

Sun Life MPF  
Comprehensive Scheme

31 December 2023

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# Scheme report for the year ended 31 December 2023

Sun Life Pension Trust Limited (the “Trustee”) has pleasure in presenting the annual report of Sun Life MPF Comprehensive Scheme (the “Scheme”) for the year ended 31 December 2023.

## The Scheme

The Scheme is a master trust scheme set up for the purpose of providing benefits to members in accordance with the Mandatory Provident Fund Schemes Ordinance (the “Ordinance”). The Scheme was established by a trust deed dated 31 January 2000, as amended (the “Trust Deed”).

Under the Trust Deed, the Trustee is required to establish and maintain separate constituent funds in which contributions are invested. The Trustee has established and maintained twelve constituent funds in respect of the Scheme for the year ended 31 December 2023. The constituent funds are only available for investment by members of the Scheme. Each constituent fund (except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio which invests directly in permissible investments and Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio which invests in two/more unit trust approved pooled investment funds (“APIFs”) and/or two or more approved index-tracking collective investment schemes (“ITCISs”)) primarily invests its assets in a single approved pooled investment fund (“APIF”), which is either a unit trust or an insurance policy. Each constituent fund has a separate and distinct investment objective and policy. The Scheme together with its constituent funds have been registered with and approved by the Mandatory Provident Fund Schemes Authority (the “MPFA” or “Authority”).

As at 31 December 2023, the Scheme had twelve constituent funds as follows:

- Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio
- Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio
- Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio
- Sun Life MPF Comprehensive Scheme Stable Portfolio
- Sun Life MPF Comprehensive Scheme Stable Growth Portfolio
- Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio
- Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio
- Sun Life MPF Comprehensive Scheme Growth Portfolio
- Sun Life MPF Comprehensive Scheme International Equity Portfolio
- Sun Life MPF Comprehensive Scheme Asian Equity Portfolio
- Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio
- Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

# Scheme report for the year ended 31 December 2023 (continued)

## Financial development

Contributions received and receivable for the year ended 31 December 2023 by the Scheme were HK\$239,491,399. Benefits paid and payable and transfers out to other schemes (exclusive of forfeitures) for the year ended 31 December 2023 amounted to HK\$2,844,113,722. The Scheme has recognised a net loss of HK\$10,472,951 for the year ended 31 December 2023, arising mainly from fair value losses on investments in constituent funds.

## Changes during the year

### Scheme restructuring (the "Restructure") of Sun Life MPF Comprehensive Scheme

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

## Directory of parties

Details of the Trustee and the parties appointed by the Trustee for managing the Scheme during the year and up to the date of this report are set out below.

Trustee	Sun Life Pension Trust Limited 16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungghom, Kowloon, Hong Kong
Sponsor of the Scheme <sup>1</sup>	Sun Life Hong Kong Limited 16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungghom, Kowloon, Hong Kong
Guarantor for the approved pooled investment fund invested by Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio <sup>1</sup>	Sun Life Hong Kong Limited 16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungghom, Kowloon, Hong Kong
Administrator of the Scheme <sup>1</sup>	BestServe Financial Limited 10/F, One Harbourfront 18 Tak Fung Street Hungghom, Kowloon Hong Kong



# Scheme report for the year ended 31 December 2023 (continued)

## Directory of parties (continued)

Investment Managers (continued)

### State Street Global Advisors Asia Limited

68/F, Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

Being the investment manager of the Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio.

### FIL Investment Management (Hong Kong) Limited

Level 21, Two Pacific Place  
88 Queensway, Admiralty  
Hong Kong

Being the investment manager of the underlying approved pooled investment fund that the Sun Life MPF Comprehensive Scheme International Equity Portfolio invested in.

## Directors of the Trustee

The directors of the Trustee during the year and up to the date of this report are as follows:

<b>Directors</b>	<b>Address</b>
MAN Yui Kan	16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong (resigned on 19 March 2023)

## Scheme report for the year ended 31 December 2023 (continued)

### Directors of the Trustee (continued)

DE LARA Maria Teresa	14/F, 14 Taikoo Wan Road Taikoo Shing Hong Kong
YANG Judy	16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungohm, Kowloon, Hong Kong
NGAN Kin Wa	16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungohm, Kowloon, Hong Kong
WONG Kwok Chun	16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road Hungohm, Kowloon, Hong Kong (appointed on 8 May 2023)
YU Tin Yau Elvin (independent director)	16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hungohm, Kowloon, Hong Kong

## Scheme report for the year ended 31 December 2023 (continued)

### **Directors of the Sponsor**

The directors can be contacted at the following address:

16/F, Cheung Kei Center Tower A  
No. 18 Hung Luen Road,  
Hung Hom, Kowloon,  
Hong Kong

During the year and up to the date of this report, the directors of the Sponsor are as follows:

CHOU Chia Ling  
Duarte Manuel de FRIAS  
Karim GILANI  
LAM Ka Yin  
Stuart Edward HARRISON  
Thomas Alan HULST

### **Directors of the Administrator**

The directors can be contacted at the following address:

16/F, Cheung Kei Center Tower A  
No. 18 Hung Luen Road,  
Hung Hom, Kowloon,  
Hong Kong

During the year and up to the date of this report, the directors of the Administrator are as follows:

Ashish Chand  
Bianca Ilibasic  
Rainbow Jihong PAN



## Scheme report for the year ended 31 December 2023 (continued)

### Further information

Participating employers and scheme members can obtain further information about the Scheme and its operation from Sun Life Retirement Scheme Hotline 3183 1900.

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

For and on behalf of

Sun Life Pension Trust Limited



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Director

Hong Kong

27 JUN 2024



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Director

# Investment report for the year ended 31 December 2023

## Investment objectives and policies

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

Each constituent fund (except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio which invests directly in permissible investments and Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio which invests in two or more unit trust Approved Pooled Investment Funds (“APIFs”) and/or two or more approved Index-Tracking Collective Investment Schemes (“ITCISs”)) of the Scheme invests in an APIF which is either a unit trust or an insurance policy approved by the Mandatory Provident Fund Schemes Authority and authorised by the Securities and Futures Commission.

The constituent funds are classified into three categories in terms of risk level, namely low, medium or high risk. The risk level is an illustration of the amount of risks associated with the relevant constituent fund by reference to the type of investments made by the underlying APIF. The risk level is for reference only and is not an indication of the past or future performance of the constituent fund. The risk level is solely assessed by the Trustee on the assumption that equities are riskier than bonds, which in turn are riskier than cash. The actual risks associated with each constituent fund may differ from the projected risk level.

The common investment policies, which apply to all constituent funds of the Scheme, and the statement of investment objectives and policies for each constituent fund are as follows:

### Common investment policies

- Each constituent fund, except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (which invests directly in permissible investments) and Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio (which invests in two or more unit trust APIFs and/or two or more approved ITCISs), invests its assets in a single APIF but may also hold up to 5% of its assets in cash from time to time for ancillary purposes such as for meeting redemption requests, or for defraying operating expenses.
- Except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, none of the other constituent funds has direct holdings of equities or bonds.
- None of the constituent funds will neither trade in futures or options nor lend securities.
- Each constituent fund is subject to the investment and borrowing restrictions in Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”).

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

#### Investment objectives and policies

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	<p>To provide a return, after administrative expenses, which matches or exceeds the Hong Kong dollar savings rate.</p> <p>The fund is considered low risk.</p>	<p>The mix of the investments is 70% - 100% in deposits and debt securities; 0% - 30% in cash. It must hold 100% of its assets in Hong Kong dollar investments. The portfolio average remaining maturity must not exceed ninety days. It will not trade futures or options and will not engage in security lending.</p>
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	<p>To provide capital security at the end of every 5 years and to seek long term capital appreciation. The return is expected to be stable and slightly in excess of Hong Kong inflation.</p> <p>The fund is considered low risk.</p>	<p>The Capital Guaranteed Policy invests into the Schroder IPF Global Balanced Fund (the "Global Balanced Fund") of the Schroder Institutional Pooled Funds, an APIF. The investment strategy of the Global Balanced Fund would include equities, bonds, and cash and cash equivalents. The current proposed asset allocation is Equities: 0% - 33%, Bonds: 67% - 95%, and Cash or cash equivalents: 0% - 33% respectively. The investments are globally diversified but with a bias towards Hong Kong. It will hold a minimum of 67% of its assets in Hong Kong dollar investments at all times through direct holdings in equities, bonds and cash and/or through currency hedging. It will not trade futures or options and will not engage in security lending.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	<p>To achieve stable growth by investing in a globally diversified manner.</p> <p>The fund is considered low risk.</p>	<p>Through its underlying investment, the Portfolio will hold 20% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global fixed income and money market instruments). The asset allocation to higher risks assets may vary between 15% and 25% due to differing price movements of various equity and bond markets.</p> <p>It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in the underlying APIFs. It will not acquire any financial futures contracts or financial option contracts except for hedging purposes and will not engage in security lending.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Stable Portfolio	<p>To achieve a long term return in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A).</p> <p>The fund is considered medium risk.</p>	<p>The principal underlying investments will be quoted securities, government and corporate bonds and cash deposits worldwide. It is thus globally diversified but is biased towards Hong Kong.</p> <p>The current proposed asset allocation is <b>(1) Equities (15% - 40%)</b>: Hong Kong (0% - 20%), Asia ex Hong Kong ex Japan (0% - 15%), the United States (0% - 15%), Japan (0% - 10%), Europe (0% - 10%), Others (0% - 5%), <b>(2) Bonds (40% - 70%)</b>: United States dollar (5% - 60%), Global currencies ex the United States dollar ex Hong Kong dollar (5% - 40%), Hong Kong dollar (0% - 50%), <b>(3) Cash or cash equivalents (0% - 30%)</b>.</p> <p>It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.</p> <p>It will not engage in security lending but may trade in financial futures contracts or financial options contracts for hedging purposes only.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	<p>To achieve a long term return in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).</p> <p>The fund is considered medium risk.</p>	<p>The principal underlying investments will be in quoted securities, government and corporate bonds and cash deposits worldwide. It is a globally diversified portfolio biased towards Hong Kong. The current proposed asset allocation is <b>(1) Equities (30% - 60%)</b>: Hong Kong (5% - 30%), Asia ex Hong Kong ex Japan (0% - 15%), the United States (0% - 25%), Japan (0% - 15%), Europe (0% - 15%), Others (0% - 5%), <b>(2) Bonds (20% - 60%)</b>: the United States dollar (5% - 55%), Global currencies ex the United States dollar ex Hong Kong dollar (5% - 60%), Hong Kong dollar (0% - 30%), <b>(3) Cash or cash equivalents (0% - 20%)</b>. It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging. It will not engage in security lending but may trade in financial futures contracts or financial options contracts for hedging purposes only.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	<p>To achieve capital growth by investing in a globally diversified manner.</p> <p>The fund is considered medium risk.</p>	<p>Through its underlying investment, the Portfolio will hold 60% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global fixed income and money market instruments). The asset allocation to higher risks assets may vary between 55% and 65% due to differing price movements of various equity and bond markets.</p> <p>The Portfolio will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in the underlying APIFs. The Portfolio will not acquire any financial futures contracts or financial option contracts except for hedging purposes and will not engage in security lending.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	<p>To achieve a long term return in excess of salary inflation in Hong Kong (as indicated by the Hong Kong Monthly Digest of Statistics as published by the Census and Statistics Department of the Government of Hong Kong Special Administrative Region).</p> <p>The fund is considered high risk.</p>	<p>The principal underlying investments will be in quoted securities, government and corporate bonds and cash deposits worldwide. It is thus globally diversified but is biased towards Hong Kong.</p> <p>The current proposed asset allocation is <b>(1) Equities (45% - 85%)</b>: Hong Kong (10% - 40%), Asia ex Hong Kong ex Japan (0% - 25%), the United States (5% - 30%), Japan (0% - 20%), Europe (0% - 25%), Others (0% - 10%), <b>(2) Bonds (0% - 40%)</b>: United States dollar (0% - 25%), Global currencies ex United States dollar ex Hong Kong dollar (0% - 40%), HK dollar (0% - 20%), <b>(3) Cash or cash equivalents (0% - 20%)</b>.</p> <p>It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.</p> <p>It will not engage in security lending but may trade in financial futures contracts or financial options contracts for hedging purposes only.</p>



## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Growth Portfolio	<p>To achieve a long term return in excess of salary inflation in Hong Kong (as indicated by the Hong Kong Monthly Digest of Statistics as published by the Census and Statistics Department of the Government of Hong Kong Special Administrative Region).</p> <p>The fund is considered high risk.</p>	<p>The principal underlying investments will be in quoted securities, government and corporate bonds and cash deposits worldwide. It is a globally diversified portfolio biased towards Hong Kong. The current proposed asset allocation of the portfolio is <b>(1) Equities (60% - 100%)</b>: Hong Kong (0% - 50%), Asia ex Hong Kong ex Japan (0% - 30%), the United States (0% - 40%), Japan (0% - 20%), Europe (0% - 30%), Others (0% - 5%), <b>(2) Bonds (0% - 20%)</b>: United States dollar (0% - 15%), Global currencies ex United States dollar ex Hong Kong dollar (0% - 20%), Hong Kong dollar (0% - 10%), <b>(3) Cash or cash equivalents (0% - 30%)</b>. It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.</p> <p>It will not engage in security lending but may trade in financial futures contracts or financial options contracts for hedging purposes only.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme International Equity Portfolio	<p>To focus investment into the global equity markets, to produce returns that are related to those achieved on the major world stock market indices and to manage the volatility of returns in the short term.</p> <p>The fund is considered high risk.</p>	<p>The indicative asset allocation is as follows: Equities 100%, Bonds 0%, Cash 0%. It should be noted that the actual portfolio will at times vary considerably as market, political, structural, economic and other conditions change. It may engage in security lending and repurchase transactions and may also acquire financial futures contracts and financial options contracts for hedging purposes only.</p>
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	<p>To achieve long term capital appreciation.</p> <p>The fund is considered high risk.</p>	<p>The asset allocation of the US &amp; Hong Kong Equity Portfolio (taking into account its investments in the underlying APIFs and/or approved ITCISs) is <b>(1) Equities (90% to 100%)</b>: the United States (50% - 70%), Hong Kong (30% - 50%), <b>(2) Cash or cash equivalents (0% - 10%)</b>. The US &amp; Hong Kong Equity Portfolio will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in APIFs and/or approved ITCISs denominated in Hong Kong dollar, and cash and/or through currency hedging. The US &amp; Hong Kong Equity Portfolio will not acquire any financial futures contracts or financial option contracts except for hedging purposes and will not engage in security lending.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	<p>To achieve long term capital growth and the long term return is expected to be modestly in excess of Hong Kong price inflation (as measured by Consumer Price Index Type A).</p> <p>The fund is considered relatively high risk.</p>	<p>The non-cash investments primarily invest in Asian (ex-Japan) equities. It may invest up to 10% of its net asset value in shares listed on a stock exchange that is not an approved stock exchange as defined in the General Regulation, including without limitation shares of companies listed on the stock exchange(s) of the People's Republic of China via the Stock Connect programme. It may hold cash, bank deposits or cash equivalents for ancillary purposes. The current proposed asset allocation is <b>(1) Equities (60% - 100%):</b> Hong Kong (20% - 70%), Singapore (0% - 30%), Malaysia (0% - 20%), Korea (0% - 40%), Taiwan (0% - 40%), Thailand (0% - 20%), Philippines (0% - 10%), India (0% - 40%), others (0% - 10%), <b>(2) Cash or cash equivalents (0% - 40%).</b></p> <p>It will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investments in direct holdings in equities, and cash and/or through currency hedging. It will not acquire any financial futures contracts or financial options contracts except for hedging purposes and will not engage in security lending.</p>

## Investment report for the year ended 31 December 2023 (continued)

### Investment objectives and policies (continued)

Name of constituent fund	Investment objective of the constituent fund and the underlying APIF	Investment policy of the constituent fund or the underlying APIF
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	<p>To achieve long term capital appreciation.</p> <p>The fund is considered relatively high risk.</p>	<p>The fund may invest up to 100% in equities and equity related securities of companies which are listed in, headquartered in or have a substantial business exposure to Hong Kong, including Chinese securities listed in Hong Kong. It invests mainly in securities of companies listed on the Stock Exchange of Hong Kong and may invest up to 20% of its net asset value in companies listed outside of Hong Kong but which are related to Hong Kong by having business exposure to Hong Kong, or in China A-Shares traded via the Stock Connect programme. The current proposed asset allocation is <b>(1) Equities (90% - 100%):</b> Hong Kong (80% - 100%), Others (0% - 20%), <b>(2) Cash or cash equivalents (0% - 10%).</b> It will maintain a minimum Hong Kong currency exposure of 30% at all times. It will not acquire any financial futures contract or financial option contracts except for hedging purposes and has no current intention to engage in security lending.</p>

# Investment report for the year ended 31 December 2023 (continued)

## Investment analysis and commentary

For the fourth quarter, inflation figures from both the US and eurozone have been soft. In the US, the consumer price index slowed over the period from 3.7% in September to 3.2% in October and 3.1% in November. The Federal Reserve's preferred measure of inflation - the core personal consumption expenditure index - was softer than expected, rising 0.1% month-on-month in November. Euro area annual inflation fell to 2.4% in November from 2.9% in October. Overall economies showed signs of slowing down. US economic growth for Q3 was revised down to an annualised rate of 4.9% from the previous reading of 5.2%. Eurozone GDP fell by 0.1% quarter-on-quarter in Q3. Economic data from China was mixed. The ongoing real estate crisis continued to weigh on sentiment while worries about pressure on tech companies from potential gaming regulation also had a negative impact later in the quarter.

