3.6C "guaranteed fund" means an investment portfolio complying with the requirements set out in Chapter 9 of this Code.

3.6D "Handbook" means the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products.

3.6E "Hong Kong representative" or "representative" means the Hong Kong representative appointed pursuant to 7.1 of this Code.

3.7 "insurance company" means a company authorized by the Insurance Authority under the Insurance Companies Ordinance (Chapter 41 of Laws of Hong Kong) to carry on a relevant class of insurance business in Hong Kong.

3.8 "investment portfolio" means a constituent fund of a PRF into which assets of participating ORSO schemes are pooled for investment.

3.9 [Deleted]

3.9A "investment delegate" means an entity that has been delegated the investment management function of a PRF and/or investment portfolio(s).

3.9B "management company" means the entity appointed pursuant to 5.1 of this Code.

3.9C "ORSO schemes" means occupational retirement schemes as defined under the Occupational Retirement Schemes Ordinance (Chapter 426 of Laws of Hong Kong).

3.10 "pooled retirement fund" or "PRF" has the same meaning as "pooling agreement" in the Occupational Retirement Schemes Ordinance (Chapter 426 of Laws of Hong Kong).

3.11 "principal brochure" or "offering document" means documents (including any other documents issued together) containing information on a PRF and investment portfolio(s) as stipulated in Appendix A.

3.11A "Product Code" means any of the following codes administered by the Commission:

(a) Code on Unit Trusts and Mutual Funds

(b) Code on Investment-Linked Assurance Schemes

(c) Code on Pooled Retirement Funds

(d) SFC Code on MPF Products

3.11B "Product Provider" means the company which applies to the Commission, directly or through an authorized representative, to have its PRF(s) and/or investment portfolio(s) authorized pursuant to this Code.

3.12 "regulated activity" has the meaning assigned to it by section 1 of Part 1 of Schedule 1 to the SFO.

3.12A "scheme" means a PRF or an investment portfolio thereunder.

3.12B "scheme participants", "holders" or "investors" means the relevant employers and/or members, as appropriate, of the participating ORSO schemes under a PRF.

3.12C "SFO" means the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

3.13 "substantial financial institution" means an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HK$2 billion or its equivalent in foreign currency.

3.14 "trustee" means an entity appointed pursuant to 6.1 of this Code.

3.15 "UF-driven changes" means changes to an investment portfolio falling within 10.1 of this Code that solely reflect changes made to the corresponding underlying SFC-authorized fund and such underlying fund changes have been approved, or are not required to be approved by the Commission pursuant to the UT Code or the SFC Code on MPF Products.

3.16 "UT Code" means the Code on Unit Trusts and Mutual Funds.

PART II: AUTHORIZATION REQUIREMENTS

Chapter 4: Product Provider

Regulatory Status of Product Provider

4.1 No PRF and/or investment portfolio(s) will be authorized pursuant to this Code unless the Product Provider is authorized:

(a) under the Insurance Companies Ordinance to carry on the relevant class of insurance business in Hong Kong; or

(b) by or is subject to either the requirements of a supervisory authority in Hong Kong or any other authority which is acceptable to the Commission.

If the Product Provider ceases to be authorized by or to be subject to the requirements of its supervisory authority whether in Hong Kong or elsewhere, any existing authorization of the PRF(s) and investment portfolio(s) will normally lapse.

Responsibilities of Product Provider

4.2 The Product Provider will be responsible for observing, or procuring other relevant parties to observe, all requirements of this Code and any conditions imposed by the Commission in granting authorization during the continued enjoyment of that authorization, except to the extent that the Commission grants waivers in writing.

4.3 The Product Provider is responsible for whatever information is given to the Commission on its behalf and should use its best endeavors to ensure that statements of intention in documents are followed.

4.4 The Product Provider shall:

(a) use its best endeavors to carry on and conduct its business in a proper and efficient manner and ensure that any PRF and investment portfolio(s) to which the constitutive documents relate is conducted in a proper and efficient manner;

(b) exercise best endeavours and due diligence to ensure that the marketing of the PRF and/or investment portfolio(s) is carried out professionally, honestly and fairly;

(c) comply with the principles and requirements set out under Chapter 3 to Chapter 7 (except for 6.5 to 6.8) under the Overarching Principles Section of the Handbook;

Note: References therein to:
(i) "product" shall be replaced by "PRF or investment portfolio"; and
(ii) "applicable product code" shall be replaced by "this Code".

(d) 5.10(c) of the UT Code applies;

Note: References therein to "public in Hong Kong" shall be replaced by "scheme participants".

(e) take reasonable care to ensure that the relevant parties are properly qualified for the performance of their respective duties and functions and discharging their respective obligations under this Code, having regard to the requirements as set out in the relevant Chapters of this Code;

(f) ensure the scheme is designed fairly, and operated according to such product design on an ongoing basis, including, among others, managing the scheme in a cost-efficient manner taking into account the size of the scheme and the level of fees and expenses; and

(g) 5.10(h) of the UT Code applies.

Chapter 5: Management Company

Appointment of Management Company

5.1 Every direct investment fund must have a management company acceptable to the Commission and shall comply with this Chapter on an ongoing basis. For the avoidance of doubt, a management company may be appointed for an investment portfolio (which is not a direct investment fund) on a voluntary basis where appropriate.

Notes (1): The management company of a direct investment fund should be licensed by or registered with the Commission to carry on a business in asset management under Part V of the SFO and should also be currently managing fund(s) authorized by the Commission under the UT Code.

