

## Sun Life Rainbow MPF Scheme

31 December 2023

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## Scheme report for the year ended 31 December 2023

The Trustee is pleased to present the reports and financial statements of Sun Life Rainbow MPF Scheme (the "Scheme") for the year ended 31 December 2023.

The Scheme is a master trust scheme established by a Trust Deed dated 31 January 2000, as amended from time to time. It consists of eighteen constituent funds\*, each of which has two classes of units: Class A and Class B, except for Sun Life MPF Core Accumulation Fund, Sun Life MPF Age 65 Plus Fund, Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF US & Hong Kong Equity Fund, which only have one class of units each. Class B units are generally available to personal account members and employee members of those employers who, at the participation commencement date to the Scheme or at 1 December 2000, whichever is the later, have:

- (i) no less than 100 employee members participating in the Scheme;
- (ii) assets transferred to the Scheme from other occupational retirement schemes; or
- (iii) their occupational retirement schemes administered by Sun Life Hong Kong Limited.

Class A units are available to other members of the Scheme not falling into any of the above categories.

In 2023, there were changes to the governing rules of the Scheme to facilitate the merger of Sun Life MPF Master Trust, Sun Life MPF Basic Scheme and Sun Life MPF Comprehensive Scheme to the Scheme. In addition, the MPF Scheme Brochure has been updated for the addition of four new constituent funds to the Scheme. Information about the rules, operation and structure of the Scheme is available in the MPF Scheme Brochure, Key Scheme Information Document, Employer Information Guide and Member Information Guide. Members may also contact the service hotline of the Scheme at 3183 1888 or through fax at 3183 1889 for further information.

\* *Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023; and Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.*

### Financial development of the Scheme

As at 31 December 2023, the net asset value of the Scheme was HK\$126,227.0 million (2022: HK\$112,336.6 million). During the year ended 31 December 2023, total contributions and transfers in received and receivable amounted to HK\$24,123.4 million (2022: HK\$17,967.8 million) while total benefits paid and payable and transfers out to other schemes (exclusive of forfeitures) amounted to HK\$8,097.8 million (2022: HK\$6,290.5 million).

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

### Financial development of the Scheme (continued)

For the year ended 31 December 2023, the Scheme recognised a net loss of HK\$1,694.4 million (2022: net loss of HK\$19,472.6 million) which was attributed to a net realised and unrealised investment loss of HK\$988.4 million (2022: investment loss of HK\$18,235.4 million), interest from bank deposits of HK\$753.4 million (2022: HK\$217.4 million), exchange loss of HK\$18.8 million (2022: exchange loss of HK\$35.1 million), dividend income of HK\$98.3 million (2022: HK\$66.8 million), other income of HK\$23.1 million (2022: HK\$19.8 million) and operating expenses of HK\$1,562.0 million (2022: HK\$1,506.2 million).

### Directory of parties

#### Trustee

Sun Life Trustee Company Limited  
16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

#### Sponsor<sup>1</sup>

Sun Life Hong Kong Limited  
16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

#### Custodian

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

#### Administrator<sup>1</sup>

BestServe Financial Limited  
10th Floor, One Harbourfront,  
18 Tak Fung Street,  
Hunghom, Kowloon, Hong Kong

#### Investment Manager<sup>1</sup>

Sun Life Asset Management (HK) Limited  
16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

<sup>1</sup> Associates of the Trustee

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

### Directory of parties (continued)

#### Delegate of the Investment Manager (for Sun Life MPF RMB and HKD Fund)

Invesco Hong Kong Limited  
45/F, Jardine House  
1 Connaught Place  
Central, Hong Kong

#### Bankers

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

Standard Chartered Bank (Hong Kong) Limited  
19th Floor, Standard Chartered Tower  
388 Kwun Tong Road  
Kowloon, Hong Kong

#### Auditor

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

#### Directors of the Trustee

All directors can be contacted at the following address:

16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

During the year and up to the date of this report, the directors of the Trustee were as follows:

Nigel Robin HAZELL  
Carolyn Ann BUTLER  
John Douglas HAM  
Judy YANG  
LEE Mei Fun Cynthia  
KWAN Hon Chung Gregory  
Cassandra Shun-meng WHITE  
  