Global equities rebounded in the fourth quarter, with MSCI AC World Index advancing 10.7%. Developed markets led emerging markets as MSCI Emerging Markets Index rose 7.5%. Among developed markets, both US and Europe were the top performers in USD term, followed by Japan. European equities performance was partly boosted by currency appreciation. US Fed Funds Rates, coupled with inflation and employment data, remained investors' focus. US headline and core inflation saw further softening with labour market showing signs of easing. The market expected rate hike cycle was close to an end and rate cut would start in 2024, despite Fed's narrative of rates staying higher for longer. Bond yield came down from its recent peak in October, boosting tech stock performance in the quarter. However, the intensifying geopolitical conflict, especially Israel-Hamas war, reignited concerns on supply chain disruption and inflation towards quarter end. While US economic activities were resilient, some investors were concerned about the risk of recession under an environment of restrictive monetary policy. In Europe, ECB also signalled the end of interest rate hikes. Japanese economy was exiting deflation and transitioning to moderate inflation with rising real wages. At the same time, Bank of Japan maintained yield curve control and relatively low interest rate.

Hong Kong equity market fell in the fourth quarter. Hang Seng Index lost 4.3%, marking its third straight quarterly decline. Selloff was mainly seen in October as restrictive global liquidity conditions continued with US 10-year treasury yield reaching a 16-year high at almost 5% level. While easing bond yields lifted sentiment on global equities in the final two months, scepticism about Hong Kong and China remained intact. Investors still perceived weaker macro and thus corporate earnings outlook as the major risk factors. For instance, major internet and consumer platform companies guided for lower-than-expected sale forecasts for the fourth quarter, citing greater competition and low confidence in a macro recovery. Positive news such as government's new housing policy aids, the RMB 1 trillion central government debt plan, and enlarged supports to onshore capital market still failed to recover investor confidence. Mixed macro data continued in the fourth quarter. While retail sales resumed modest growth, exports and fixed asset investment on property remained lacklustre. Online gaming stocks were sold off right before the closing of the year due to the news of spending cap on game players imposed by central government.

## Investment report for the year ended 31 December 2023 (continued)

### Investments analysis and commentary (continued)

Onshore China equities also dipped in the fourth quarter. Shanghai Composite Index, the benchmark of A-share market, fell 4.4% and 1.7%, in local currency and USD terms respectively. Investors stayed sidelined as the Central Economic Work Conference did not outline very solid stimulus measures for the economy. Measures for stabilising A-share market, such as CSRC's rules to encourage cash dividends and limit major shareholder to reduce shareholdings and Central Huijin's increase in A-share ETFs purchase, did not help much in boosting market sentiment.

Taiwan equities surged in the fourth quarter and outperformed their greater China peers. TWSE Index gained 9.6% and 15.6% in local currency and USD, respectively. Despite a setback in October, market momentum resumed in the last two months. Tech stocks continued to outperform, buoyed by strong rally in the US counterparts, as investors expected aggressive rate cuts in 2024. Fundamental reasons such as improved utilisation and strong sale guidance for the fourth quarter from handset and PC makers were also the upside catalysts. AI server ODMs, however, ended mixed on divergence in sales guidance among companies. In non-tech space, textile and shipping sectors outperformed. Textile companies benefited from gradual recovery in orders in the fourth quarter amidst declining inventory at the US retailers and sportswear brands. Container shipping sector soared amidst rebound in freight rates in December, following the news of several attacks on ships by Yemen's Houthi armed forces in Red Sea.

The final quarter of the year was a very positive one for fixed income markets, marking their best quarterly performance in over two decades. The major driver of this performance was a perceived shift in monetary policy direction, from a "higher-for-longer" stance to prospective rate cuts. The US 10-year Treasury yield fell from 4.57% at the end of Q3 to 3.87% at the end of Q4.

The US Federal Reserve kept rates unchanged throughout the quarter, with a much clearer shift to a more dovish tone in December accelerating the market rally. The revised dot plot projections for the federal funds rate - indicated that three rate cuts are now anticipated for 2024, up from the previously expected two. With more encouraging news on PCE inflation, the FOMC appears more comfortable with the progress made in bringing inflation back towards the target.

# Investment report for the year ended 31 December 2023 (continued)

## **Investments analysis and commentary (continued)**

HKD rates largely followed US rates movement. 3Y yield went down by 90ps and the 7Y yield down by 108bps. HKD money market rates remained volatile. The front-end rates remained relatively elevated in the quarter. Overnight HIBOR eased down a bit from late September high but spiked again into the year-end. HIBOR-LIBOR gap narrowed first in the quarter but started to widen again towards year-end.

China macro data continued to be on the weak side with CPI and PPI on negative territories. Latest policy meetings mostly fell short of offering investors clues on new or large-scale stimulus. Chinese policy makers continued to roll out supporting measures for the property sector but the physical market remained weak. CNH currency appreciated by 2.34% vs USD in the quarter. CNY bond yield curve tightened, with yield on 3Y down by 8bps & 10Y down by 11bps. CNH CGB yields curve slightly widened, with yield on 3Y up by 8bps & 20Y up by 3bps.

## Investment report for the year ended 31 December 2023 (continued)

### **Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary**

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme, hence no Trustee's commentary on the fund performance against benchmark is presented for the year ended 31 December 2023.

### **Trustee's assessment framework and action**

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023, hence no Trustee's performance assessment framework and Trustee's action is presented for the year ended 31 December 2023.



## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance

	<i>Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (1,393,921)	\$ 423,097	\$ 970,823
Net return/(loss) from investments-realised	<u>6,718,477</u>	<u>1,314,067</u>	<u>(790,716)</u>
	<i>Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments-unrealised	\$ (20,763,436)	\$ (33,641,725)	\$ (17,858,309)
Net return from investments-realised	<u>26,626,819</u>	<u>4,085,457</u>	<u>11,683,965</u>
	<i>Sun Life MPF Comprehensive Scheme Stable Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments-unrealised	\$ (1,478,403)	\$ (16,046,727)	\$ (5,099,513)
Net return from investments-realised	<u>1,829,169</u>	<u>819,146</u>	<u>2,680,550</u>
	<i>Sun Life MPF Comprehensive Scheme Stable Growth Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments-unrealised	\$ (8,053,284)	\$ (29,535,051)	\$ (7,849,881)
Net return from investments-realised	<u>10,120,108</u>	<u>1,786,789</u>	<u>6,470,005</u>

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance (continued)

	<i>Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments- unrealised	\$ (30,976,426)	\$ (39,908,346)	\$ (8,777,371)
Net return from investments-realised	<u>36,171,741</u>	<u>4,565,882</u>	<u>10,960,612</u>

	<i>Sun Life MPF Comprehensive Scheme Growth Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments- unrealised	\$ (26,443,360)	\$ (34,361,544)	\$ (5,290,806)
Net return from investments-realised	<u>32,953,349</u>	<u>3,086,329</u>	<u>8,717,756</u>

	<i>Sun Life MPF Comprehensive Scheme International Equity Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (31,412,539)	\$ (66,489,929)	\$ 21,399,564
Net return from investments-realised	<u>58,005,212</u>	<u>6,465,530</u>	<u>14,584,892</u>

	<i>Sun Life MPF Comprehensive Scheme Asian Equity Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments- unrealised	\$ (36,658,705)	\$ (78,526,785)	\$ (11,487,975)
Net return from investments-realised	<u>31,834,514</u>	<u>5,692,669</u>	<u>20,206,695</u>

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance (continued)

	<i>Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net depreciation of investments- unrealised	\$ (54,503,126)	\$ (121,725,691)	\$ (177,585,614)
Net (loss)/return from investments- realised	<u>(7,446,551)</u>	<u>7,955,699</u>	<u>58,928,746</u>
	<i>Sun Life MPF Comprehensive Scheme US &amp; Hong Kong Equity Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (9,583,593)	\$ (29,940,141)	\$ 6,616,171
Net return from investments-realised	<u>17,119,024</u>	<u>563,020</u>	<u>6,649,405</u>
	<i>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net appreciation/(depreciation) of investments-unrealised	\$ 3,653,657	\$ (6,231,918)	\$ (282,840)
Net (loss)/return from investments- realised	<u>(1,467,389)</u>	<u>(699,991)</u>	<u>1,106,664</u>
	<i>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</i>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (1,896,932)	\$ (28,930,450)	\$ 9,940,674
Net return from investments-realised	<u>20,770,384</u>	<u>1,809,022</u>	<u>5,691,460</u>

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

#### *Investment portfolio*

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (continued)

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investment</b>				
<b>Bonds</b>				
AGRICULTURAL BK CN/MACAO SER EMTN (REG) (REG S) 0.66% 02MAR2023	1,000,000	-	1,000,000	-
ASB FINANCE LTD SER EMTN (REG S) (BR) 2.75% 07MAR2023	14,000,000	-	14,000,000	-
BANK OF MONTREAL/TORONTO SER EMTN (REG S) (BR) 3.6% 09SEP2023	-	2,000,000	2,000,000	-
BANK OF MONTREAL/TORONTO SER EMTN (REG S) (BR) 3.65% 17AUG2023	-	10,000,000	10,000,000	-
BANK OF MONTREAL/TORONTO SER EMTN (REG S) (BR) 4.685% 17NOV2023	-	2,000,000	2,000,000	-
BANK OF NOVA SCOTIA SER EMTN (REG S) (BR) 3.34% 20SEP2023	-	3,000,000	3,000,000	-
BANK OF NOVA SCOTIA SER EMTN (REG S) 3.375% 20SEP2023	-	2,000,000	2,000,000	-
CDBL FUNDING TWO SER EMTN (REG) (REG S) 1.2% 03FEB2023	11,000,000	-	11,000,000	-
CITIGROUP GLOBAL MARKETS SER EMTN (REG) (REG S) 1.32% 23JUN2023	-	3,000,000	3,000,000	-
CITIGROUP GLOBAL MARKETS SER EMTN (REG) (REG S) 1.925% 25FEB2023	8,000,000	-	8,000,000	-
COMMONWEALTH BANK AUST SER EMTN (REG) 5.47% 01DEC2023	-	2,000,000	2,000,000	-
EXPORT-IMPORT BANK CHINA SER EMTN (REG S) 3.13% 22MAR2023	-	11,000,000	11,000,000	-
EXPORT-IMPORT BANK KOREA SER GMTN (REG S) 3.182% 18JUL2023	11,000,000	-	11,000,000	-
EXPORT-IMPORT BANK KOREA SER GMTN 3.45% 27JUL2023	-	1,000,000	1,000,000	-
HKCG FINANCE LTD SER EMTN (REG S) 0.88% 07DEC2023	-	11,000,000	11,000,000	-
HONG KONG (GOVT OF) 0.31% 22NOV2023	-	9,000,000	9,000,000	-
HONG KONG (GOVT) 1.1% 17JAN2023	4,000,000	-	4,000,000	-

# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (continued)

### Statement of movements in investment portfolio (continued)

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investment (continued)</b>				
<b>Bonds (continued)</b>				
HONG KONG MORTGAGE CORP SER EMTN (BR) 0.65% 25OCT2023	-	5,000,000	5,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (BR) 3.15% 05JUN2023	6,000,000	-	6,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (BR) FRN 11MAY2023	-	11,000,000	11,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (REG S) (BR) 5.12% 16MAR2023	14,000,000	-	14,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (REG S) (BR) 5.28% 14NOV2023	-	11,000,000	11,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (REG) (REG S) 0.5% 09FEB2023	11,000,000	-	11,000,000	-
HONG KONG T-BILL SER 91 0% 06DEC2023	-	41,000,000	41,000,000	-
HONG KONG T-BILL SER 91 0% 12APR2023	-	14,000,000	14,000,000	-
HONG KONG T-BILL SER 91 0% 13DEC2023	-	39,000,000	39,000,000	-
HONG KONG T-BILL SER 91 0% 15NOV2023	-	11,500,000	11,500,000	-
HONG KONG T-BILL SER 91 0% 25OCT2023	-	11,000,000	11,000,000	-
HONGKONG LAND NOTES LTD (REGS) SER EMTN 3.95% 06NOV2023	-	10,000,000	10,000,000	-
KOREA DEVELOPMENT BANK SER EMTN (REG S) (BR) 1.85% 27FEB2023	15,000,000	-	15,000,000	-
KOREA DEVELOPMENT BANK SER EMTN (REG S) 2.1% 14APR2023	-	11,000,000	11,000,000	-
KOREA RAILROAD CORP SER GMTN (REG S) 3.375% 07JUN2023	-	4,000,000	4,000,000	-
KOREA RAILROAD CORP SER GMTN (REG) (REG S) 2.6% 25MAY2023	-	11,000,000	11,000,000	-
NATIONAL AUSTRALIA BANK SER EMTN 3.29% 21JUN2023	-	1,000,000	1,000,000	-
NATIONAL AUSTRALIA BANK SER GMTN (REG S) (BR) 4.45% 14NOV2023	-	11,000,000	11,000,000	-
QNB FINANCE LTD SER EMTN (REG S) (BR) 2.89% 19OCT2023	-	11,000,000	11,000,000	-

# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (continued)