(2): The voluntarily appointed management company should be licensed by or registered with the Commission to carry on a business in asset management under Part V of the SFO or based in a jurisdiction with an inspection regime acceptable to the Commission.

(3): The investment delegate (who has been delegated the investment management function of an investment portfolio) should either be licensed or registered in Hong Kong (see 5.6 below) or based in a jurisdiction with an inspection regime acceptable to the Commission.

(4): A list of acceptable inspection regimes is published on the Commission's website. The Commission will consider other jurisdictions on their merits and may accept an undertaking from the relevant management company or investment delegate that the books and records in relation to its management of the investment portfolio will be made available for inspection by the Commission on request.

5.2 5.2 of the UT Code applies.

5.3 5.3 of the UT Code applies.

Qualifications of Directors

5.4 5.4 of the UT Code applies.

Criteria for Acceptability of Management Company

5.5 5.5 of the UT Code applies.

Licensing Requirement

5.6 5.6 of the UT Code applies.

General Obligations of Management Company

5.6A A management company must comply with the following:

(a) 5.10(a) of the UT Code applies;

Note: References therein to "constitutive documents" shall be replaced by "constitutive documents and this Code".

(b) 5.10(b) of the UT Code applies (except for the requirements for preparation of financial reports);

(c) 5.10(e) of the UT Code applies;

(d) 5.10(f) of the UT Code applies; and

(e) ensure that the scheme's investment strategy and the liquidity of its assets are consistent with the terms and conditions governing subscriptions and redemptions, etc.

Note: Notes to 5.10(g) of the UT Code apply.

Note: Note to 5.10(d) of the UT Code applies and references therein to (i) "trustee/custodian" shall be replaced by "trustee or the insurance company", and (ii) "4.5" shall be replaced by "6.4A/6A.2 of this Code".

Retirement of Management Company

5.7 5.11 of the UT Code applies.

Note: References therein to:
(i) "trustee" shall be replaced by "trustee or the insurance company"; and
(ii) "directors of a mutual fund corporation" shall be deleted.

5.8 5.12 of the UT Code applies.

5.9 5.13 of the UT Code applies.

Note: References therein to:
(i) "trustee" shall be replaced by "trustee or the insurance company"; and
(ii) "directors of a mutual fund corporation" shall be deleted.

5.10 5.14 of the UT Code applies.

Note: References therein to:
(i) "trustee" shall be replaced by "trustee or the insurance company"; and
(ii) "directors of a mutual fund corporation" shall be deleted.

5.11 [Deleted]

Chapter 6: Trustee

Appointment of Trustee

6.1 Every PRF and investment portfolio must be governed by a trust with a trustee that is acceptable to the Commission and shall comply with this Chapter on an ongoing basis, unless the PRF or investment portfolio is the subject of or regulated by an insurance arrangement.

Note: An acceptable trustee should be subject to prudential regulation and supervision on an ongoing basis.

6.2 A trustee must be one of the following:

(a) [Deleted]

(b) [Deleted]

(c) [Deleted]

(d) 4.2(d) of the UT Code applies; or

(e) 4.2(e) of the UT Code applies.

6.3 4.3 of the UT Code applies.

6.4 A trustee must have minimum paid-up share capital and non-distributable capital reserves of HK$10 million or its equivalent in foreign currency. Notwithstanding this, the trustee's paid-up share capital and non-distributable capital reserves may be less than HK$10 million if the trustee is a wholly-owned subsidiary of a bank or an insurance company (the holding company); and

(a) 4.4(a) of the UT Code applies; or

(b) 4.4(b) of the UT Code applies.

Note: 6.4 is not applicable to a trustee that is licensed or registered to carry on Type 13 regulated activity under Part V of the SFO, which shall comply with the applicable statutory requirements on financial resources.

General Obligations of Trustee

6.4A The trustee must comply with the following:

(a) 4.5(a) of the UT Code applies;

(b) 4.5(b) of the UT Code applies;

(c) 4.5(c) of the UT Code applies;

Note: References therein to "prices" shall be replaced by "prices and number of units (where applicable)".

(d) 4.5(d) of the UT Code applies;

Note: References therein to "this UT Code" shall be replaced by "this Code".

(e) 4.5(e) of the UT Code applies;

(f) confirm annually to the Commission and in the annual statement to scheme participants that, in its opinion, each management company has in all material respects managed the PRF and/or investment portfolio(s) in accordance with the provisions of the constitutive documents and this Code; if a management company has not done so, the respects in which it has not done so and the steps which the trustee has taken in respect thereof;

(g) 4.5(g) of the UT Code applies;

(h) 4.5(h) of the UT Code applies;

(i) 4.5(i) of the UT Code applies;

Note: References therein to "4.5(a)(iii)" shall be replaced by "6.4A(a) of this Code".

(j) 4.5(j) of the UT Code applies; and

Note: References therein to "this UT Code" shall be replaced by "this Code".

(k) 4.5(k) of the UT Code applies.

Note: References therein to:
(i) "management company" shall be replaced by "Product Provider"; and
(ii) "this UT Code and applicable provisions of the Handbook" shall be replaced by "this Code".

Note: Where no management company is appointed for the PRF or investment portfolio(s),
(i) 6.4A(d) and 6.4A(f) of this Code shall not be applicable;
(ii) references to "take reasonable care to ensure" in 4.5(b), (e), (g) and (h) of the UT Code shall be replaced by "ensure"; and
(iii) references to "take reasonable care to ensure that the methods adopted by the management company in calculating the value of units/shares are adequate to ensure" in 4.5(c) of the UT Code shall be replaced by "ensure that the methods adopted in calculating the value of units are adequate to ensure".

