



For immediate release

BCT enters into a strategic relationship with Principal[®], strengthening their leadership in the MPF market while providing greater benefits to customers

(HONG KONG – January 16, 2025) BCT Group (“BCT”), comprising BCT Financial Limited (“BCTF”) and Bank Consortium Trust Company Limited (“BCTC”), and Principal Financial Group[®] (“Principal[®]”), today announced a strategic relationship. Under this agreement, BCTF will become the Sponsor, and BCTC will serve as the Trustee for the Principal Mandatory Provident Fund (MPF) Schemes (Principal MPF Scheme Series 800, Principal MPF Smart Plan, and Principal MPF Simple Plan) – (“the Schemes”). Principal¹ will continue as the Schemes’ Investment Manager. The transition is expected to take place in the first quarter of 2026, subject to the required regulatory approvals from the Mandatory Provident Fund Schemes Authority and the Securities and Futures Commission.

Scheme members will benefit from BCT’s holistic retirement solution offerings and top-notch customer services as a result of these changes. Amidst an increasingly competitive MPF market, this relationship will strengthen BCT’s strategic position, making BCT a major MPF provider with HKD164 billion in assets under management and 12.4% market share². This will lead to greater scale and a broader pension distribution network.

"BCT has been a key industry player since the inception of the MPF system. We are excited about our strategic relationship with Principal, which allows us to seize the opportunities presented by the launch of the eMPF Platform and significantly expands our MPF business in Hong Kong. This underscores our commitment to excellence in the MPF market and signals our confidence in the future of the MPF sector," said Ms. Jamie Lee, Managing Director & CEO of BCT. "In recent years, we have been at the forefront of digital innovation, launching the revamped bct+ mobile app and the industry-first AI Advisor Mario. This relationship accelerates our growth in the MPF market, positioning BCT to drive further innovation throughout the eMPF journey. Looking ahead, we remain dedicated to empowering our clients to navigate their retirement journey with confidence and achieve their retirement goals."

"As residents in Asia work to make meaningful financial plans for retirement and achieve their longer-term financial goals, it is important to have investment managers who understand

¹ Refers to Principal Asset Management Company (Asia) Limited.

² Source: "Mercer MPF Market Shares Report" as of September 30, 2024 by Mercer (Hong Kong) Limited.



participants' long-term needs. This transition allows Principal to focus on our core area of expertise in asset management and serving the long-term investment needs of our clients – while transitioning sponsor and trustee to an industry leader in pension services in the market,” said Mr. Martin Lau, head of Hong Kong, Principal. “Principal is committed to the market and continues to focus our attention on how we can best serve investors through our expertise in asset management—helping them to improve their long-term retirement outcomes by offering differentiating investment strategies.”

The strategic relationship is set to elevate both businesses through expanded scale, enabling them to further excel in their respective arenas. Existing participants in the Schemes will continue to benefit from a full suite of professional customer support and streamlined services and increased investment options provided by the expertise of both BCT and Principal respectively.

BCT and Principal are committed to working closely with all relevant parties on a smooth transition of functions and responsibilities. In the meantime, Principal will continue to operate as Sponsor and Trustee of the Schemes as usual, managing the underlying assets without any disruption to the investment management processes.

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About BCT

BCT Group (“BCT”) comprises BCT Financial Limited (“BCTF”) and Bank Consortium Trust Company Limited (“BCTC”), with strong shareholders group comprised of a consortium of 8 reputable financial institutions (namely, Asia Financial, Chong Hing Bank, CMB Wing Lung Bank, Dah Sing Bank, Fubon Bank, ICBC Asia, OCBC and Shanghai Commercial Bank). BCT Group is a major pension product provider and one of the largest trust companies in Hong Kong offering pension products and professional services for MPF, pension and investment funds. BCTF acts as sponsor and distributor of pension products whilst providing customer service, investment planning services (IPS) and retirement planning services (RPS) as well as investor education. BCTC started off with a dedicated mission: to provide best-in-class MPF/ORSO products and solutions for the Hong Kong working population, while expanding its one-stop services of trustee, administrator and custodian for pensions and investment funds. As of June 30, 2024, the firm’s assets under administration exceeded HKD 230 billion, serving over 1.2 million member accounts.



About Principal

Principal Financial Group® (Nasdaq: PFG) is a global financial company with nearly 20,000 employees³ passionate about improving the wealth and well-being of people and businesses. In business for 145 years, we're helping approximately 68 million customers⁴ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2024 World's Most Ethical Companies® by Ethisphere⁵, a member of the Bloomberg Gender Equality Index, and a "Best Place to Work in Money Management⁶." In Hong Kong, Principal is a provider of investment and retirement solutions. Their member companies, including Principal Trust Company (Asia) Limited, Principal Investment & Retirement Services Limited and Principal Asset Management Company (Asia) Limited, combine capabilities in global investment management, retirement leadership and asset allocation expertise to provide retirement and asset management services as well as award-winning mutual funds and investment products to businesses, individuals, and institutional investors. All the above companies are member companies of the Principal Financial Group.

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³As of September 30, 2024.

⁴As of September 30, 2024.

⁵Ethisphere, 2024.

⁶Pensions & Investments, 2024.