### Statement of movements in investment portfolio (continued)

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investment (continued)</b>				
<b>Bonds (continued)</b>				
SUN HUNG KAI PROPERTIES CAPITAL MARKET LTD 2.95% 8MAY2023	-	11,000,000	11,000,000	-
THE EXPORT-IMPORT BANK 3.13% 26APR2023	4,000,000	-	4,000,000	-
WESTPAC BANKING CORP SER EMTN (BR) (REG S) 3.345% 27NOV2023	-	7,000,000	7,000,000	-
WESTPAC BANKING CORP SER EMTN (REG S) (BR) 2.72% 25NOV2023	-	2,000,000	2,000,000	-
<b>Certificate of Deposit</b>				
AGRICULTURAL BK CHINA/HK SER CD (REG S) 0% CD 06MAR2023	2,000,000	-	2,000,000	-
AGRICULTURAL BK CHINA/HK SER CD 0% CD 11AUG2023	-	11,000,000	11,000,000	-
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 5.1% CD 24MAY2023	4,000,000	-	4,000,000	-
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) 5.08% CD 27OCT2023	-	5,000,000	5,000,000	-
AGRICULTURAL BK CN/MACAO SER FRCD (REG S) FRN CD 29NOV2023	-	7,000,000	7,000,000	-
BANK OF CHINA/MACAU SER CD (REG S) 0% CD 28SEP2023	-	10,000,000	10,000,000	-
BANK OF CHINA/TOKYO SER CD (REG S) 0% CD 09JUN2023	-	8,000,000	8,000,000	-
BK OF COMMUNICATIONS/SG SER CD (REG S) 0% CD 14NOV2023	-	6,000,000	6,000,000	-
BNP PARIBAS/HONG KONG SER CD (REG S) 0% CD 14AUG2023	-	11,000,000	11,000,000	-
CANADIAN IMP BK COMM HK SER CD (REG S) (BR) 0% CD 09FEB2023	12,000,000	-	12,000,000	-
CANADIAN IMP BK COMM HK SER CD (REG S) 0% CD 04AUG2023	-	4,000,000	4,000,000	-

# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (continued)

### Statement of movements in investment portfolio (continued)

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Certificate of Deposit (continued)</b>				
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) 0% CD 30OCT2023	-	2,000,000	2,000,000	-
CHINA DEVELOPMENT BK/HK SER FXCD (REG S) (BR) 4.2% CD 13SEP2023	-	11,000,000	11,000,000	-
CHINA DEVELOPMENT BK/HK SER FXCD (REG S) 4% CD 17JUL2023	-	4,000,000	4,000,000	-
CHINA DEVELOPMENT BK/HK SER FXCD (REG S) 4.7% CD 02MAY2023	-	5,000,000	5,000,000	-
IND & COMM BK CHN MACAU SER CD. (REG S) (BR) 0% CD 16FEB2023	4,000,000	-	4,000,000	-
IND & COMM BK CHN MACAU SER CD. (REG S) 0% CD 30AUG2023	-	10,000,000	10,000,000	-
IND & COMM BK CHN MACAU SER FXCD (REG S) 4.5% CD 28FEB2023	11,000,000	-	11,000,000	-
IND & COMM BK CHN/SYDNEY SER CD (REG S) 0% CD 05SEP2023	-	6,000,000	6,000,000	-
IND & COMM BK CHN/SYDNEY SER FXCD (REG S) (BR) 4.8% CD 19OCT2023	-	11,000,000	11,000,000	-
KDB ASIA LTD SER CD (REG S) (BR) 0% CD 07JUL2023	-	12,000,000	12,000,000	-
KDB ASIA LTD SER CD 0% CD 07JUL2023	-	4,000,000	4,000,000	-
KDB ASIA LTD SER FXCD (REG S) 4.25% CD 30NOV2023	-	13,000,000	13,000,000	-
KDB ASIA LTD SER FXCD (REG S) 5% CD 26OCT2023	-	11,000,000	11,000,000	-
MUFG BANK/HK SER FXCD (REG S) 3.46% CD 02AUG2023	-	14,000,000	14,000,000	-
SMTB HONG KONG SER FXCD (REG S) (BR) 2.8% CD 21JUN2023	-	14,000,000	14,000,000	-
<b>Commercial Paper</b>				
UNITED OVERSEAS BANK LIMITED- HONG KONG BRANCH 4% CP 02FEB2023	9,000,000	-	9,000,000	-



Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio**

*Investment portfolio*

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Sun Life MPF Capital Guaranteed Policy	17,245,860	1,480,167	18,726,027	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Stable Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Stable Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Capital Stable Fund-Class A	4,424,531	519,408	4,943,939	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Stable Growth Portfolio

#### Investment portfolio

	Holdings	Market value	% of net assets
Quoted investment			
Total investment*	-	\$ -	-
Other net assets		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Stable Growth Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Stable Growth Fund-Class A	6,252,409	638,718	6,891,127	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Balanced Investment Fund-Class A	6,824,359	606,308	7,430,667	-



## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Growth Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investment at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Growth Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Growth Fund- Class A	5,021,468	474,942	5,496,410	-

# Investment report for the year ended 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme International Equity Portfolio

### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investments are accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme International Equity Portfolio  
(continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Fidelity Global Investment Fund - Global Equity Fund-Class A	767,956	120,285	888,241	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Asian Equity Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investments are accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Asian Equity Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Asian Fund- Class A	4,861,681	384,697	5,246,378	-

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio**

*Investment portfolio*

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder IPF Hong Kong Equity Fund-Class A	8,469,411	872,067	9,341,478	-



# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio

### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio  
(continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investments</b>				
<i>Approved Index-Tracking Collective Investment Schemes</i>				
SPDR S&P 500ETF Trust S.1	31,668	2,423	34,091	-
Tracker Fund of Hong Kong	3,190,500	962,500	4,153,000	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
Quoted investment			
<b>Total investment*</b>	-	\$ -	-
Other net assets		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Core 20/80 Fund-Class B	4,368,368	2,298,505	6,666,873	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio

#### Investment portfolio

	<i>Holdings</i>	<i>Market value</i>	<i>% of net assets</i>
<b>Quoted investment</b>			
<b>Total investment*</b>	-	\$ -	-
<b>Other net assets</b>		-	-
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ -</u>	<u>-</u>
<b>Total investments at cost*</b>		<u>\$ -</u>	

\* Investment is accounted for on a trade date basis.

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into the constituent funds of Sun Life Rainbow MPF Scheme on 29 November 2023. As at 31 December 2023, the Scheme and the constituent funds had no investments and therefore, no investment portfolio is presented.

Investment report  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Core 60/40 Fund-Class B	14,242,792	4,955,528	19,198,320	-

# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Performance table

		2023			
		<i>Total net asset value</i>	<i>Net asset value per unit</i>	<i>Fund expense ratio %</i>	<i>Transaction costs</i>
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	-	-	1.60705	-
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	-	-	2.02630	-
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	-	-	1.75050	-
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	-	-	1.82003	-
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	-	-	1.66901	-
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	-	-	1.79298	-
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	-	-	1.91137	-
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	-	-	2.02610	-
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	-	-	1.99140	-
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	-	-	1.09662	354,012
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	-	-	0.80816	-
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	-	-	0.73641	-

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred to Sun Life Rainbow MPF Scheme on 29 November 2023. The fund expense ratio is based on the total expense and average net asset value for the period from 1 January 2023 to 29 November 2023.

# Investment report for the year ended 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2022			
		<i>Total net asset value</i>	<i>Net asset value per unit</i>	<i>Fund expense ratio %</i>	<i>Transaction costs</i>
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	221,818,951	11.17	1.16	-
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	381,449,660	16.34	2.22	-
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	86,842,534	13.56	1.85	-
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	146,902,221	15.10	1.96	-
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	187,578,861	20.96	1.80	-
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	157,180,819	19.08	1.93	-
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	201,574,289	21.15	2.01	-
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	261,013,945	30.34	2.12	-
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	561,389,796	43.41	2.07	-
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	157,518,692	16.48	1.20	451,784
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	48,402,924	10.26	0.90	-
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	188,186,769	12.34	0.81	-



# Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

## Performance table (continued)

		2021			
		<i>Total net asset value</i>	<i>Net asset value per unit</i>	<i>Fund expense ratio %</i>	<i>Transaction costs</i>
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	211,700,964	11.17	0.12	-
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	420,141,872	17.81	2.21	-
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	102,294,534	16.09	1.79	-
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	176,255,983	18.14	1.92	-
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	226,025,193	25.10	1.76	-
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	185,935,130	23.17	1.89	-
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	257,100,985	27.86	2.00	-
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	334,423,392	39.34	2.09	-
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	668,809,536	53.06	2.06	-
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	170,243,726	19.61	1.21	404,119
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	48,471,291	11.98	0.89	-
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	182,786,200	14.49	0.82	-

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2023		
		Highest issue price	Lowest redemption price	Net investment return (Note 1) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.40	\$ 11.17	N/A
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	16.67	16.16	N/A
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.31	12.99	N/A
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	16.14	14.44	N/A
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	22.65	20.17	N/A
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	20.90	18.46	N/A
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	24.52	21.09	N/A
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	34.10	28.19	N/A
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	50.50	37.68	N/A
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	18.59	16.46	N/A
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	10.69	10.17	N/A
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	13.50	12.38	N/A

Note 1: As all members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme, the units of the constituent fund of the Scheme were fully redeemed on 29 November 2023.

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2022		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.21	\$ 11.16	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	17.78	16.16	(8.25)
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	16.09	12.85	(15.72)
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	18.18	13.94	(16.76)
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	25.25	18.85	(16.49)
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	23.40	16.75	(17.65)
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	27.96	19.95	(24.08)
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	39.90	26.35	(22.88)
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	55.64	30.78	(18.19)
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	19.82	14.65	(15.96)
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	11.95	9.98	(14.36)
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	14.51	11.57	(14.84)

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2021		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.17	\$ 11.16	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	18.63	17.80	(2.68)
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	16.98	15.98	(3.31)
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	19.34	17.85	(1.89)
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	27.03	24.49	(0.12)
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	25.31	22.42	0.83
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	28.18	23.94	15.08
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	44.68	37.64	1.21
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	75.94	50.98	(16.41)
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	20.18	17.75	9.98
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	12.07	11.60	0.93
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	14.52	13.11	9.61

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2020		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.17	\$ 11.16	0.09
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	18.30	16.39	6.77
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	16.64	13.51	11.16
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	18.49	13.70	14.35
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	25.13	16.95	17.48
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	22.98	14.05	19.50
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	24.21	14.96	12.14
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	38.87	22.66	23.67
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	63.48	35.43	38.12
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	17.83	11.88	8.79
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	11.87	10.37	8.90
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	13.22	9.50	13.77

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2019		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.16	\$ 11.14	0.18
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	17.20	16.45	4.00
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.97	13.83	8.01
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	16.18	14.44	11.21
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	21.41	18.47	14.51
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	19.26	16.03	17.83
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	21.63	16.86	26.04
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	31.83	27.30	12.29
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	46.92	38.42	16.09
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	16.41	13.14	21.50
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	10.93	10.02	8.78
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	11.66	10.08	14.37

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2018		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.14	\$ 11.13	0.09
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	17.06	16.27	(2.25)
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	15.21	13.74	(5.71)
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	16.67	14.35	(8.38)
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	22.28	18.38	(10.54)
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	20.36	15.99	(13.19)
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	20.70	16.44	(11.61)
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	35.35	26.86	(15.03)
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	52.23	38.33	(15.28)
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	15.95	12.96	(7.98)
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	10.28	9.93	(1.67)
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	11.23	9.92	(5.93)

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2017		
		<i>Highest issue price</i>	<i>Lowest redemption price</i>	<i>Net investment return (Note 2) %</i>
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.13	\$ 11.13	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	16.89	16.01	5.31
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.70	13.25	10.86
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	15.87	13.71	15.75
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	20.88	17.34	20.76
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	18.80	15.02	25.75
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	19.41	16.34	18.97
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	33.19	23.95	38.69
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	47.48	34.23	37.52
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	14.70	11.55	27.92
(11)	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio (Note 3)	10.22	9.95	1.90
(12)	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio (Note 3)	10.81	9.98	8.00

Note 3: Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio and Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio were launched on 1 April 2017.



## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2016		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.13	\$ 11.13	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	16.55	15.79	0.00
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.01	12.99	(0.82)
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	14.37	12.92	0.59
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	17.93	15.52	2.31
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	15.38	12.84	3.53
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	16.50	14.14	1.81
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	26.15	20.56	2.86
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	36.46	27.86	2.63
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	11.71	9.39	7.10

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2015		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.13	\$ 11.13	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	16.93	15.93	(2.62)
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.19	13.23	(2.48)
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	14.79	13.28	(2.64)
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	18.73	16.19	(2.37)
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	16.41	13.61	(2.56)
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	17.40	14.95	(1.23)
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	27.92	22.09	(8.88)
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	42.51	31.29	(6.47)
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	12.01	9.94	(2.28)

## Investment report for the year ended 31 December 2023 (continued) (Expressed in Hong Kong dollars)

### Performance table (continued)

		2014		
		Highest issue price	Lowest redemption price	Net investment return (Note 2) %
(1)	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ 11.13	\$ 11.13	0.00
(2)	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	16.60	15.97	2.43
(3)	Sun Life MPF Comprehensive Scheme Stable Portfolio	14.03	13.43	0.37
(4)	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	14.42	13.48	0.65
(5)	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	17.97	16.38	1.05
(6)	Sun Life MPF Comprehensive Scheme Growth Portfolio	15.51	13.80	1.23
(7)	Sun Life MPF Comprehensive Scheme International Equity Portfolio	16.58	14.80	3.85
(8)	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	26.28	21.90	9.41
(9)	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	37.47	31.90	2.34
(10)	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio (Note 4)	11.09	9.86	9.50

Note 2: The net investment return is calculated by comparing the net asset value per unit at the year end of current year against the net asset value per unit at the year ended of preceding year, except that for the first year, the actual net investment return for the relevant period should be shown without annualisation but against the initial launch price of the portfolios of HK\$10.00.

Note 4: Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio was launched on 17 February 2014.

# Independent auditor's report to the Trustee of Sun Life MPF Comprehensive Scheme

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Sun Life MPF Comprehensive Scheme (the "Scheme") set out on pages 74 to 122 which comprise the statement of assets and liabilities attributable to members as at 31 December 2023, the statement of comprehensive income, the statement of changes in net assets attributable to members, and the cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2023, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### *Basis for Opinion*

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Information Other than the Financial Statements and Auditor's Report Thereon*

The Trustee is responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent auditor's report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## Report on the Audit of the Financial Statements (continued)

### *Responsibilities of the Trustee for the Financial Statements*

The Trustee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's ability to continue as a going concern and disclosing matters related to going concern. With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred to Sun Life Rainbow MPF Scheme on 29 November 2023. As a result, the financial statements have been prepared on a non-going concern basis and are prepared in accordance with the basis as set out in note 2(b) thereto.

In addition, the Trustee is required to ensure that the financial statements have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation").

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Scheme have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

# Independent auditor's report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## Report on the Audit of the Financial Statements (continued)

### *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's judgement that the Scheme has been prepared on a non-going concern based on the audit evidence obtained.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Independent auditor's report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## Report on matters under the Mandatory Provident Fund Schemes (General) Regulation

- a. In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- b. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

27 JUN 2024

# Independent auditor's assurance report to the Trustee of Sun Life MPF Comprehensive Scheme

We have audited the financial statements of Sun Life MPF Comprehensive Scheme (the "Scheme") for the year ended 31 December 2023 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* ("PN 860.1 (Revised)") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and have issued an unqualified auditor's report thereon dated 27 JUN 2024.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") and the General Regulation.