6.4B Where no management company is appointed for the PRF or investment portfolio(s), the trustee must assume the obligations of a management company under 5.6A(a), (b), (c) and (d) of this Code.

Note: References therein to "manage" in 5.6A(a) shall be replaced by "administer".

Retirement of Trustee

6.4C 4.6 of the UT Code applies.

Note: References therein to "11.1" shall be replaced by "10.1 of this Code".

Independence of Trustee and Management Company

6.5 4.7 of the UT Code applies.

6.6 4.8 of the UT Code applies.

Note: References therein to "4.7" shall be replaced by "6.5 of this Code".

6.7 The trustee must satisfy the Commission:

(a) that its chief executive and directors are persons of good reputation and character and, in particular, have not been found guilty, whether in Hong Kong or elsewhere, of an offence involving fraud or dishonesty; and

(b) that the chief executive and a majority of its directors have the skill, knowledge, experience and qualifications that are, in the opinion of the Commission, necessary for the successful operation of the PRF and/or investment portfolio(s).

Chapter 6A: Insurance Company

Appointment of Insurance Company

6A.1 Every PRF and investment portfolio which is constituted as an insurance policy must be issued by an insurance company.

General Obligations of Insurance Company

6A.2 The insurance company must comply with the following:

(a) 4.5(b) of the UT Code applies;

(b) 4.5(c) of the UT Code applies;

Note: References therein to "prices" shall be replaced by "prices and number of units (where applicable)".

(c) 4.5(d) of the UT Code applies;

Note: References therein to "this UT Code" shall be replaced by "this Code".

(d) 4.5(e) of the UT Code applies;

(e) confirm annually to the Commission and in the annual statement to scheme participants that, in its opinion, each management company has in all material respects managed the PRF and/or investment portfolio(s) in accordance with the provisions of the constitutive documents and this Code; if a management company has not done so, the respects in which it has not done so and the steps which the insurance company has taken in respect thereof;

(f) 4.5(g) of the UT Code applies;

(g) 4.5(h) of the UT Code applies;

(h) 4.5(j) of the UT Code applies (except for the note); and

Note: References therein to "this UT Code" shall be replaced by "this Code".

(i) 4.5(k) of the UT Code applies.

Note: References therein to:
(i) "trustee/custodian" shall be replaced by "insurance company";
(ii) "management company" shall be replaced by "Product Provider"; and
(iii) "this UT Code and applicable provisions of the Handbook" shall be replaced by "this Code".

Note: Where no management company is appointed for the PRF or investment portfolio(s),
(i) 6A.2(c) and 6A.2(e) of this Code shall not be applicable;
(ii) references to "take reasonable care to ensure" in 4.5(b), (e), (g) and (h) of

the UT Code shall be replaced by "ensure"; and

(iii) *references to "take reasonable care to ensure that the methods adopted by the management company in calculating the value of units/shares are adequate to ensure" in 4.5(c) of the UT Code shall be replaced by "ensure that the methods adopted in calculating the value of units are adequate to ensure".*

6A.3 Where no management company is appointed for the PRF or investment portfolio(s), the insurance company must assume the obligations of a management company under 5.6A(a), (b), (c) and (d) of this Code.

Note: References therein to "manage" in 5.6A(a) shall be replaced by "administer".

Chapter 7: Hong Kong Representative

Appointment of Representative

7.1 9.1 and 9.2 of the UT Code apply.

Note: References therein to "management company" shall be replaced by "Product Provider".

Functions of a Representative

7.2 The representative is not required to take responsibility for the acts and omissions of the Product Provider but must be empowered to:

(a) act for the Product Provider in all matters relating to the initial and continued authorization of the PRF and investment portfolio(s), pursuant to the relevant legislation and this Code;

(b) accept service of any summons or writ on behalf of the Product Provider;

(c) provide the Commission with such up-to-date principal brochure, constitutive documents or other documents relevant to the PRF and investment portfolio(s) as the Commission may from time to time request;

(d) receive notices from scheme participants in respect of the PRF and investment portfolio(s);

(e) make available for inspection by scheme participants, free of charge, and offer for sale at a reasonable price to scheme participants copies of all constitutive documents of the PRF and investment portfolio(s);

(f) provide scheme participants with information on the PRF and investment portfolio(s);

(g) represent the Product Provider in relation to all matters in which any scheme participant in Hong Kong has a pecuniary interest; and

(h) exercise best endeavours and due diligence to ensure that the marketing of the PRF and investment portfolio(s) is carried out professionally, honestly and fairly.

Written Undertaking

7.3 9.7 of the UT Code applies.

Note: References therein to "this UT Code" shall be replaced by "this Code".

Retirement or Dismissal of Representative

7.4 9.8 of the UT Code applies.

Note: References therein to "11.1(b)" shall be replaced by "10.1(b) of this Code".

7.5 [Deleted]

Jurisdiction

7.6 9.10 of the UT Code applies.

Chapter 8: Operational Requirements

The requirements under 8.1 to 8.9A shall be complied with by the Product Provider. The requirements under 8.10 to 8.18 (except for 8.13) shall be complied with by the management company, and where no management company is appointed for the PRF or investment portfolio(s), by the trustee or the insurance company, as the case may be.

PRF Documentation

Matters to be Disclosed in the Principal Brochure

8.1 An authorized PRF and investment portfolio(s) must issue an up-to-date principal brochure, which should contain the information necessary for scheme participants to be able to make an informed judgment of the investment proposed to them, and in particular should contain the information listed in Appendix A to this Code.