## *Trustee's Responsibility*

The General Regulation requires the Trustee to ensure that:

- a. proper accounting and other records are kept in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme.
- b. the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority ("the Authority") under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- c. the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the MPFSO are complied with; and
- d. the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

## *Our Independence and Quality Management*

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



# Independent auditor's assurance report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## *Auditor's Responsibility*

Our responsibility is to report solely to you, on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Scheme's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

# Independent auditor's assurance report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## *Opinion*

Based on the foregoing:

1. in our opinion:
  - a. proper accounting and other records have been kept during the year ended 31 December 2023 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
  - b. the requirements specified in the guidelines made by the Authority under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 30 June 2023, 30 September 2023 and 31 December 2023;
  - c. the requirements specified in the MPFSO under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio have been complied with, in all material respects, as at 30 June 2023, 30 September 2023 and 31 December 2023; and
  - d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio have been complied with, in all material respects, as at 31 December 2023.
2. as at 31 December 2023, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

## *Other Matter*

The requirements specified in the MPFSO under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4), (5) with respect to locating scheme members relating to Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio are not applicable to the Trustee during the year ended 31 December 2023 as the Trustee has completed the relevant transitional provisions. Accordingly, there is no reporting on this section.

# Independent auditor's assurance report to the Trustee of Sun Life MPF Comprehensive Scheme (continued)

## *Intended Users and Purpose*

This report is intended solely for submission by the Trustee to the Authority pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purposes.



Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

27 JUN 2024

## Statement of assets and liabilities attributable to members as at 31 December 2023

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio		Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio		Sun Life MPF Comprehensive Scheme Stable Portfolio		Sun Life MPF Comprehensive Scheme Stable Growth Portfolio		Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio		Sun Life MPF Comprehensive Scheme Growth Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>													
Cash at banks		\$ 5,628	\$ 81,442,743	\$ 9,206	\$ 3,389,807	\$ 2,199	\$ 888,764	\$ 3,744	\$ 1,427,089	\$ 4,746	\$ 1,830,340	\$ 4,094	\$ 1,552,633
Amounts receivable on sales of investments		-	-	-	89,345	-	156,768	-	137,432	-	36,917	-	106,527
Amounts receivable on subscriptions		-	62,506	-	18,888	-	-	-	-	-	-	-	7,986
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Interest, dividend and other receivables		12	379,172	2	60	-	65,970	1	110,138	1	138,984	-	115,593
Investments		-	141,513,851	-	378,546,631	-	86,057,124	-	145,618,610	-	185,895,549	-	155,765,940
<b>Total assets</b>		<b>\$ 5,640</b>	<b>\$ 223,398,272</b>	<b>\$ 9,208</b>	<b>\$ 382,044,731</b>	<b>\$ 2,199</b>	<b>\$ 87,168,626</b>	<b>\$ 3,745</b>	<b>\$ 147,293,269</b>	<b>\$ 4,747</b>	<b>\$ 187,901,790</b>	<b>\$ 4,094</b>	<b>\$ 157,548,679</b>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ -	\$ 677,230	\$ -	\$ 93,533	\$ -	\$ 157,624	\$ -	\$ 131,235	\$ -	\$ 35,259	\$ -	\$ 101,828
Benefits and forfeitures payable		-	-	-	-	-	-	-	-	-	-	-	-
Amounts payable on purchases of investments		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables		5,640	902,091	9,208	501,538	2,199	168,468	3,745	259,813	4,747	287,670	4,094	266,032
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 5,640</b>	<b>\$ 1,579,321</b>	<b>\$ 9,208</b>	<b>\$ 595,071</b>	<b>\$ 2,199</b>	<b>\$ 326,092</b>	<b>\$ 3,745</b>	<b>\$ 391,048</b>	<b>\$ 4,747</b>	<b>\$ 322,929</b>	<b>\$ 4,094</b>	<b>\$ 367,860</b>
<b>Net assets attributable to members</b>		<b>\$ -</b>	<b>\$ 221,818,951</b>	<b>\$ -</b>	<b>\$ 381,449,660</b>	<b>\$ -</b>	<b>\$ 86,842,534</b>	<b>\$ -</b>	<b>\$ 146,902,221</b>	<b>\$ -</b>	<b>\$ 187,578,861</b>	<b>\$ -</b>	<b>\$ 157,180,819</b>
<b>Number of units in issue</b>	3	-	19,849,579.7818	-	23,337,793.3828	-	6,403,809.8512	-	9,727,707.3494	-	8,951,364.0758	-	8,239,449.0244
<b>Net assets attributable to members per unit</b>		-	11.17	-	16.34	-	13.56	-	15.10	-	20.96	-	19.08

## Statement of assets and liabilities attributable to members as at 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme International Equity Portfolio		Sun Life MPF Comprehensive Scheme Asian Equity Portfolio		Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio		Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>													
Cash at banks		\$ 230	\$ 2,147,406	\$ 304	\$ 2,549,102	\$ 629	\$ 5,024,754	\$ 160	\$ 61,509	\$ 52	\$ 494,476	\$ 202	\$ 2,575,713
Amounts receivable on sales of investments		-	2,934	-	664,002	-	220,228	-	2,436,902	-	174,375	-	332,860
Amounts receivable on subscriptions		-	-	-	-	-	289,151	-	-	-	245,196	-	163,547
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Interest, dividend and other receivables	1	-	65,346	1	201,473	3	399,217	-	304,321	-	9	-	45
Investments		-	199,760,666	-	258,690,063	-	556,610,554	-	158,078,896	-	47,702,577	-	186,295,719
<b>Total assets</b>		<b>\$ 231</b>	<b>\$ 201,976,352</b>	<b>\$ 305</b>	<b>\$ 262,104,640</b>	<b>\$ 632</b>	<b>\$ 562,543,904</b>	<b>\$ 160</b>	<b>\$ 160,881,628</b>	<b>\$ 52</b>	<b>\$ 48,616,633</b>	<b>\$ 202</b>	<b>\$ 189,367,884</b>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ -	\$ 60,377	\$ -	\$ 634,026	\$ -	\$ 255,445	\$ -	\$ 827,707	\$ -	\$ 167,628	\$ -	\$ 969,299
Benefits and forfeitures payable		-	-	-	-	-	-	-	-	-	-	-	-
Amounts payable on purchases of investments		-	-	-	-	-	-	-	2,381,749	-	-	-	-
Accruals and other payables		231	341,686	305	456,669	632	898,663	160	153,480	52	46,081	202	211,816
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 231</b>	<b>\$ 402,063</b>	<b>\$ 305</b>	<b>\$ 1,090,695</b>	<b>\$ 632</b>	<b>\$ 1,154,108</b>	<b>\$ 160</b>	<b>\$ 3,362,936</b>	<b>\$ 52</b>	<b>\$ 213,709</b>	<b>\$ 202</b>	<b>\$ 1,181,115</b>
<b>Net assets attributable to members</b>		<b>\$ -</b>	<b>\$ 201,574,289</b>	<b>\$ -</b>	<b>\$ 261,013,945</b>	<b>\$ -</b>	<b>\$ 561,389,796</b>	<b>\$ -</b>	<b>\$ 157,518,692</b>	<b>\$ -</b>	<b>\$ 48,402,924</b>	<b>\$ -</b>	<b>\$ 188,186,769</b>
<b>Number of units in issue</b>	3	-	9,529,187.9148	-	8,603,890.4273	-	12,931,706.9741	-	9,561,065.2978	-	4,718,089.6085	-	15,251,345.0588
<b>Net assets attributable to members per unit</b>		-	21.15	-	30.34	-	43.41	-	16.48	-	10.26	-	12.34



## Statement of assets and liabilities attributable to members as at 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

	Note	2023	Scheme	2022	Total	2023	2022
<b>Assets</b>							
Cash at banks		\$ 244,114	\$	5,357,839	\$	275,308	\$ 108,742,175
Amounts receivable on sales of investments		-		-		-	4,358,290
Amounts receivable on subscriptions		-		(787,274)		-	-
Contributions receivable		-		19,633,220		-	19,633,220
Interest, dividend and other receivables		-		-		21	1,780,328
Investments		-		-		-	2,500,536,180
<b>Total assets</b>		<u>\$ 244,114</u>	<u>\$</u>	<u>24,203,785</u>	<u>\$</u>	<u>275,329</u>	<u>\$ 2,635,050,193</u>
<b>Liabilities</b>							
Amounts payable on redemptions		\$ -	\$	(4,111,191)	\$	-	\$ -
Benefits and forfeitures payable		7,966		5,027,631		7,966	5,027,631
Amounts payable on purchases of investments		-		-		-	2,381,749
Accruals and other payables		139,320		3,532,897		170,535	8,026,904
<b>Liabilities (excluding net assets attributable to members)</b>		<u>\$ 147,286</u>	<u>\$</u>	<u>4,449,337</u>	<u>\$</u>	<u>178,501</u>	<u>\$ 15,436,284</u>
<b>Net assets attributable to members</b>		<u>\$ 96,828</u>	<u>\$</u>	<u>19,754,448</u>	<u>\$</u>	<u>96,828</u>	<u>\$ 2,619,613,909</u>

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

Approved and authorised for issue by the Trustee on 27 JUN 2024



  
 )  
 )  
 ) For and on behalf of  
 ) Sun Life Pension Trust Limited  
 )  
 )

The notes on pages 85 to 122 are an integral part of the financial statements.

## Statement of comprehensive income for the year ended 31 December 2023

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio		Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio		Sun Life MPF Comprehensive Scheme Stable Portfolio		Sun Life MPF Comprehensive Scheme Stable Growth Portfolio		Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio		Sun Life MPF Comprehensive Scheme Growth Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>													
Net gain/(loss) on investments	5	\$ 5,324,556	\$ 1,737,164	\$ 5,863,383	\$ (29,556,268)	\$ 350,766	\$ (15,227,581)	\$ 2,066,824	\$ (27,748,262)	\$ 5,195,315	\$ (35,342,464)	\$ 6,509,989	\$ (31,275,215)
Management fee rebate		-	-	-	-	245,337	280,517	418,805	472,827	532,465	600,344	457,462	497,273
Interest income		2,793,121	919,346	45,900	2,921	11,015	821	18,696	1,262	23,717	1,592	20,394	1,381
Dividend income		-	-	-	-	-	-	-	-	-	-	-	-
Other miscellaneous income		-	-	24,036	-	25,854	-	-	-	-	-	50,660	-
Exchange loss		-	-	-	-	-	-	-	-	-	-	-	-
<b>Total income/(loss)</b>		<b>\$ 8,117,677</b>	<b>\$ 2,656,510</b>	<b>\$ 5,933,319</b>	<b>\$ (29,553,347)</b>	<b>\$ 632,972</b>	<b>\$ (14,946,243)</b>	<b>\$ 2,504,325</b>	<b>\$ (27,274,173)</b>	<b>\$ 5,751,497</b>	<b>\$ (34,740,528)</b>	<b>\$ 7,038,505</b>	<b>\$ (30,776,561)</b>
<b>Expenses</b>													
Administration fees	7(a)	\$ (2,690,072)	\$ (1,678,677)	\$ (3,297,532)	\$ (3,751,943)	\$ (770,446)	\$ (865,973)	\$ (1,318,813)	\$ (1,458,388)	\$ (1,677,343)	\$ (1,848,284)	\$ (1,436,786)	\$ (1,532,984)
Auditor's remuneration		(96,468)	(22,142)	(63,576)	(65,758)	(63,576)	(65,758)	(63,576)	(65,758)	(63,576)	(65,758)	(63,576)	(65,758)
Bank charges		(1,550)	-	-	-	-	-	-	-	-	-	-	-
Custodian fees		-	-	-	-	-	-	-	-	-	-	-	-
Fund administration fees	8(a)	(71,376)	(32,933)	(79,853)	(90,890)	(18,652)	(20,993)	(31,922)	(35,359)	(40,597)	(44,817)	(34,768)	(37,172)
MPFA indemnity insurance charges		(41,033)	(5,701)	(70,332)	(17,616)	(16,137)	(4,123)	(27,462)	(6,983)	(34,769)	(8,901)	(29,470)	(7,386)
Management fees	8(b)	(340,996)	(363,132)	-	-	-	-	-	-	-	-	-	-
Other expenses		(38,846)	(10,455)	(60,400)	(72,545)	(14,125)	(16,837)	(42,918)	(28,528)	(39,642)	(36,210)	(26,144)	(30,240)
Publishing fees		(5,640)	-	(7,050)	(5,640)	(7,050)	(5,640)	(7,050)	(5,640)	(7,050)	(5,640)	(7,050)	(5,640)
SFC annual fees		(5,125)	-	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)	(625)
Sponsor fees	7(b)	-	-	(347,109)	(394,941)	(124,893)	(140,379)	(430,349)	(475,895)	(271,906)	(299,617)	(393,225)	(419,553)
Transaction costs		-	-	-	-	-	-	-	-	-	-	-	-
Trustee fees	7(c)	(325,795)	(361,649)	(520,663)	(592,412)	(121,649)	(136,732)	(208,234)	(230,272)	(264,844)	(291,834)	(226,861)	(242,050)
<b>Total operating expense</b>		<b>\$ (3,616,901)</b>	<b>\$ (2,474,689)</b>	<b>\$ (4,447,140)</b>	<b>\$ (4,992,370)</b>	<b>\$ (1,137,153)</b>	<b>\$ (1,257,060)</b>	<b>\$ (2,130,949)</b>	<b>\$ (2,307,448)</b>	<b>\$ (2,400,352)</b>	<b>\$ (2,601,686)</b>	<b>\$ (2,218,505)</b>	<b>\$ (2,341,408)</b>
<b>Increase/(decrease) in net assets attributable to members</b>		<b>\$ 4,500,776</b>	<b>\$ 181,821</b>	<b>\$ 1,486,179</b>	<b>\$ (34,545,717)</b>	<b>\$ (504,181)</b>	<b>\$ (16,203,303)</b>	<b>\$ 373,376</b>	<b>\$ (29,581,621)</b>	<b>\$ 3,351,145</b>	<b>\$ (37,342,214)</b>	<b>\$ 4,820,000</b>	<b>\$ (33,117,969)</b>

## Statement of comprehensive income for the year ended 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme International Equity Portfolio		Sun Life MPF Comprehensive Scheme Asian Equity Portfolio		Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio		Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>													
Net gain/(loss) on investments	5	\$ 26,592,673	\$ (60,024,399)	\$ (4,824,191)	\$ (72,834,116)	\$ (61,949,677)	\$ (113,769,992)	\$ 7,535,431	\$ (29,377,121)	\$ 2,186,268	\$ (6,931,909)	\$ 18,873,452	\$ (27,121,428)
Management fee rebate		775,993	817,306	781,679	897,781	1,622,224	1,826,654	-	-	-	-	-	-
Interest income		16,644	1,916	20,317	2,239	41,525	4,450	4,894	931	4,485	454	16,727	1,740
Dividend income		-	-	-	-	-	-	3,579,155	3,704,984	-	-	-	-
Other miscellaneous income		54,320	-	-	-	66,599	-	49,127	-	19,318	-	10,450	-
Exchange loss		-	-	-	-	-	-	(1,487)	(2,209)	-	-	-	-
<b>Total income/(loss)</b>		<b>\$ 27,439,630</b>	<b>\$ (59,205,177)</b>	<b>\$ (4,022,195)</b>	<b>\$ (71,934,096)</b>	<b>\$ (60,219,329)</b>	<b>\$ (111,938,888)</b>	<b>\$ 11,167,120</b>	<b>\$ (25,673,415)</b>	<b>\$ 2,210,071</b>	<b>\$ (6,931,455)</b>	<b>\$ 18,900,629</b>	<b>\$ (27,119,688)</b>
<b>Expenses</b>													
Administration fees	7(a)	\$ (1,960,122)	\$ (2,066,216)	\$ (2,307,389)	\$ (2,639,902)	\$ (4,789,740)	\$ (5,374,352)	\$ (1,397,459)	\$ (1,389,495)	\$ (197,721)	\$ (188,967)	\$ (790,008)	\$ (721,366)
Auditor's remuneration		(63,576)	(65,758)	(63,576)	(65,758)	(63,576)	(65,758)	-	-	(48,923)	(53,285)	(54,085)	(53,358)
Bank charges		-	-	-	-	-	-	-	-	-	-	-	-
Custodian fees		-	-	-	-	-	-	-	-	(11,360)	(10,871)	(45,364)	(41,494)
Fund administration fees	8(a)	(47,391)	(50,109)	(55,838)	(64,040)	(115,966)	(130,391)	-	-	-	-	-	-
MPFA indemnity insurance charges		(40,116)	(10,051)	(48,016)	(12,894)	(96,475)	(25,886)	-	-	(9,189)	(961)	(30,589)	(3,780)
Management fees	8(b)	-	-	-	-	-	-	(126,048)	(125,996)	(123,576)	(118,105)	(493,755)	(450,854)
Other expenses		(35,342)	(40,760)	(58,433)	(52,171)	(86,865)	(106,164)	-	-	(7,888)	(8,798)	(26,221)	(34,763)
Publishing fees		(7,050)	(5,640)	(7,050)	(5,640)	(7,050)	(5,640)	-	-	(6,683)	(5,632)	(5,640)	(5,640)
SFC annual fees		(625)	(625)	(625)	(625)	(625)	(625)	-	-	-	(624)	-	(625)
Sponsor fees	7(b)	(701,517)	(739,488)	(1,214,415)	(1,389,422)	(2,621,752)	(2,941,751)	-	-	-	-	-	-
Transaction costs		-	-	-	-	-	-	(354,012)	(451,784)	-	-	-	-
Trustee fees	7(c)	(309,493)	(326,244)	(364,325)	(416,827)	(756,275)	(848,582)	(220,651)	(219,394)	(29,658)	(28,345)	(118,501)	(108,205)
<b>Total operating expense</b>		<b>\$ (3,165,232)</b>	<b>\$ (3,304,891)</b>	<b>\$ (4,119,667)</b>	<b>\$ (4,647,279)</b>	<b>\$ (8,538,324)</b>	<b>\$ (9,499,149)</b>	<b>\$ (2,098,170)</b>	<b>\$ (2,186,669)</b>	<b>\$ (434,998)</b>	<b>\$ (415,588)</b>	<b>\$ (1,564,163)</b>	<b>\$ (1,420,085)</b>
<b>Increase/(decrease) in net assets attributable to members</b>		<b>\$ 24,274,398</b>	<b>\$ (62,510,068)</b>	<b>\$ (8,141,862)</b>	<b>\$ (76,581,375)</b>	<b>\$ (68,757,653)</b>	<b>\$ (121,438,037)</b>	<b>\$ 9,068,950</b>	<b>\$ (27,860,084)</b>	<b>\$ 1,775,073</b>	<b>\$ (7,347,043)</b>	<b>\$ 17,336,466</b>	<b>\$ (28,539,773)</b>



## Statement of comprehensive income for the year ended 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

	Note	2023	Scheme	2022	2023	Total	2022
<b>Income</b>							
Net gain/(loss) on investments	5	\$ 102,387	\$	-	\$ 13,827,176	\$	(447,471,591)
Management fee rebate		-		-	4,833,965		5,392,702
Interest income		108		101	3,017,543		939,154
Dividend income		-		-	3,579,155		3,704,984
Other miscellaneous income		-		-	300,364		-
Exchange loss		-		-	(1,487)		(2,209)
<b>Total income/(loss)</b>		<u>\$ 102,495</u>	<u>\$</u>	<u>101</u>	<u>\$ 25,556,716</u>	<u>\$</u>	<u>(437,436,960)</u>
<b>Expenses</b>							
Administration fees	7(a)	\$ -	\$	-	\$ (22,633,431)	\$	(23,516,547)
Auditor's remuneration		-		-	(708,084)		(654,849)
Bank charges		(1,190)		(200)	(2,740)		(200)
Custodian fees		-		-	(56,724)		(52,365)
Fund administration fees	8(a)	-		-	(496,363)		(506,704)
MPFA indemnity insurance charges		-		-	(443,588)		(104,282)
Management fees	8(b)	-		-	(1,084,375)		(1,058,087)
Other expenses		(156,923)		(15,400)	(593,747)		(452,871)
Publishing fees		-		-	(74,363)		(56,392)
SFC annual fees		-		-	(10,125)		(6,249)
Sponsor fees	7(b)	-		-	(6,105,166)		(6,801,046)
Transaction costs		-		-	(354,012)		(451,784)
Trustee fees	7(c)	-		-	(3,466,949)		(3,802,546)
<b>Total operating expenses</b>		<u>\$ (158,113)</u>	<u>\$</u>	<u>(15,600)</u>	<u>\$ (36,029,667)</u>	<u>\$</u>	<u>(37,463,922)</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ (55,618)</u>	<u>\$</u>	<u>(15,499)</u>	<u>\$ (10,472,951)</u>	<u>\$</u>	<u>(474,900,882)</u>

The notes on pages 85 to 122 are an integral part of the financial statements.

Statement of changes in net assets attributable to members  
for the year ended 31 December 2023  
(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio		Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio		Sun Life MPF Comprehensive Scheme Stable Portfolio		Sun Life MPF Comprehensive Scheme Stable Growth Portfolio		Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio		Sun Life MPF Comprehensive Scheme Growth Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at the beginning of the year</b>		\$ 221,818,951	\$ 211,700,964	\$ 381,449,660	\$ 420,141,872	\$ 86,842,534	\$ 102,294,534	\$ 146,902,221	\$ 176,255,983	\$ 187,578,861	\$ 226,025,193	\$ 157,180,819	\$ 185,935,130
Proceeds on subscriptions of units	12	\$ 39,730,979	\$ 55,069,016	\$ 31,633,462	\$ 39,301,492	\$ 9,787,910	\$ 12,637,455	\$ 14,635,882	\$ 17,057,246	\$ 16,185,881	\$ 18,775,854	\$ 14,779,524	\$ 17,174,277
Payments on redemptions of units	13	(266,050,706)	(45,132,850)	(414,569,301)	(43,447,987)	(96,126,263)	(11,886,152)	(161,911,479)	(16,829,387)	(207,115,887)	(19,879,972)	(176,780,343)	(12,810,619)
<b>Net subscriptions/(redemptions)</b>		\$ (226,319,727)	\$ 9,936,166	\$ (382,935,839)	\$ (4,146,495)	\$ (86,338,353)	\$ 751,303	\$ (147,275,597)	\$ 227,859	\$ (190,930,006)	\$ (1,104,118)	\$ (162,000,819)	\$ 4,363,658
<b>Increase/(decrease) in net assets attributable to members</b>		\$ 4,500,776	\$ 181,821	\$ 1,486,179	\$ (34,545,717)	\$ (504,181)	\$ (16,203,303)	\$ 373,376	\$ (29,581,621)	\$ 3,351,145	\$ (37,342,214)	\$ 4,820,000	\$ (33,117,969)
<b>Balances at the end of the year</b>		\$ -	\$ 221,818,951	\$ -	\$ 381,449,660	\$ -	\$ 86,842,534	\$ -	\$ 146,902,221	\$ -	\$ 187,578,861	\$ -	\$ 157,180,819

Statement of changes in net assets attributable to members  
for the year ended 31 December 2023 (continued)

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Comprehensive Scheme International Equity Portfolio		Sun Life MPF Comprehensive Scheme Asian Equity Portfolio		Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio		Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio		Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at the beginning of the year</b>		\$ 201,574,289	\$ 257,100,985	\$ 261,013,945	\$ 334,423,392	\$ 561,389,796	\$ 668,809,536	\$ 157,518,692	\$ 170,243,726	\$ 48,402,924	\$ 48,471,291	\$ 188,186,769	\$ 182,786,200
Proceeds on subscriptions of units	12	\$ 33,036,484	\$ 29,205,096	\$ 19,703,989	\$ 25,427,929	\$ 54,735,828	\$ 76,609,914	\$ 27,857,906	\$ 33,081,451	\$ 25,262,941	\$ 26,168,547	\$ 67,726,338	\$ 66,783,993
Payments on redemptions of units	13	(258,885,171)	(22,221,724)	(272,576,072)	(22,256,001)	(547,367,971)	(62,591,617)	(194,445,548)	(17,946,401)	(75,440,938)	(18,889,871)	(273,249,573)	(32,843,651)
<b>Net subscriptions/(redemptions)</b>		\$ (225,848,687)	\$ 6,983,372	\$ (252,872,083)	\$ 3,171,928	\$ (492,632,143)	\$ 14,018,297	\$ (166,587,642)	\$ 15,135,050	\$ (50,177,997)	\$ 7,278,676	\$ (205,523,235)	\$ 33,940,342
<b>Increase/(decrease) in net assets attributable to members</b>		\$ 24,274,398	\$ (62,510,068)	\$ (8,141,862)	\$ (76,581,375)	\$ (68,757,653)	\$ (121,438,037)	\$ 9,068,950	\$ (27,860,084)	\$ 1,775,073	\$ (7,347,043)	\$ 17,336,466	\$ (28,539,773)
<b>Balances at the end of the year</b>		\$ -	\$ 201,574,289	\$ -	\$ 261,013,945	\$ -	\$ 561,389,796	\$ -	\$ 157,518,692	\$ -	\$ 48,402,924	\$ -	\$ 188,186,769

Statement of changes in net assets attributable to members  
for the year ended 31 December 2023 (continued)  
(Expressed in Hong Kong dollars)

	Note	2023	Scheme	2022	2023	Total	2022
<b>Balance at the beginning of the year</b>		\$ 19,754,448		\$ 19,753,007	\$ 2,619,613,909		\$ 3,003,941,813
Proceeds on subscriptions of units	12	\$ (115,585,725)		\$ (126,220,677)	\$ 239,491,399		\$ 291,071,593
Payments on redemptions of units	13	95,983,723		126,237,617	(2,848,535,529)		(200,498,615)
<b>Net subscriptions/(redemptions)</b>		\$ (19,602,002)		\$ 16,940	\$ (2,609,044,130)		\$ 90,572,978
<b>Increase/(decrease) in net assets attributable to members</b>		\$ (55,618)		\$ (15,499)	\$ (10,472,951)		\$ (474,900,882)
<b>Balances at the end of the year</b>		\$ 96,828		\$ 19,754,448	\$ 96,828		\$ 2,619,613,909

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

The notes on pages 85 to 122 are an integral part of the financial statements.

## Cash flow statement for the year ended 31 December 2023 (Expressed in Hong Kong dollars)

	Note	2023	2022
<b>Cash flows from operating activities</b>			
Decrease in net assets attributable to members	\$	(10,472,951)	\$ (474,900,882)
Adjustments for:			
Net decrease in investments		2,500,536,180	443,445,308
Net decrease/(increase) in bank deposits with original maturity over 3 months		39,406,733	(24,405,077)
Change in amounts receivable/payable on sales/purchases of investments		1,976,541	2,680,219
Net decrease/(increase) in interest and other receivables		1,780,307	(54,220)
Net (decrease)/increase in accruals and other payables		(7,856,369)	820,307
		<u>(7,856,369)</u>	<u>820,307</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<u>\$ 2,525,370,441</u>	<u>\$ (52,414,345)</u>
<b>Cash flows from financing activities</b>			
Contributions and transfers in received		\$ 259,124,619	\$ 291,054,654
Benefits and transfers out paid	9	(2,848,801,583)	(202,275,137)
Forfeitures paid	9	(4,753,611)	(4,840,335)
		<u>(4,753,611)</u>	<u>(4,840,335)</u>
<b>Net cash (outflow)/inflow from financing activities</b>		<u>\$ (2,594,430,575)</u>	<u>\$ 83,939,182</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		\$ (69,060,134)	\$ 31,524,837
<b>Cash and cash equivalents at the beginning of the year</b>		<u>\$ 69,335,442</u>	<u>\$ 37,810,605</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>\$ 275,308</u>	<u>\$ 69,335,442</u>

## Cash flow statement for the year ended 31 December 2023 (continued)

*(Expressed in Hong Kong dollars)*

	<i>Note</i>	<i>2023</i>	<i>2022</i>
<b>Analysis of balance of cash and cash equivalents:</b>			
Cash at bank	\$	275,308	\$ 108,742,175
Less: Bank deposits with original maturity over 3 months		-	(39,406,733)
		\$ 275,308	\$ 69,335,442

Note: With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

The notes on pages 85 to 122 are an integral part of the financial statements.

# Notes to the financial statements

*(Expressed in Hong Kong dollars)*

## 1 The Scheme

Sun Life MPF Comprehensive Scheme (the “Scheme”) is a master trust scheme established and governed by a Trust Deed dated 31 January 2000, as amended from time to time. The Scheme is registered under Section 21 of the Mandatory Provident Fund Schemes Ordinance (the “MPF Ordinance”) and is required to comply with the MPF Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority (the “MPFA” or “Authority”).

The Scheme consists of twelve constituent funds which are presented separately on the face of the statement of assets and liabilities attributable to members, the statement of comprehensive income and the statement of changes in net assets attributable to members.

The twelve constituent funds operating in the current and previous year are:

- (1) Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio
- (2) Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio
- (3) Sun Life MPF Comprehensive Scheme Stable Portfolio
- (4) Sun Life MPF Comprehensive Scheme Stable Growth Portfolio
- (5) Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio
- (6) Sun Life MPF Comprehensive Scheme Growth Portfolio
- (7) Sun Life MPF Comprehensive Scheme International Equity Portfolio
- (8) Sun Life MPF Comprehensive Scheme Asian Equity Portfolio
- (9) Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio
- (10) Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio
- (11) Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio
- (12) Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio

## 1 The Scheme (continued)

The “Scheme” column represents:

- (i) the movement between the current year-end and prior year-end for contributions receivable and contributions surcharge receivable. Contributions receivable and contributions surcharge receivable are contributions due, but not yet received from employers and members as at year-end;
- (ii) the timing difference between contribution and redemption requests being received by the Scheme and the transactions being processed by the constituent funds;
- (iii) expenses charged to, and income received by, the Scheme and not attributable to specific constituent funds; and
- (iv) the elimination of the impact of fund switching between constituent funds and fund classes.

During the year ended 31 December 2023, with the exception of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, the constituent funds invested in one or more underlying funds managed by various investment managers. The underlying funds in which the constituent funds invest shall be referred to as the “Investment Funds”.

All the Investment Funds are either pooled investments under Part 4 of Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation (the “Regulation”) or index-tracking collective investment schemes approved by the Authority pursuant to the Regulation (“Approved ITCISs”).

### Restructure and Merger of the Scheme

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023.

The MPFA has approved the merger of the Scheme with Sun Life Rainbow MPF Scheme pursuant to Section 34B of the Ordinance on 22 November 2023, and the Scheme may be terminated in accordance with clause 23 of the Scheme’s Trust Deed.



## 2 Material accounting policies

Material accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### (a) *Statement of compliance*

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the “HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the “HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), the relevant provisions of the Trust Deed, as amended from time to time, and the relevant disclosure requirements set out in the MPF Ordinance, the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”), the Hong Kong Code on MPF Investments Funds (the “MPF Code”) and Guideline II.4 (the “MPF Guideline”) issued by the Hong Kong Mandatory Provident Fund Schemes Authority. A summary of the material accounting policies adopted by the Scheme is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Scheme. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Scheme for the current and prior accounting periods reflected in these financial statements.

### (b) *Basis of preparation*

The financial statements are presented in Hong Kong dollars.

The measurement basis used in the preparation of the financial statements is historical cost basis except that financial assets and financial liabilities are stated at their fair value as explained in the accounting policies set out below.