English and Chinese Principal Brochure

8.2 6.2 of the UT Code applies.

Note: References therein to:
(i) "Appendix C" shall be replaced by "Appendix A to this Code"; and
(ii) "management company" shall be replaced by "Product Provider".

Application Form

8.3 Subject to 1.7, no PRF or investment portfolio(s) application form may be provided unless it is accompanied by the principal brochure. To that end the application form should include a statement to the effect that it should only be issued in conjunction with the principal brochure.

Inclusion of Performance Data

8.4 If performance data or estimated yield is quoted, the Commission may require supporting documentation. No forecast or illustration of the investment portfolios' future performance may be made in authorized fund documents except where an investment return at a certain rate is guaranteed.

Naming of Unauthorized Collective Investment Schemes

8.5 As a general principle any naming of collective investment schemes in authorized fund documents should be restricted to those which are authorized by the Commission pursuant to section 104(1) of the SFO.

Contents of Constitutive Documents

8.6 6.6 of the UT Code applies.

Note: References therein to:
(i) "Appendix D" shall be replaced by "Appendix B to this Code";
(ii) "trustee/custodian" shall be replaced by "trustee or the insurance company";

(iii) "management company" shall be replaced by "Product Provider, guarantor or management company"; and
(iv) "directors of the scheme" shall be deleted.

Fees and Charges

8.7 Where an investment portfolio proposes to invest in collective investment schemes managed or distributed by the same company or group, all initial charges of the underlying funds must be waived but recurrent management fees and charges may be levied proportionate to the amount invested.

8.8 6.16 of the UT Code applies.

Note: References therein to "C14 of Appendix C" shall be replaced by "paragraph (d) of Appendix A to this Code".

8.9 6.17 of the UT Code applies.

In the case where an investment portfolio is not unitized, a certificate from an actuary must be provided to the Commission on an annual basis to certify compliance with the foregoing except where:

(a) there exists a year-on-year guarantee on investment return where the deficiency, if any, between the guaranteed return and the actual return is credited into the scheme participants' accounts not less frequently than annually; or

(b) the investment portfolio is the subject of or regulated by an insurance arrangement in which investment returns may be declared by the policy issuer, at its discretion, at or above a stated minimum rate not less frequently than annually.

8.9A 6.18 of the UT Code applies.

Note: References therein to:
(i) "D10 of Appendix D" shall be replaced by "paragraph (h) of Appendix B to this Code"; and
(ii) "management company" shall be replaced by "Product Provider".

Investment Restrictions

8.10 An investment portfolio under a PRF shall only be one of the following: (a) a fund investing in SFC-authorized fund(s); (b) a cash management portfolio; (c) a guaranteed fund; or (d) a direct investment fund.

Fund investing in SFC-authorized fund(s)

8.10A (a) A fund investing in SFC-authorized fund(s) may normally invest 90% or more of its total net asset value in one or more SFC-authorized fund(s) falling under Chapter 7 (plain vanilla funds), 8.2 (money market funds), 8.6 (unlisted index funds and index tracking exchange traded funds) or 8.10 (listed open-ended funds) of the UT Code, or APIF(s). The remaining assets shall be held in cash

or cash equivalents. In addition, the name(s) of the underlying fund(s) and their respective investment allocation(s) must be disclosed in the principal brochure.

(b) Furthermore, any underlying fund must be a fund that complies with 7.26 of the UT Code.

(c) A fund investing in SFC-authorized fund(s) may borrow up to 10% (by total net asset value) of its underlying assets but only on a temporary basis for the purpose of meeting redemptions or defraying operating expenses.

(d) Where a fund investing in SFC-authorized fund(s) invests in any SFC-authorized fund(s) issued by the Product Provider or its connected person(s) or delegate(s), all initial charges and redemption charges on such underlying fund(s) must be waived.

(e) The Product Provider or its delegate(s) may not obtain a rebate on any fees or charges levied by the underlying fund(s) (or their management companies), or any quantifiable monetary benefits in connection with investments in the underlying fund(s), of a fund investing in SFC-authorized fund(s).

Note: For the avoidance of doubt, fees or charges may be levied by the scheme as long as they are fully disclosed in the principal brochure in accordance with paragraph (d) of Appendix A.

Cash management portfolio

8.10B (a) A cash management portfolio may only invest in and hold cash or cash equivalents in short-term bank deposits, bank current accounts, and certificates of deposit.

(b) 8.2(f) of the UT Code applies.

Note: References therein to:
(1) "two years in case of Government and other public securities [see Notes (1) and (2) to 7.5]" shall be deleted;
(2) "security" and "securities" under Notes (1) and (2) shall be replaced by "asset" and "assets" respectively; and
(3) Note (3) shall be deleted.

(c) 8.2(h) of the UT Code applies.

Note: References therein to "Notwithstanding 7.21" shall be deleted.

(d) 8.2(n) of the UT Code applies.

Note: References therein to:
(1) "securities" under Notes (1) and (2) shall be deleted;
(2) "(iii) amount receivable and due unconditionally within one working day on pending sales of portfolio securities" under Note (1) shall be deleted;

(3) *"(iii) amount receivable and due unconditionally within five working days on pending sales of portfolio securities" under Note (2) shall be deleted; and*
(4) *Note (3) shall be deleted.*

Guaranteed fund

8.10C A guaranteed fund contains a structure in which a guaranteed amount will be paid to scheme participants at a specific date in the future and that complies with requirements under Chapter 9 of this Code.

Direct investment fund

8.10D (a) A direct investment fund may invest at the management company's discretion, subject to the provisions of its constitutive documents and this Code.

(b) A direct investment fund must comply with the core investment requirements under Chapter 7, and where applicable, the specific investment requirements under 8.2 or 8.6 of the UT Code.

(c) A direct investment fund must be a fund that complies with 7.26 of the UT Code.

8.11 In addition, no moneys of an investment portfolio may be invested in the securities of, or lent to, as applicable, the Product Provider, the management company, the guarantor, the trustee, or any of their connected persons except where any of these parties is a substantial financial institution or an insurance company. For the purposes of this provision securities do not include interests in collective investment schemes, either authorized under section 104(1) of the SFO or recognized jurisdiction schemes pursuant to 1.2 of the UT Code.

8.12 [Deleted]

Register of ORSO schemes

8.13 The trustee, insurance company or the person so appointed by the trustee or the insurance company must maintain a register of ORSO schemes. The Commission must be advised on request of the address(es) where the register is kept.

Pricing, issue and redemption

Initial offers

8.14 6.10 of the UT Code applies.

Valuation and pricing

8.15 6.11 of the UT Code applies.

8.15A 6.11A of the UT Code applies.

Note: References therein to "trustee/custodian" shall be replaced by "trustee or the insurance company".

8.15B 6.11B of the UT Code applies.

8.15C 6.11C of the UT Code applies.

Valuation of unquoted securities

8.16 6.12 of the UT Code applies.

Note: References therein to "trustee/custodian" shall be replaced by "trustee or the insurance company".

Dealing

8.17 6.13 of the UT Code applies.

Note: References therein to:

(i) "except for a closed-ended fund authorized pursuant to 8.11 of this UT Code" shall be deleted; and

(ii) "Any offer price which the management company or the distribution company quotes or publishes" shall be replaced by "Any offer price quoted or published"*.*

8.18 6.14 of the UT Code applies.

Chapter 9: Guaranteed Funds

This Chapter shall apply to an investment portfolio in which a guaranteed amount will be paid to scheme participants at a specific date in the future.

Guarantor

9.1 If the guarantor is an entity other than the insurance company which issues the policy, it must be a substantial financial institution.

Disclosure

9.2 In addition to the requirements under Appendix A to this Code, the principal brochure must contain:

(a) the name of the guarantor and the terms of the guarantee;

(b) a detailed description of the nature of the underlying investments;

(c) an illustration or description to clearly demonstrate the capital and/or interest guarantee mechanism including:

(i) the key terms and conditions of the guarantee; and

(ii) the guaranteed amount (fixed and/or variable) that will be paid to scheme participants;

(d) details of any smoothing or other reserve mechanism and the relevant factors taken into account;

(e) a description of the key risk factors associated with the investments in the guaranteed fund;

(f) where applicable, a warning statement in relation to all material conditions which affect the scope or validity of the guarantee including, where relevant, the condition that the guarantee only applies to scheme participants who hold their investment until the date specified in the guarantee and that termination or withdrawal before such date are fully exposed to fluctuations in the value of the assets comprising the guaranteed fund and/or subject to penalties; and

(g) where applicable, a statement to the effect that the Product Provider or guarantor, at its sole discretion, has the right to retain investment income of the guaranteed fund in excess of that required to be set aside to meet the guaranteed benefits under the guaranteed fund.

Guaranteed Funds with Discretionary Benefits

9.3 The principal brochure must contain:

(a) [Deleted]

(b) a statement to the effect that discretionary benefits will be distributed to scheme participants if the investment income of the guaranteed fund (net of fees, charges, smoothing or other reserves) is in excess of the guaranteed amount;

(c) a warning statement that the amount of such discretionary benefits could be nominal;

(d) how and by whom such discretionary benefits are determined and the extent of any discretion that may be exercised in making such determination;

(e) the rates of return declared for the last five years;

(f) a statement that past performance should not be taken as an indication of future performance; and

Note: For a guaranteed fund with less than five years track record, figures for shorter periods may be shown, provided the date of commencement is shown.

(g) a readily comprehensible description of the methods of determining the discretionary benefits, including the following information, to the extent applicable:

(I) the reporting date; and

(II) **(i) for a participating product where a scheme participant has a right to participate in profits from the long term fund of the policy issuer or any part of that fund**

(i) details of the fund or part fund to which the right relates;

(ii) the principles on which the distribution of profits among scheme participants is based and whether these principles are derived from the constitution of the policy issuer or otherwise;

(iii) the bonus/return rates declared for the last five years; and

(iv) the proportions of total distributed profits that were distributed to scheme participants for the last five years;

(ii) for an investment-linked product

(i) a description of the method which will be used to calculate unit prices from time to time; and

(ii) the percentage changes in unit prices for the five yearly intervals immediately preceding the reporting date;

(iii) for an investment account product

(i) a description of the method which will be used to calculate the interest rate for each period; and

(ii) the rates of interest declared for the last five years.

Note: For the purpose of 9.3, the relevant rates, proportions and percentage changes may be published on the website of the scheme.

PART III: POST-AUTHORIZATION REQUIREMENTS

Chapter 10: Post-authorization Requirements

Scheme Changes, notifications and ongoing disclosures

10.1 The proposed changes to a PRF or an investment portfolio (other than UF-driven changes) in respect of the following must be submitted to the Commission for prior approval:

(a) 11.1(a) of the UT Code applies;

Note: References therein to "trustee/custodian as provided under 6.7 or approved by holders" shall be replaced by "trustee/insurance company as provided under 10.2 of this Code".