The Scheme was restructured and merged into Sun Life Rainbow MPF Scheme with effect from 29 November 2023 and all members of the Scheme and their accrued benefits under the Scheme were transferred into Sun Life Rainbow MPF Scheme on 29 November 2023 as mentioned in note (1). As a result, the financial statements of the Scheme for the year ended 31 December 2023 have been prepared on a non-going concern basis.

The preparation of financial statements in conformity with the HKFRSs requires the Trustee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## 2 Material accounting policies (continued)

### (c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Scheme.

- Amendments to HKAS 1, *Presentation of financial statements* and HKFRS Practice Statement 2, *Making materiality judgements: Disclosure of accounting policies*

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 2 in certain instances in line with the amendments.

The Scheme has not applied any new standard or interpretation that is not yet effective for the current accounting period (note 25). The Scheme has consistently applied the accounting policies as set out in note 2 to all periods presented in these financial statements.

### (d) Financial assets and financial liabilities

#### (i) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are initially recognised on the trade date, which is the date on which the Scheme becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification

On initial recognition, the Scheme classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the Scheme are measured at FVTPL.

## 2 Material accounting policies (continued)

### (d) Financial assets and financial liabilities (continued)

#### (ii) Classification (continued)

##### *Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Scheme considers all of the relevant information about how the business is managed. The Scheme has determined that it has two business models:

- Held-to-collect: this includes cash at bank, amounts receivable on sales of investments, amounts receivable on subscriptions, contributions receivable and interest, dividend and other receivables.
- Other: this includes investments where their performance is evaluated on a fair value basis with frequent sales taking place.

##### *Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Scheme considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### (iii) Measurement

All investments have been designated by the Trustee as "financial assets at FVTPL" at inception.

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership.

## 2 Material accounting policies (continued)

### (d) Financial assets and financial liabilities (continued)

#### (iii) Measurement (continued)

Investments that are listed or traded on an exchange are fair valued based on quoted bid prices.

Investments which are not listed on an exchange are valued by using bid price quotes from brokers.

Investments in debt securities are presented inclusive of accrued interest.

Forward foreign exchange contracts are recognised initially on trade date at fair value. Outstanding forward foreign exchange contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are included in the “net gain/(loss) on investments” in the statement of comprehensive income.

#### (iv) Fair value measurement principles

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Scheme has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Scheme measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Scheme measures instruments quoted in an active market at a bid price.

If there is no quoted price in an active market, then the Scheme uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Scheme recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

#### (v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount and, for financial assets, adjusted for any loss allowance.

## 2 Material accounting policies (continued)

### (d) Financial assets and financial liabilities (continued)

#### (vi) Impairment

The Scheme recognises loss allowances for expected credit loss on financial assets measured at amortised cost. A loss allowance on financial assets carried at amortised cost would be recognised with reference to credit losses expected to arise on the financial asset, discounted where the effect would be material, and taking into account whether the credit risk of the financial asset had increased significantly since initial recognition.

At each reporting date, the Scheme assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Scheme has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

#### (vii) Derecognition

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Scheme neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Scheme is recognised as a separate asset or liability.

The Scheme enters into transactions whereby they transfer assets recognised on the statement of assets and liabilities, but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Scheme derecognises a financial liability when the contractual obligations are discharged or cancelled, or expire.

## **2 Material accounting policies (continued)**

### **(d) Financial assets and financial liabilities (continued)**

#### **(viii) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of assets and liabilities when, and only when, the Scheme has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

### **(e) Income and expenses**

Realised and unrealised gains or losses on investments are included in the statement of comprehensive income. Realised gains or losses include net gains or losses on contracts which have been settled or for which offsetting contracts have been entered into.

Interest income on assets other than those designated by the trustee as “financial assets at FVTPL” at inception is recognised on a time-apportioned basis using the effective interest method.

Expenses are accounted for on an accrual basis.

### **(f) Translation of foreign currencies**

#### *Functional and presentation currency*

Items included in the financial statements of the Scheme and its constituent funds are measured using the currency of the primary economic environment in which they operate (the “functional currency”). This is the Hong Kong dollar as all contributions and benefit payments, subscriptions and redemptions of units, reporting to the members as well as settlement of fees and expenses are carried out in Hong Kong dollars.

The Scheme and its constituent funds have adopted the Hong Kong dollar as their presentation currency as all members are based in Hong Kong.

### **(g) Subscription and redemption of units**

The price at which units are subscribed or redeemed is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day. Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the constituent funds.

## **2 Material accounting policies (continued)**

### **(h) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition, net of bank overdrafts, if any, for the purpose of the cash flow statement.

### **(i) Amounts receivable on sales of investments**

Amounts receivable on sales of investments represent receivables for investments sold that have been contracted for but not yet delivered by the end of the year.

Amounts receivable on sales of investments are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest rate.

### **(j) Amounts payable on purchases of investments**

Amounts payable on purchases of investments represent payables for investments purchased that have been contracted for but not yet delivered by the end of the year.

Amounts payable on purchases of investments are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest rate.

### **(k) Contributions**

Contributions are accounted for on an accrual basis.

### **(l) Benefits**

Benefits are accounted for on an accrual basis.

### **(m) Transfer values**

Transfer values are accounted for on the effective date of transfer.

### **(n) Forfeitures**

If a member ceases to be a member, the part of the employer's voluntary balance not otherwise disposed of in accordance with the rules of the Scheme may be applied in reducing the future contributions of the employer, or in such other manner as the trustee may determine, having consulted the employers (including payment to the employers). Forfeitures arising from such cases which have not been designated for the benefit of existing members and which have not been returned to the employers would be treated as liabilities of the Scheme.

## 2 Material accounting policies (continued)

### (o) Related parties

- (1) A person, or a close member of that person's family, is related to the Scheme if that person:
  - (i) has control or joint control over the Scheme;
  - (ii) has significant influence over the Scheme; or
  - (iii) is a member of the key management personnel of the Scheme.
- (2) An entity is related to the Scheme if any of the following conditions applies:
  - (i) The entity and the Scheme are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Scheme;
  - (vi) The entity is controlled or jointly controlled by a person identified in (1); or
  - (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Scheme or to the Scheme's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.



## 2 Material accounting policies (continued)

### (p) Units in issue

The Scheme classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Scheme to repurchase or redeem that instrument for cash or another financial asset is classified as equity instruments if it meets all of the following conditions:

- it entitles the holder to a pro rata share of the Scheme's net assets in the event of its liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Scheme to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

In addition to the instrument having all the above features, the Scheme must have no other financial instrument or contract that has:

- total cash flows based substantially on the profit or loss, the change in the recognised net assets or change in the fair value of the recognised and unrecognised net assets of the Scheme; and
- the effect of substantially restricting or fixing the residual return to the puttable instrument holders.

The redeemable units are not in the class of instruments that are subordinate to all other classes of instruments which have identical features. Therefore, they do not meet the criteria for equity classification and therefore are classified as financial liabilities. They are measured at the present value of the redemption amounts.



### 3 Number of units in issue (continued)

	2023	2022
<b>Sun Life MPF Comprehensive Scheme Stable Growth Portfolio</b>		
Balance at the beginning of the year	9,727,707.3494	9,715,630.8278
Units issued	948,993.6492	1,084,965.7622
Units redeemed	(10,676,700.9986)	(1,072,889.2406)
	-	9,727,707.3494
<b>Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio</b>		
Balance at the beginning of the year	8,951,364.0758	9,004,971.9470
Units issued	749,478.6403	868,395.0403
Units redeemed	(9,700,842.7161)	(922,002.9115)
	-	8,951,364.0758
<b>Sun Life MPF Comprehensive Scheme Growth Portfolio</b>		
Balance at the beginning of the year	8,239,449.0244	8,024,686.8420
Units issued	743,708.9603	869,423.8655
Units redeemed	(8,983,157.9847)	(654,661.6831)
	-	8,239,449.0244
<b>Sun Life MPF Comprehensive Scheme International Equity Portfolio</b>		
Balance at the beginning of the year	9,529,187.9148	9,227,963.0354
Units issued	1,425,349.8986	1,257,675.4904
Units redeemed	(10,954,537.8134)	(956,450.6110)
	-	9,529,187.9148
<b>Sun Life MPF Comprehensive Scheme Asian Equity Portfolio</b>		
Balance at the beginning of the year	8,603,890.4273	8,501,456.8805
Units issued	635,976.4633	785,997.4735
Units redeemed	(9,239,866.8906)	(683,563.9267)
	-	8,603,890.4273

### 3 Number of units in issue (continued)

	2023	2022
<b>Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio</b>		
Balance at the beginning of the year	12,931,706.9741	12,603,944.3781
Units issued	1,284,759.6440	1,752,690.0963
Units redeemed	(14,216,466.6181)	(1,424,927.5003)
	-	12,931,706.9741
<b>Sun Life MPF Comprehensive Scheme US &amp; Hong Kong Equity Portfolio</b>		
Balance at the beginning of the year	9,561,065.2978	8,679,484.1460
Units issued	1,594,566.4468	1,941,802.8607
Units redeemed	(11,155,631.7446)	(1,060,221.7089)
	-	9,561,065.2978
<b>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</b>		
Balance at the beginning of the year	4,718,089.6085	4,044,637.3287
Units issued	2,406,232.9130	2,409,526.9915
Units redeemed	(7,124,322.5215)	(1,736,074.7117)
	-	4,718,089.6085
<b>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</b>		
Balance at the beginning of the year	15,251,345.0588	12,610,826.3192
Units issued	5,200,796.8049	5,196,082.8158
Units redeemed	(20,452,141.8637)	(2,555,564.0762)
	-	15,251,345.0588

## 4 Financial risk management

The Scheme and its constituent funds are exposed to various risks which are discussed below.

### (a) *Market risk*

The Scheme's investment objective is to provide members with reasonable investment return or capital appreciation from their investment in accordance to the investment policies as set out in the investment report. The holding of securities and investing activities undertaken pursuant to this objective involves certain inherent risks of global investment markets.

### (b) *Price risk*

Price risk is the risk that value of investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As at 31 December 2023, the Scheme did not have exposure to the price risk since the constituent funds in the Scheme did not hold any investment. As at 31 December 2022, the Scheme is exposed to other price risk arising from changes in net assets of the Investment Funds.

The Investment Funds strive to invest in strong businesses with quality management and at sensible prices. Price risk is mitigated and monitored by the investment manager of the Investment Funds on a regular basis by constructing a diversified portfolio of investments across different issuers, sectors and markets.

#### 4 Financial risk management (continued)

##### (b) Price risk (continued)

###### Sensitivity analysis

As at 31 December 2022, the investments in Investment Funds held by each constituent fund were as follows. A 5% increase in prices of the investments held by each constituent fund at 31 December 2022, with all other variables held constant, would have increased the net assets of the respective constituent fund and the changes in net assets attributable to members by the amount shown below. A 5% decrease in prices would have an equal but opposite effect.

	<i>As at 31 December 2022</i>										
	<i>Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Stable Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Stable Growth Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Growth Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme International Equity Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Asian Equity Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme US &amp; Hong Kong Equity Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</i>
Investments	\$ 378,546,631	\$ 86,057,124	\$ 145,618,610	\$ 185,895,549	\$ 155,765,940	\$ 199,760,666	\$ 258,690,063	\$ 556,610,554	\$ 158,078,896	\$ 47,702,577	\$ 186,295,719
Increase in net assets and changes in net assets attributable to members	18,927,332	4,302,856	7,280,931	9,294,777	7,788,297	9,988,033	12,934,503	27,830,528	7,903,945	2,385,129	9,314,786

## 4 Financial risk management (continued)

### (c) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The functional currency of all constituent funds is the Hong Kong dollars (“HKD”). As at 31 December 2023, all constituent funds did not invest in Investment Funds denominated in HKD or USD and are not subject to direct currency risk. As at 31 December 2022, the constituent funds invest in Investment Funds denominated in HKD or USD and are not subject to direct currency risk. The Investment Funds may directly or indirectly invest in a variety of financial instruments denominated in currencies other than HKD and USD, which may expose the constituents funds’ investments to indirect currency risk. The investment manager of the Investment Funds have policies and procedures to manage portfolios effectively and mitigate the currency risk. Details are provided in the financial statements of the Investment Funds.

### (d) Interest rate risk

As at 31 December 2023, the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio did not hold any investment. The Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio held the debt securities as investments at 31 December 2022. The carrying values of the investments as disclosed in the statement of assets and liabilities were subject to direct or indirect interest rate risks for the holdings in debt instruments.

The strategy of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio is to acquire fixed income securities that are attractively priced in relation to the perceived credit risk. The Investment Manager recognise and accept that losses may occur.

The fair values of the fixed income investments of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair value of interest rate sensitive instruments may be affected by the creditworthiness of the issuer, prepayment options, relative values of alternative investments, the liquidity of the instrument and other general market conditions. Fixed interest rate investments may be more sensitive to interest rate changes than variable rate investments.

Interest rate risk is mitigated by the Investment Manager by constructing a diversified portfolio of fixed income securities with differing modified duration and term to maturity characteristics, which acts to reduce the overall exposure of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio and makes decisions accordingly about the composition of the portfolio of fixed income securities of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio in order to ensure the interest rate risk in the portfolio is maintained at an appropriate level.

## 4 Financial risk management (continued)

### (d) Interest rate risk (continued)

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Except for Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, the majority of the financial assets and liabilities of the Scheme and its underlying constituent funds are non-interest bearing. Their interest bearing financial assets comprise bank balances. The trustee considers that these funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. As a result, no sensitivity analysis on interest rate movements is required.

As at 31 December 2023 and 2022, the interest rate exposures of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio were as follows:

#### Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

	2023			2022		
	Up to 1 year	Non-interest bearing	Total	Up to 1 year	Non-interest bearing	Total
<b>Assets</b>						
Investments	\$ -	\$ -	\$ -	\$ 141,513,851	\$ -	\$ 141,513,851
Cash at bank	5,628	-	5,628	81,442,743	-	81,442,743
Amounts receivable on subscriptions	-	-	-	-	62,506	62,506
Other assets	-	12	12	-	379,172	379,172
<b>Total assets</b>	<b>\$ 5,628</b>	<b>\$ 12</b>	<b>\$ 5,640</b>	<b>\$ 222,956,594</b>	<b>\$ 441,678</b>	<b>\$ 223,398,272</b>
<b>Liabilities</b>						
Liabilities (excluding net assets attributable to the members)	\$ -	\$ 5,640	\$ 5,640	\$ -	\$ 1,579,321	\$ 1,579,321
<b>Total interest sensitivity gap</b>	<b>\$ 5,628</b>			<b>\$ 222,956,594</b>		

The following table summarises the estimated effects of hypothetical 100 basis point (2022: 100 basis point) decreases and increases in interest rates on NAV of the Funds that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each relevant category of instruments. The hypothetical changes in market interest rates do not reflect what could be deemed the best or the worst case scenarios but considered to be a reasonable possible change in market interest rate. Variations in market interest rates could produce significant changes in the timing of repayments due to prepayment options available. For these reasons, actual results might differ from those reflected in the table.

	2023		2022	
	Decrease in 100bp	Increase in 100bp	Decrease in 100bp	Increase in 100bp
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	-	-	0.12%	(0.12%)



## 4 Financial risk management (continued)

### (e) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation to pay dues in time. The Scheme invests mainly in debt securities and the Investment Funds of umbrella unit trusts. The Investment Funds invest in debt instruments which are in turn exposed to credit risks. The investment managers of the umbrella unit trusts have credit review processes in place. This ensures review and monitoring of credit quality and credit risk exposure on an ongoing basis, which helps protect portfolios from anticipated negative credit events. The credit risks arising from these Investment Funds are mitigated through diversification and control on exposure to any single issuer in the portfolio. There are internal control limits that ensure that exposures are orderly and not concentrated.