(b) 11.1(b) of the UT Code applies (and includes changes to the Product Provider and insurance company);

(c) 11.1(c) of the UT Code applies; and

(d) 11.1(d) of the UT Code applies.

10.1A 11.1A of the UT Code applies.

10.1B 11.1B of the UT Code applies.

Note: References therein to:
(i) "management company" shall be replaced by "Product Provider";
(ii) "11.1" shall be replaced by "10.1 of this Code"; and
(iii) "11.2" shall be replaced by "10.11 of this Code".

10.2 The constitutive documents may be altered without consulting scheme participants, provided that the trustee or the insurance company certifies in writing that in its opinion the proposed alteration:

(a) is necessary to make possible compliance with fiscal or other statutory, regulatory or official requirements;

(b) does not materially prejudice scheme participants' interests, does not to any extent release the parties from any liability to scheme participants and does not increase the costs and charges payable under the PRF and/or investment portfolios; or

(c) is necessary to correct a manifest error.

In all other cases involving any material changes, no alteration may be made except with the approval of the Commission.

10.3 [Deleted]

10.4 [Deleted]

Withdrawal of Authorization

10.5 11.4 of the UT Code applies.

Note: References therein to:
(i) "management company" shall be replaced by "Product Provider"; and
(ii) "11.5" shall be replaced by "10.6 of this Code".

Merger or Termination

10.6 11.5 of the UT Code applies.

Note: References therein to "management company" shall be replaced by "Product Provider".

Advertising Materials

10.7 11.11 of the UT Code applies.

Note: References therein to "issuer" shall be replaced by "Product Provider".

10.8 11.12 of the UT Code applies.

Note: References therein to "issuer" shall be replaced by "Product Provider".

10.9 11.13 of the UT Code applies.

Note: References therein to "issuers" shall be replaced by "Product Providers".

10.10 [Deleted]

Notices to scheme participants

10.11 11.2 of the UT Code applies.

Note: References therein to:
(i) "management company" shall be replaced by "Product Provider";
(ii) "11.1 or 11.1B" shall be replaced by "10.1 or 10.1B of this Code"; and
(iii) "11.2" shall be replaced by "10.11 of this Code".

10.12 11.2A of the UT Code applies.

Note: References therein to:
(i) "issuers" shall be replaced by "Product Providers";
(ii) "11.4 and 11.5" shall be replaced by "10.5 and 10.6 of this Code"; and
(iii) "11.1" shall be replaced by "10.1 of this Code".

10.13 11.2B of the UT Code applies.

Note: References therein to "management company" shall be replaced by "Product Provider".

Mention of SFC Authorization

10.14 11.14 of the UT Code applies.

Reporting requirements

Publication of prices of an investment portfolio

10.15 11.7 of the UT Code applies.

Note: References therein to:
(i) "made public" shall be replaced by "made available to scheme participants by the Product Provider"; and
(ii) "10.7" shall be replaced by "11.4 of this Code".

Maintenance of a website

10.16 11.7A of the UT Code applies.

Note: References therein to:
(i) "A scheme" shall be replaced by "The Product Provider"; and
(ii) "financial reports" shall be deleted.

Chapter 11: Operational Matters

For the avoidance of doubt, where no management company is appointed for the PRF or investment portfolio(s), the relevant requirements applicable to a management company under this Chapter must be complied with by the trustee or the insurance company, as the case may be.

Valuation and pricing

11.1 10.1 of the UT Code applies.

Note: References therein to "Chapter 6" shall be replaced by "Chapter 8 of this Code".

Pricing errors

11.2 10.2 of the UT Code applies.

Note: References therein to "trustee/custodian" shall be replaced by "trustee or the insurance company".

11.2A If the error results in an incorrect price or value of 0.5% or more of an investment portfolio's net asset value per unit, the Product Provider and the trustee or the insurance company must be informed. The Product Provider must inform the Commission immediately after becoming aware of such errors.

Note: For the avoidance of doubt, any error that accounts for less than 0.5% of the investment portfolio's net asset value per unit or net asset value individually but amounts to 0.5% of the investment portfolio's net asset value per unit or net asset value or more in aggregate for incidences that occur in a simultaneous or recurring manner, the Product Provider should report to the Commission immediately after becoming aware of such errors.

11.2B 10.2B of the UT Code applies.

Note: References therein to:
(i) "10.2A" shall be replaced by "11.2A of this Code"; and
(ii) "trustee/custodian" shall be replaced by "trustee or the insurance company".

Suspension and deferral of dealings

11.3 10.6 of the UT Code applies.

Note: References therein to "trustee/custodian" shall be replaced by "trustee or the insurance company".

11.4 The Product Provider or the Hong Kong representative must immediately notify the Commission after becoming aware that dealing in units ceases or is suspended. The fact that dealing is suspended must be published by the Product Provider immediately after becoming aware of such suspension and at least once a month during the period of suspension in an appropriate manner.

11.5 10.8 of the UT Code applies.

Transactions with connected person

11.6 All transactions between the scheme and the Product Provider, guarantor, management company, investment delegate or any of their connected person(s) as principal must be executed at arm's length on normal commercial terms and in the best interests of the scheme participants.

Appendix A

Information to be disclosed in the Principal Brochure

This list is not intended to be exhaustive. The principal brochure should contain the information necessary for scheme participants to be able to make an informed judgment of the PRF and investment portfolio(s). For the avoidance of doubt, the principal brochure should contain all applicable disclosure as required by (i) this Code; and (ii) the information disclosure templates as published on the Commission's website which may be updated from time to time.