As at 31 December 2023, the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio did not hold any investment. As at 31 December 2022, the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio invested in debt securities and held bank deposits with the following credit quality:

#### Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

	2023	2022
Debt securities:		
- AA <sup>(1)</sup> or Aa2 <sup>(2)</sup>	\$ -	\$ 30,153,369
- AA <sup>(1)</sup> or Aa3 <sup>(2)</sup>	-	11,020,699
- A+ <sup>(1)</sup> or A1 <sup>(2)</sup>	-	15,212,797
- A <sup>(1)</sup> or A2 <sup>(2)</sup>	-	19,070,310
- Not rated	-	24,090,372
Commercial Paper		
- Not rated	-	8,996,220
Certificate of deposits:		
- issued by authorised financial institutions in Hong Kong	-	32,970,084
	\$ -	\$ 141,513,851
Bank deposits with:		
- authorised financial institutions in Hong Kong	-	68,950,426
- Custodian of the Scheme	5,628	12,492,317
	\$ 5,628	\$ 222,956,594

<sup>(1)</sup> Determined by Standard and Poor's Ratings Services

<sup>(2)</sup> Determined by Moody's Investors Service

## 4 Financial risk management (continued)

### (e) Credit risk (continued)

Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio's financial assets exposed to credit risks was concentrated in the following industries:

Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

	2023	2022
Banking and finance	\$ -	\$ 137,514,267
Government	-	3,999,584
	\$ -	\$ 141,513,851

The Scheme's assets are safeguarded and administered by the Custodian. The Trustee analyses the credit risk of the Scheme's custodian regularly. The Scheme only has deposits with approved banks with credit ratings of Baa1 (Moody's) or BBB+ (Standard & Poor's), or with higher credit ratings. The corporate credit quality grade of the Custodian is as follows: The Hongkong and Shanghai Banking Corporation Limited: AA- (Standard & Poor's).

### (f) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Scheme is exposed to liquidity risk of benefit payments. It therefore invests the majority of its assets in underlying investments that are traded in an active market and can be readily disposed of.

The Scheme's objective with regard to liquidity is to ensure continuity of funding. The assets of the Scheme comprise mainly of readily realisable securities which can be sold freely to meet funding commitments if necessary. Liquidity positions are monitored on a regular basis and action taken as necessary to maintain an adequate level of liquidity to meet all known funding requirements.

Apart from liquidity risk related to benefit payments, the Scheme does not consider that there is any other significant liquidity risk.

### (g) Fair value information

As at 31 December 2023, the Scheme did not hold any financial instruments. As at 31 December 2022, the only financial instruments of the Scheme carried at fair value were investments.

The major method and assumptions used in estimating the fair values are stated in note 2(d)(iv) to the financial statements.

The carrying amounts of the Scheme's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2023 and 2022.

## 5 Net gain/(loss) on investments

	2023	2022
<b>Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (1,393,921)	\$ 423,097
Realised gain on sale of investments	6,718,477	1,314,067
	<u>\$ 5,324,556</u>	<u>\$ 1,737,164</u>
 <b>Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (20,763,436)	\$ (33,641,725)
Realised gain on sale of investments	26,626,819	4,085,457
	<u>\$ 5,863,383</u>	<u>\$ (29,556,268)</u>
 <b>Sun Life MPF Comprehensive Scheme Stable Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (1,478,403)	\$ (16,046,727)
Realised gain on sale of investments	1,829,169	819,146
	<u>\$ 350,766</u>	<u>\$ (15,227,581)</u>

## 5 Net gain/(loss) on investments (continued)

	2023	2022
<b>Sun Life MPF Comprehensive Scheme Stable Growth Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (8,053,284)	\$ (29,535,051)
Realised gain on sale of investments	10,120,108	1,786,789
	\$ 2,066,824	\$ (27,748,262)
<b>Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (30,976,426)	\$ (39,908,346)
Realised gain on sale of investments	36,171,741	4,565,882
	\$ 5,195,315	\$ (35,342,464)
<b>Sun Life MPF Comprehensive Scheme Growth Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (26,443,360)	\$ (34,361,544)
Realised gain on sale of investments	32,953,349	3,086,329
	\$ 6,509,989	\$ (31,275,215)
<b>Sun Life MPF Comprehensive Scheme International Equity Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (31,412,539)	\$ (66,489,929)
Realised gain on sale of investments	58,005,212	6,465,530
	\$ 26,592,673	\$ (60,024,399)
<b>Sun Life MPF Comprehensive Scheme Asian Equity Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (36,658,705)	\$ (78,526,785)
Realised gain on sale of investments	31,834,514	5,692,669
	\$ (4,824,191)	\$ (72,834,116)

## 5 Net gain/(loss) on investments (continued)

	2023	2022
<b>Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (54,503,126)	\$ (121,725,691)
Realised (loss)/gain on sale of investments	(7,446,551)	7,955,699
	<u>\$ (61,949,677)</u>	<u>\$ (113,769,992)</u>
 <b>Sun Life MPF Comprehensive Scheme US &amp; Hong Kong Equity Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (9,583,593)	\$ (29,940,141)
Realised gain on sale of investments	17,119,024	563,020
	<u>\$ 7,535,431</u>	<u>\$ (29,377,121)</u>
 <b>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ 3,653,657	\$ (6,231,918)
Realised loss on sale of investments	(1,467,389)	(699,991)
	<u>\$ 2,186,268</u>	<u>\$ (6,931,909)</u>
 <b>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</b>		
Change in unrealised gain or loss in value of investments	\$ (1,896,932)	\$ (28,930,450)
Realised gain on sale of investments	20,770,384	1,809,022
	<u>\$ 18,873,452</u>	<u>\$ (27,121,428)</u>

## 6 Involvement with unconsolidated structured entities

The Scheme has concluded that the APIFs and approved ITCISs in which its constituent funds invest, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in the APIFs and the ITCISs are not dominant rights in deciding who controls them because they relate to administrative tasks only;
- each APIF's and the ITCIS's activities are restricted by its prospectus; and
- the APIFs and the ITCIS have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the constituent funds do not consolidate but in which they hold an interest.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the constituent funds</i>
Approved pooled investment funds and approved index-tracking collective investment schemes.	To manage assets on behalf of third party investors and generate fees for the investment managers. Financed through the issue of units to investors.	Investment in units issued by the funds.

As at 31 December 2023, all of the constituent funds did not hold any interest in unconsolidated structured entities.

The table below sets out interest held by the constituent funds in unconsolidated structured entities as at 31 December 2022. The maximum exposure to loss is the carrying amount of the financial assets held.

### 31 December 2022

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets (Rounded to the nearest million)</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio - Approved pooled investment fund	1	\$ 736,000,000	\$ 378,546,631
Sun Life MPF Comprehensive Scheme Stable Portfolio - Approved pooled investment fund	1	\$ 166,000,000	\$ 86,057,124
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio - Approved pooled investment fund	1	\$ 1,279,000,000	\$ 145,618,610

## 6 Involvement with unconsolidated structured entities (continued)

### 31 December 2022 (continued)

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets (Rounded to the nearest million)</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio - Approved pooled investment fund	1	\$ 1,337,000,000	\$ 185,895,549
Sun Life MPF Comprehensive Scheme Growth Portfolio - Approved pooled investment fund	1	\$ 343,000,000	\$ 155,765,940
Sun Life MPF Comprehensive Scheme International Equity Portfolio - Approved pooled investment fund	1	\$ 6,528,000,000	\$ 199,760,666
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio - Approved pooled investment fund	1	\$ 2,597,000,000	\$ 258,690,063
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio - Approved pooled investment fund	1	\$ 12,057,000,000	\$ 556,610,554
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio - Approved index-tracking collective investment schemes	2	\$ 2,914,630,000,000	\$ 158,078,896
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio - Approved pooled investment fund	1	\$ 2,518,000,000	\$ 47,702,577
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio - Approved pooled investment fund	1	\$ 8,193,000,000	\$ 186,295,719

## 6 Involvement with unconsolidated structured entities (continued)

During the year ended 31 December 2022, the constituent funds did not provide financial support to the APIFs and the ITCIS and has no intention of providing financial or other support.

The constituent funds can redeem units in the APIFs and the ITCIS on a daily basis.

## 7 Transactions with associates

The following is a summary of transactions with related parties during the year. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

Except as otherwise disclosed in the financial statements and in this note, the Scheme and its constituent funds did not have any material transactions with the Trustee, the Managers or their associates or delegates during the year.

### (a) Administration fees

The Administrator, BestServe Financial Limited, is entitled to receive an administration fee calculated at a rate up to 0.95% per annum on the net asset value of the respective constituent funds. The administration fee is borne by the constituent funds. For the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, no expenses, fees or charges may be made (other than expenses and charges permitted under the MPF legislation) unless its monthly return is above the savings rate published by the MPFA. Any expenses, fees or charges that are not deducted may be carried forward for up to 12 months.

The administration fees payable as at 31 December were as follows:

	2023	2022
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ -	\$ 723,450
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	\$ -	\$ 318,482
Sun Life MPF Comprehensive Scheme Stable Portfolio	\$ -	\$ 72,778
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	\$ -	\$ 122,642
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	\$ -	\$ 156,240



## 7 Transactions with associates (continued)

### (a) Administration fees (continued)

	2023	2022
Sun Life MPF Comprehensive Scheme Growth Portfolio	\$ -	\$ 130,868
Sun Life MPF Comprehensive Scheme International Equity Portfolio	\$ -	\$ 170,273
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	\$ -	\$ 218,694
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	\$ -	\$ 460,926
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	\$ -	\$ 17,083
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	\$ -	\$ 66,337

### (b) Sponsor fees

The Sponsor is entitled to receive a fee calculated at a rate of 0.52% per annum of the net asset value of the constituent funds. The sponsor fee is borne by the constituent funds.

The sponsor fees payable as at 31 December were as follows:

	2023	2022
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	\$ -	\$ 33,524
Sun Life MPF Comprehensive Scheme Stable Portfolio	\$ -	\$ 11,798
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	\$ -	\$ 40,020

## 7 Transactions with associates (continued)

### (b) Sponsor fees (continued)

	2023	2022
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	\$ -	\$ 25,327
Sun Life MPF Comprehensive Scheme Growth Portfolio	\$ -	\$ 35,817
Sun Life MPF Comprehensive Scheme International Equity Portfolio	\$ -	\$ 60,940
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	\$ -	\$ 115,102
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	\$ -	\$ 252,297

### (c) Trustee fees

The Trustee is entitled to receive a fee calculated at a rate up to 1.15% per annum on the net asset value of the respective constituent funds and underlying funds. The trustee fee is borne by the constituent funds. For the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, no expenses, fees or charges may be made (other than expenses and charges permitted under the MPF legislation) unless its monthly return is above the savings rate published by the MPFA. Any expenses, fees or charges that are not deducted may be carried forward for up to 12 months.

## 7 Transactions with associates (continued)

### (c) Trustee fees (continued)

The trustee fees payable as at 31 December were as follows:

	2023	2022
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ -	\$ 28,234
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	\$ -	\$ 50,287
Sun Life MPF Comprehensive Scheme Stable Portfolio	\$ -	\$ 11,491
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	\$ -	\$ 19,365
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	\$ -	\$ 24,669
Sun Life MPF Comprehensive Scheme Growth Portfolio	\$ -	\$ 20,663
Sun Life MPF Comprehensive Scheme International Equity Portfolio	\$ -	\$ 26,885
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	\$ -	\$ 34,531
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	\$ -	\$ 72,778
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	\$ -	\$ 2,562
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	\$ -	\$ 9,951

## 7 Transactions with associates (continued)

### (d) Guarantee fee

Sun Life Hong Kong Limited (“Sun Life”) is the guarantor of one of the APIFs, in which the constituent funds invested during the year. A guarantee fee was charged at a rate of 0.22% per annum on the net asset value of the relevant APIF and was reflected in the unit price of the APIF.

## 8 Fees

### (a) Fund administration fees

The Hongkong and Shanghai Banking Corporation Limited, the administrator of the constituent funds (“CF Administrator”), is entitled to receive a fee calculated at a rate up to 0.023% per annum on net asset value of the respective constituent funds. The fund administration fee is borne by the constituent funds. For the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, no expenses, fees or charges may be made (other than expenses and charges permitted under the MPF legislation) unless its monthly return is above the savings rate published by the MPFA. Any expenses, fees or charges that are not deducted may be carried forward for up to 12 months.

The fund administration fees payable as at 31 December were as follow:

	2023	2022
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ -	\$ 16,371
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	\$ -	\$ 7,716
Sun Life MPF Comprehensive Scheme Stable Portfolio	\$ -	\$ 1,764
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	\$ -	\$ 2,970
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	\$ -	\$ 3,782
Sun Life MPF Comprehensive Scheme Growth Portfolio	\$ -	\$ 3,167
Sun Life MPF Comprehensive Scheme International Equity Portfolio	\$ -	\$ 4,136

## 8 Fees (continued)

### (a) Fund administration fees (continued)

	2023	2022
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	\$ -	\$ 5,290
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	\$ -	\$ 11,097

### (b) Management fees

The Investment Managers are entitled to receive a fee calculated at a rate up to 0.30% per annum on the net asset value of the respective constituent funds. The management fee is borne by the constituent funds. For the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, no expenses, fees or charges may be made (other than expenses and charges permitted under the MPF legislation) unless its monthly return is above the savings rate published by the MPFA. Any expenses, fees or charges that are not deducted may be carried forward for up to 12 months.

The management fees payable as at 31 December were as follows:

	2023	2022
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	\$ -	\$ 95,739
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	\$ -	\$ 11,095
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	\$ -	\$ 10,677
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	\$ -	\$ 41,461

## 9 Cash and cash equivalents

Reconciliation of liabilities arising from financing activities

The table below details changes in the Scheme's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities.

	<i>Benefits payable</i>	<i>Forfeitures payable</i>	<i>Total</i>
<b>At 1 January 2023</b>	\$ 4,695,827	\$ 331,804	\$ 5,027,631
<b>Changes from financing cash flows:</b>			
Benefits and transfers out	2,844,113,722	-	2,844,113,722
Benefits and transfers out paid	(2,848,801,583)	-	(2,848,801,583)
Forfeitures	-	4,421,807	4,421,807
Forfeitures paid	-	(4,753,611)	(4,753,611)
<b>At 31 December 2023</b>	<u>\$ 7,966</u>	<u>\$ -</u>	<u>\$ 7,966</u>
<b>At 1 January 2022</b>	\$ 11,644,488	\$ -	\$ 11,644,488
<b>Changes from financing cash flows:</b>			
Benefits and transfers out	195,326,476	-	195,326,476
Benefits and transfers out paid	(202,275,137)	-	(202,275,137)
Forfeitures	-	5,172,139	5,172,139
Forfeitures paid	-	(4,840,335)	(4,840,335)
<b>At 31 December 2022</b>	<u>\$ 4,695,827</u>	<u>\$ 331,804</u>	<u>\$ 5,027,631</u>

## 10 Contributions

Mandatory contributions for both the employers and members are equal to 5% of the members' relevant income up to \$30,000 per month except for members earning less than \$7,100 per month where the members' mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of \$1,500 per month or \$18,000 per year to the Scheme unless their relevant income is less than \$7,100 per month or \$85,200 per year where the mandatory contribution is nil.

Employers, members or self-employed persons under the Scheme may choose to make voluntary contributions as top-up contributions in addition to the mandatory contributions for each contribution period.

## 11 Benefits

Members will become entitled to benefits in respect of mandatory contributions to the Scheme in the circumstances set out in the MPF Ordinance.

Members will become entitled to benefits in respect of voluntary contributions to the Scheme in circumstances set out in the Trust Deed and the relevant participation agreement.