(a) Name, Type and Other Information of PRF and investment portfolio(s)

The name and description of the PRF and investment portfolio(s) must not be misleading to scheme participants and should be an accurate reflection of the type of PRF and investment portfolio(s) and their objectives with information of the registered address (where applicable) and place and date of creation of the PRF and investment portfolio(s), with an indication of their duration if limited.

(b) Parties Involved

The names and registered addresses of all parties involved in the operation of the PRF and investment portfolio(s) with a brief description of the Product Provider.

(c) Investment Returns

Details of how the investment returns of the investment portfolios are determined. A warning should be stated to the effect that investment involves risks.

** See Chapter 9 for additional disclosure requirements for Guaranteed Funds.*

If the nature of the investment policy so dictates, a warning should be given that investment in the investment portfolios is subject to special risks, together with a description of the risks involved.

(d) Fees and Charges

(i) C14(a) of Appendix C to the UT Code applies;

Note: References therein to:
(i) "6.16 to 6.18 of this UT Code" shall be replaced by "8.7 to 8.9A of this Code"; and
(ii) "(in the case of umbrella funds)" shall be deleted.

(ii) C14(b) of Appendix C to the UT Code applies; and

Note: References therein to "performance fees (where applicable)" shall be replaced by "guarantee charge and performance fees (where applicable)".

(iii) C14(c) of Appendix C to the UT Code applies.

Notes: (1) Notes (1) and (2) apply.
(2) References therein to "11.1A, 11.1B and 11.2 of this UT Code" shall be replaced by "10.1A, 10.1B and 10.11 of this Code".

A summary of all fees and charges in tabular form should be provided to allow scheme participants to have an overview of the fees structure at a glance. Where complex calculations are required to disclose fees and charges, illustrative examples should be given for clarity.

(e) Investment Objectives and Restrictions

Summary of investment objective and policy of the investment portfolios including, where applicable:

(i) the types of intended investments, and their relative proportions in the portfolio;

(ii) the geographical distribution of the intended investments;

(iii) the investment and borrowing restrictions;

(iv) if the nature of the investment policy so dictates, a warning that the investment portfolio is subject to special risks, and a description of the risks involved, and where appropriate, the risk management policy in place; and

(v) details of securities financing transactions of the investment portfolio including, at a minimum, the disclosure requirements under C2(a) to (h) of Appendix C to the UT Code.

Notes: (1) For fund investing in SFC-authorized fund(s), scheme participants can be directed to the offering documents of the underlying fund(s) for such details.
(2) References therein to:
(i) "trustee/custodian" under C2(f) of Appendix C to the UT Code shall be replaced by "trustee or the insurance company"; and
(ii) "management company" shall be replaced by "Product Provider, guarantor, management company".

(f) Borrowing Powers

The circumstances under which the investment portfolio may have outstanding borrowings and the purpose for which such outstanding borrowings were incurred.

(g) Summary of Provisions in Constitutive Documents

A summary of the provisions described in paragraphs (d), (f), (g) and (j) of Appendix B to this Code with respect to:

- Valuation of Property and Pricing

- Characteristics of Contributions
- Benefits
- Conditions of Termination

(h) Rebates

C15 of Appendix C to the UT Code applies.

Note: References therein to "10.12 of this UT Code" shall be deleted.

(i) Application and Withdrawal Procedures

A summary of procedures for application and withdrawal.

C8, C9 and C11 of Appendix C to the UT Code apply.

Note: References therein to:
(i) "11.7 of this UT Code" shall be replaced by "10.15 of this Code"; and
(ii) "in the case of umbrella funds" shall be deleted.

(j) Governing Law

The governing law of the PRF should be disclosed and an acknowledgment that the parties concerned have the right to bring legal action in a Hong Kong court as well as in any court elsewhere which has a relevant connection with the PRF.

(k) Taxation

Where the likely tax benefits to be enjoyed by scheme participants are described, the principal brochure should also briefly explain the Product Provider's understanding of the tax implications for scheme participants, based on expert advice received by the Product Provider.

Scheme participants should also be advised to seek professional advice regarding their own particular tax circumstances.

(l) Date of publication of the principal brochure

C21 of Appendix C to the UT Code applies.

(m) Responsibility Statement

A statement that the Product Provider accepts responsibility for the accuracy of the information contained in the principal brochure and confirms, having made all reasonable enquires, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

(n) *Authorization Statement*

Where a PRF and/or an investment portfolio is/are described as having been authorized by the Commission, it must be stated that authorization does not imply official recommendation (see 10.14 of this Code).

(o) *Collateral policy and criteria*

C2A of Appendix C to the UT Code applies.

Note: For fund investing in SFC-authorized fund(s), scheme participants can be directed to the offering documents of the underlying fund(s) for such details.

(p) *Liquidity risk management*

C2C of Appendix C to the UT Code applies.

(q) *Characteristics of units/policies*

C4 to C7 of Appendix C to the UT Code apply.

(r) *Distribution policy*

C13 of Appendix C to the UT Code applies.

(s) *Warnings*

C19 of Appendix C to the UT Code applies.

Note: References therein to "this UT Code" shall be replaced by "this Code".

(t) *General information*

C20 and C22A of Appendix C to the UT Code apply.

(u) *Termination of PRF and investment portfolio(s)*

C25 of Appendix C to the UT Code applies.

(v) *Custody arrangements*

C26 of Appendix C to the UT Code applies.