With effect from 1 February 2016, benefits whether due to mandatory or voluntary contributions payable to an employee member or self-employed person on the grounds of retirement at age 65 or early retirement at age 60, may be paid in instalments, if the member so elects.

## 12 Subscriptions

Proceeds on issue of units in the statement of changes in net assets attributable to members are derived from the following:

	2023	2022
From employers		
- Mandatory	\$ 78,352,384	\$ 95,034,727
- Voluntary	61,051,366	63,031,407
From employees		
- Mandatory	75,139,321	90,713,436
- Voluntary	1,195,069	1,273,453
From self-employed persons		
- Mandatory	2,133,630	3,168,972
- Voluntary	426,600	507,200
	<hr/>	<hr/>
Contribution received and receivable	\$ 218,298,370	\$ 253,729,195
Transfers in from other schemes	21,052,606	37,197,295
Contribution surcharge	140,423	145,103
	<hr/>	<hr/>
	\$ 239,491,399	\$ 291,071,593
	<hr/>	<hr/>

### 13 Redemptions

Payments on redemption of units in the statement of changes in net assets attributable to members are derived from the following:

	2023	2022
Permanent departure	\$ 13,961,079	\$ 17,145,579
Refund of additional voluntary contributions to leavers	16,205,314	12,130,528
Death	1,336,267	3,148,253
Retirement	38,946,728	22,829,182
Early retirement	11,776,745	4,299,745
Total incapacity	-	62,611
Terminal illness	440,134	1,386,866
Small balance	4,389	4,198
	<hr/>	<hr/>
Benefits paid and payable	\$ 82,670,656	\$ 61,006,962
Transfers out to other schemes	108,037,486	134,319,514
Transfers out to Sun Life Rainbow MPF Scheme	2,653,398,268	-
Forfeitures	4,421,807	5,172,139
Others	7,312	-
	<hr/>	<hr/>
	<u>\$ 2,848,535,529</u>	<u>\$ 200,498,615</u>

### 14 Capital management

The capital of the Scheme is represented by the net assets attributable to members. Subscriptions and redemptions during the year are shown in the statements of changes in net assets attributable to members. The amount of net assets attributable to members can change significantly on a daily basis as the constituent funds of the Scheme are subject to daily subscriptions and redemptions at the discretion of members. The constituent funds' objective when managing capital is to safeguard their ability to continue as a going concern in order to provide retirement benefits to members and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the constituent funds.

### 15 Accrued benefits

No accrued benefits vested in the members' accounts as at 31 December 2023 (2022: \$2,597,606,435).

### 16 Tax status of the Scheme

The Scheme is a registered scheme under the MPF Ordinance and is, therefore, a recognised scheme for Hong Kong Profits Tax purposes. The policy of the Inland Revenue Department ("IRD"), as set out in IRD Practice Note No. 23, is that "recognised retirement schemes and their trustees are not considered to be subject to profits tax on their investment income". Accordingly, no provision for Hong Kong Profits Tax has been made in the Scheme's financial statements.



## **17 Soft commission arrangements**

During the year, the Managers and their associates did not enter into any soft commission arrangements with brokers in relation to dealings in the assets of the Scheme and its constituent funds (2022: Nil).

## **18 Security lending arrangements**

During the year, the Scheme and its constituent funds did not enter into any security lending arrangements (2022: Nil).

## **19 Negotiability of assets**

At 31 December 2023 and 2022, there were no statutory or contractual requirements restricting the negotiability of the assets of the Scheme and its constituent funds.

## **20 Commitments**

The Scheme and its constituent funds had no commitments as at 31 December 2023 and 2022.

## **21 Contingent liabilities**

The Scheme and its constituent funds had no contingent liabilities as at 31 December 2023 and 2022.

## **22 Marketing expenses**

No advertising expenses, promotional expenses, commissions or brokerage fees paid and payable to the MPF intermediaries were deducted from the Scheme or its constituent funds during the years ended 31 December 2023 and 2022.

## **23 Deferred expenses**

In accordance with section 37 of the General Regulation, administrative expenses for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio which have not been deducted in the respective months may be deducted in the following twelve months. No deferred administrative expenses as at 31 December 2023 (2022: \$847,580).

## **24 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds**

Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio and Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio are designated as default investment strategy ("DIS") constituent funds with effect from 1 April 2017. Payments for services, out-of-pocket expenses and other payments charged to the DIS constituent funds are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

**24 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds (continued)**

**31 December 2023**

	<i>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</i>
<b>(a) Payments for services</b>		
Administration fees	\$ 197,721	\$ 790,008
Custodian fees	11,360	45,364
Management fees	123,576	493,755
Trustee fees	29,658	118,501
	<u>362,315</u>	<u>1,447,628</u>
<b>Total payments for services</b>	<b>\$ 362,315</b>	<b>\$ 1,447,628</b>
<b>(b) Out-of-pocket expenses</b>		
Auditor's remuneration	\$ 48,923	\$ 54,085
Publishing fees	6,683	5,640
MPFA Indemnity insurance charges	9,189	30,589
SFC annual fees	-	-
Other expenses	7,888	26,221
	<u>72,683</u>	<u>116,535</u>
<b>Total out-of-pocket expenses</b>	<b>\$ 72,683</b>	<b>\$ 116,535</b>
<b>(c) Payments other than (a) and (b) above</b>	<b>-</b>	<b>-</b>
	<u>-</u>	<u>-</u>
<b>Total payments</b>	<b>\$ 434,998</b>	<b>\$ 1,564,163</b>
	<u>434,998</u>	<u>1,564,163</u>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	<u>0.133%</u>	<u>0.053%</u>

With effect from 29 November 2023, the Scheme was restructured and merged into Sun Life Rainbow MPF Scheme. All members' accrued benefits in Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio and Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio under the Scheme were transferred to Sun Life MPF Age 65 Plus Fund and Sun Life MPF Core Accumulation Fund under Sun Life Rainbow MPF Scheme on 29 November 2023 respectively. In such, the net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month of the constituent funds from January 2023 to November 2023.

**24 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds (continued)**

**During the year ended 31 December 2022**

	<i>Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio</i>	<i>Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio</i>
<b>(a) Payments for services</b>		
Administration fees	\$ 188,967	\$ 721,366
Custodian fees	10,871	41,494
Management fees	118,105	450,854
Trustee fees	28,345	108,205
	\$ 346,288	\$ 1,321,919
	\$ 346,288	\$ 1,321,919
<b>(b) Out-of-pocket expenses</b>		
Auditor's remuneration	\$ 53,285	\$ 53,358
Publishing fees	5,632	5,640
MPFA Indemnity insurance charges	961	3,780
SFC annual fees	624	625
Other expenses	8,798	34,763
	\$ 69,300	\$ 98,166
	\$ 69,300	\$ 98,166
<b>(c) Payments other than (a) and (b) above</b>		
	-	-
	\$ 415,588	\$ 1,420,085
	\$ 415,588	\$ 1,420,085
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.147%	0.054%

The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the last dealing day of each month during the year ended 31 December 2022.

## 25 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 1, <i>Presentation of financial statements:</i> <i>Classification of liabilities as current or non-current</i>	1 January 2024
Amendments to HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025

The Scheme is in the process of making an assessment of what the impact of these amendments are expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Scheme's financial statements.

# Sun Life MPF Comprehensive Scheme

## Governance Report

For the year ended 31 December 2023

# Contents

This Governance Report is intended for scheme members of Sun Life MPF Comprehensive Scheme and contains of the following information:

- Introduction
- Section 1: Trustee's governance framework
- Section 2: Assessment areas
  - (i) Value for money assessment
  - (ii) Sustainable investing strategy and implementation progress

## Introduction

Sun Life Financial Inc. (“Sun Life Financial”) is one of the world’s largest asset managers, with CAD1.40 trillion<sup>1</sup> in assets under management (“AUM”) as at December 31, 2023. Sun Life Pension Trust Limited (the “Company”) is a company within Sun Life Financial.

One of the pillars of Sun Life Financial’s Sustainability Plan is Sustainable Investing. Sun Life Financial manages assets with material environmental, social and governance (“ESG”) factors embedded into its investment processes and decision-making, as part of fulfilling the duty to act in the best interest of Sun Life Financial’s asset management Clients. Sustainable investing can help Sun Life Financial deliver on the purpose of helping Clients achieve lifetime financial security and live healthier lives while making a positive impact on the environment and society. Through its sustainable investment activities, Sun Life Financial aspires to help Clients meet their sustainable investing goals and invests Client assets in ways that support a low-carbon and more inclusive society.

The Company is the trustee of the Sun Life MPF Comprehensive Scheme (the “Scheme”). The Company, with the agreement of the Board of Directors of the Company (the “Board”), has prepared this report to demonstrate, and where needed, to enhance the transparency of the Company’s commitment to ESG integration to Scheme participants.

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<sup>1</sup> As of December 31, 2023. AUM consists of general funds, the investments for segregated fund holders and third-party assets managed by Sun Life Financial.

## Section 1: Trustee's governance framework

The Company maintains a governance framework with a clear governance structure setting out the following:

- Composition of the Board;
- Structure and operations of the Board;
- Decision making by the Board;
- Duties of the Board regarding care, skill, diligence and prudence; and
- Roles and responsibilities of the Board, Chief Executive Officer (the "CEO"), management and other staff in the Company.

The Board has oversight responsibilities with respect to the governance model, management of the business and affairs of the Scheme. The Board endorses the governance framework and provides direction to the CEO, compliance officer (the "CO") and risk officer (the "RO") to implement the governance framework accordingly.

### 1. *The Company*

The Board will be approached for direction from time to time on ad hoc issues and will also receive updated information on a regular basis (at least quarterly), including the following:

- how the business operates from the CEO;
- any compliance issues or potential issues from the CO;
- any significant and/or emerging risk from the RO; and
- any internal control issues identified by internal auditor.

The CEO reports the business operation to the Board on quarterly basis. The Board, without the presence of the CEO, meets quarterly with the CO, RO and internal auditor on any particular issues (including governance issues) that the Board needs to pay attention to and/or provide direction on, in accordance with the governance framework.

### 2. *Service Providers of the Scheme*

In exercising the duties in respect of the Scheme with which it has been entrusted, the Company has delegated the scheme administration, investment management and custody functions to service providers. The Company sets out a monitoring framework to oversee the management and performance of those providing such services to the Scheme through regular reviews of the following:

- compliance with its obligations under the agreement, including service level, compliance issues and any non-compliance incidents;
  - complaints arising from services provided under the Scheme;
  - findings from internal auditor, external auditors and regulators;
- 
- the status of any initiatives of the Company, the Scheme sponsor and/or service providers which will directly affect the Scheme; and



- any operational issues, including ones relating to human resources, cyber security, and emerging market issues.

The Company has set out and documented all required service levels in the respective agreements with the service providers to monitor their performance at a regular basis. Service providers are required to provide an explanation should there be any deviations from the expected service level.

The Board is notified of any ad hoc issues arising with any service providers (if necessary) and will provide direction for handling. The Board also receives updated performance information on a regular basis (not less than quarterly basis).

### **3. Governance over Investment**

Apart from those monitoring measures mentioned under paragraph 2 above, the Company has deployed additional measures in monitoring investment performance of all constituent funds (“CFs”) offered by the Scheme, particularly for those CFs which achieve their investment objectives primarily through investing in approved pooled investment funds (“APIFs”) and/or approved index-tracking collective investment schemes (“ITCIS”) (collectively “underlying investments”).

Sun Life’s International Investment Centre (“IIC”) is an investment consultant of the Company. The IIC, on behalf of the Company will evaluate services of the investment managers of the CFs (“investment managers”) and underlying investments (“underlying managers”) (collectively “fund managers”) including but not limited to asset allocation strategies, the overall investment performance of CFs, and underlying investments. The IIC will summarize key findings and report to the Board on a regular basis (not less than quarterly). Should the performance of fund managers fall below the agreed performance levels (which is subject to the Company’s review on a regular basis), the Company will direct fund managers to provide alternative solutions if necessary.

### **4. Board’s Decision**

Business initiatives and major decisions affecting the MPF business and operations require prior approval of the Board. These initiatives and decisions include but are not limited to: change of service providers, change of services, change to the investment policy and objective of CFs, addition/cancellation of CFs and scheme restructuring.

All proposed business initiatives and major decisions or directions must be supported with assessments on how they are “value-for-money” by demonstrating the benefits to the Scheme and Scheme participants.

## Section 2: Assessment Areas

### (i) Value for Money

In managing the business and affairs of the Scheme, the Company is committed to delivering on-going value-for-money to the Scheme and Scheme participants. This commitment is delivered through continuous review on various areas, including but not limited to the following:

#### 1. Governance

- Monitoring the established governance framework and reviewing its effectiveness
- Monitoring conflicts of interest

#### 2. Client Experience

- Providing transparency of Scheme information
- Monitoring and improving the types and quality of services provided by the service providers
- Accessibility of services

#### 3. Investment Services

- Selection and ongoing monitoring of the investment manager
- Ensuring a range of CFs which can satisfy the risk appetite and investment needs of Scheme participants
- Monitoring performance of CFs in comparing to benchmark or funds with similar investment objectives

#### 4. Fees and Charges

- Monitoring the types and level of fees and charges to ensure fairness
- Reviewing and measuring the types and level of benefits, services and/or subsidies in moderating fees and charges

In 2023, the Company has achieved/provided the following value-for-money services to Scheme participants:

- arranged the scheme restructuring to offer a wider and more diversified choice of constituent funds with distinct investment objectives; achieve a greater economy of scale by allowing certain fixed costs to be spread over a larger asset base and consequently leading to increase in operational efficiency and overall cost-effectiveness; and enjoy the same or lower level of management fees.

## **(ii) Sustainable Investing Strategy and Implementation Progress**

### **1. *The impact of ESG factors on investment portfolios***

The Company believes that certain ESG risks may impact the value of MPF members' portfolios over the long term. ESG is not just about excluding high risk companies, it is also a critical lens for identifying strong investment opportunities and guiding investment decisions. Therefore, integrating material ESG factors is consistent with the Company's objective to help clients achieve their investment objectives in the long run, deliver sustainable returns, and act in the best interest of the members.

### **2. *ESG Integration Strategy ("Strategy")***

The Company integrates ESG factors into the investment process, where material, to the extent that doing so is consistent with the Company's objective to act in the best interests of the members. Fund managers will be expected to integrate ESG considerations into their investment processes to effectively support overall value generation and risk management.

### **3. *Putting Strategy into Practice***

The Company together with the IIC monitors the fund managers' approach to ESG integration. Note that for funds with feeder approach, the Company relies on its underlying managers to perform the day-to-day ESG integration and stewardship activities. For funds with direct investment, the Company has delegated the day-to-day ESG integration and stewardship activities to its investment managers. Therefore, the Company, through the IIC, monitors the fund managers to ensure that they are considering the ESG policies and practices to the extent that these managers believes that such policies and practices are material and have a long-term economic impact on MPF members' portfolio values.

### **4. *Engagement***

The IIC reviews the fund managers' engagement and proxy-voting policies and will communicate IIC's expectation for fund managers to promote good corporate governance, accountability and positive change.

### **5. *Governance***

At each Board meeting and on an annual basis, the Company, with the involvement of IIC, has discussions with fund managers to determine if their practices are in line with Company's objective to act in the best interests of the members. To facilitate this, IIC reports on an annual basis whether there are any significant findings with fund managers, including material changes to the fund managers' ESG policies, integration and/or practices and if any, what IIC's next steps are.

The Company is committed to maintaining high standards of corporate governance and believes that good corporate governance practices are essential to the operational transparency of the Company and to its ability to act in the best interest of the Scheme participants and enhance the value of the products and services offered.