(w) *For fund investing in SFC-authorized fund(s)*

(i) a statement directing scheme participants to read the respective offering documents (including Products Key Facts Statement(s)) of the underlying SFC-authorized fund(s) for further details (including their investment objectives and policies, and risk factors), and the address/contact details in Hong Kong where such documents can be obtained free of charge;

Note: If the investment portfolio invests in APIF(s) which is/are not authorised by the SFC for public offering, relevant information of the underlying

APIF(s) (including their investment objectives and policies, and risk factors) shall be disclosed in the principal brochure of the PRF.

(ii) details of any investment portfolio re-balancing arrangements; and

(iii) full disclosure of the identity(ies) of the underlying SFC-authorized fund(s).

(x) For cash management portfolio

A statement that an investment in a cash management portfolio (i) is not the same as placing funds on deposit with a bank or deposit-taking company; (ii) is not subject to the supervision of the Hong Kong Monetary Authority; and (iii) is not a protected deposit and therefore is not protected by the Deposit Protection Scheme in Hong Kong.

Appendix B

Contents of the Constitutive Documents

The constitutive documents should incorporate the detailed terms and conditions of the PRF and investment portfolio(s) . The paragraphs which follow illustrate the details which the Commission will look for although it is prepared to be flexible in determining which criteria should apply. For the avoidance of doubt, the contents of the constitutive documents should not be contradictory to the applicable provisions of this Code.

(a) Name and Type of PRF and investment portfolio(s)

(b) Parties Involved

A statement to specify the parties involved in the operation of the PRF and investment portfolio(s) including, as applicable, the Product Provider, the management company, the guarantor, the trustee and the auditor, giving full particulars of their functions, duties and obligations, as well as details relating to their retirement, removal and replacement.

(c) Investment Returns

A detailed description of how the investment returns of the investment portfolios are determined, for example, with reference to:

(i) a fund or funds of assets held in the name of the policy issuer or the trustee;

(ii) any notional fund (with its basis stated); or

(iii) a rate determined at the discretion of the policy issuer.

(d) Valuation of Property and Pricing

(i) For investment portfolios which are unitized;

- the method of determining the value of the assets and liabilities of the investment portfolio;
- the method of calculating the issue and redemption prices;
- how frequently prices are established;
- the lead times for the allocation of contributions to units and the realization of units; and
- the circumstances under which the above might change.

(ii) For investment portfolios which are not unitized;

- how and when the non-unitized portfolio is valued;
- how and when the investment return is calculated and distributed amongst

the scheme participants; and

- the circumstances under which the above might change.

(e) Guarantee

Whether investment performance or capital is guaranteed and if so details of:

(i) the rate or amount guaranteed;

(ii) the conditions under which the rate or amount may be altered or discontinued;

(iii) the nature of the guarantee, e.g. a flat guarantee, career average, year on year, or compounded;

(iv) how and when the guarantee is invoked or revoked;

(v) any charges or consideration for the guarantee;

(vi) the date of expiry of the guarantee;

(vii) if the guarantor is an entity other than the policy issuer, the provisions for appointment, retirement or removal;

(viii) where applicable, the methods of determining the discretionary benefits to be paid to scheme participants in excess of the guaranteed amount; and

(ix) where applicable, the extent to which, and the basis on which, the policy issuer may set up a reserve, by whatever name called, so as to smooth the progression of unit prices or rates of return.

(f) Contributions

(i) The amount to be paid.

(ii) The currency of payment.

(iii) To whom and where paid.

(iv) How it is paid and the options if any for payment.

(v) The frequency, due dates and for what periods contributions must be paid.

(vi) If there are fixed due dates, the grace period and penalties if any for late payment.

(vii) The proportion or amount of the contributions made which will be applied for investment purposes.

(viii) The consequences and options if any should payment of contributions be discontinued at any time.

(g) *Benefits*

(i) The currency, dates and places of payment of benefits.

(ii) The benefits on retirement.

(iii) The methods of calculation of benefits.

(iv) Any notice periods for claiming benefits.

(v) Other settlement options or rights.

(vi) The circumstances under which payment of benefits may be deferred or suspended.

(vii) The maximum interval between the receipt of a properly documented request for claiming benefits and the date of payment.

(viii) Whether interest is payable in respect of the period between the effective date of claim and the date of payment.

(h) *Fees and Charges*

(i) All specific fees and charges under the PRF and investment portfolio(s) whether calculated by way of an amount, percentage or otherwise.

(ii) All indeterminable fees and charges.

(iii) Information as to when and on what event the fees and charges will fall due.

(iv) Any taxes and expenses charged to the PRF and investment portfolio(s) or levied against the PRF and investment portfolio(s) on a basis deemed fair and reasonable by an actuary or other person of professional standing.

(v) Any fees payable to, as applicable, the Product Provider, management company, trustee, guarantor or any other party.

(i) *Investment Strategy and Restrictions*

The investment strategy and restrictions (see 8.10 - 8.11) of the PRF and investment portfolio(s) and the circumstances under which these could be changed or varied.

(j) *Termination of the PRF or investment portfolio*

The circumstances in which the PRF or an investment portfolio may be terminated and the relevant notice to be given to scheme participants.

(k) *Transfer and Withdrawal of Interests*

The conditions governing the withdrawal of a scheme participant's interests or its transfer to or from other pooled or individual retirement funds.

(l) *Governing Law*

The governing law of the PRF must be specified.

Note: See 8.6 and paragraph (j) of Appendix A to this Code.

Appendix C

[Deleted]

Appendix D

[Deleted]

Appendix E

[Deleted]