LI Tsui Lai Michelle

(resigned with effect from 31 January 2023)  
(appointed with effect from 31 January 2023 and  
resigned with effect from 10 March 2023)  
(resigned with effect from 7 July 2023)

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

### **Directors of the Sponsor**

The directors can be contacted at the following address:

16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

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

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

### **Directors of the Administrator**

The directors can be contacted at the following address:

16th Floor, Cheung Kei Center, Tower A,  
No.18 Hung Luen Road, Hunghom,  
Kowloon, Hong Kong

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

PAN Jihong Rainbow  
Ashish CHAND  
Bianca ILIBASIC

## Investment report for the year ended 31 December 2023

This Investment Report provides analyses of the investments of the Scheme and its constituent funds of the movements in net asset value (“NAV”) and performance of the constituent funds.

Each constituent fund of the Scheme has been approved by the Mandatory Provident Fund Schemes Authority (the “Authority”) and the Securities and Futures Commission (the “SFC”). The eighteen constituent funds operating during the year are:

- (1) Sun Life MPF RMB and HKD Fund
- (2) Sun Life MPF Conservative Fund
- (3) Sun Life MPF Hong Kong Dollar Bond Fund
- (4) Sun Life MPF Hong Kong Equity Fund
- (5) Sun Life MPF Global Bond Fund
- (6) Sun Life MPF Stable Fund
- (7) Sun Life MPF Balanced Fund
- (8) Sun Life MPF Growth Fund
- (9) Sun Life MPF Asian Equity Fund
- (10) Sun Life MPF Multi-Sector Equity Fund
- (11) Sun Life MPF Greater China Equity Fund
- (12) Sun Life FTSE MPF Hong Kong Index Fund
- (13) Sun Life MPF Age 65 Plus Fund
- (14) Sun Life MPF Core Accumulation Fund
- (15) Sun Life MPF Global Low Carbon Index Fund<sup>(i)</sup>
- (16) Sun Life MPF European Equity Fund<sup>(i)</sup>
- (17) Sun Life MPF US Equity Fund<sup>(i)</sup>
- (18) Sun Life MPF US & Hong Kong Equity Fund<sup>(ii)</sup>

- (i) With effect from 5 June 2023, three new constituent funds were added to the Scheme.
- (ii) With effect from 29 November 2023, a new constituent fund was added to the Scheme.

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

The investment policies of the respective constituent funds are as follows:

(i) Sun Life MPF RMB and HKD Fund

The Sun Life MPF RMB and HKD Fund is a money market fund which seeks to achieve long-term total returns through investments primarily in a portfolio of money market and debt instruments denominated in RMB and HKD. The constituent fund is expected to hold 30%-70% of its net asset value in assets denominated and settled in RMB and 30%-70% in assets denominated and settled in HKD. The return of the constituent fund over the long term is expected to follow the trend of the RMB and HKD denominated money market and debt instruments.

The constituent fund achieves its investment objective through direct investments in RMB and HKD denominated money market instruments and debt instruments. Such money market instruments include mainly cash, fixed deposits, certificate of deposits and treasury bills, whereas debt instruments include mainly notes, government bonds and corporate bonds both in fixed and floating rate. All RMB denominated money market instruments and debt instruments (except cash and fixed deposits) will be issued or distributed outside mainland China, and will be settled in RMB. Cash and fixed deposits will be placed with banks in Hong Kong. Money market instruments and debt instruments may be issued by governments and quasi-government entities, banks, financial institutions and other corporations. The constituent fund will only invest in debt instruments that meet the credit rating requirements under the guidelines established by the Authority.

The constituent fund will not invest in securities issued within Mainland China through any qualified foreign institutional investor ("QFII") quota.



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

The investment policies of the respective constituent funds are as follows: (continued)

(i) Sun Life MPF RMB and HKD Fund (continued)

The normal asset allocation for the constituent fund as percentage of NAV is expected to be:

By investment type:

- Money market instruments	70% - 100%
- Debt instruments	0% - 30%

By currency:

- RMB denominated investments	30% - 70%
- HKD denominated investments	30% - 70%

However, the Investment Manager may, in its discretion, vary from the percentages within the range of normal asset allocation to go above the constituent fund's holdings in RMB and HKD denominated investments having regard to market conditions and other factors such as changes in RMB exchange policies or currency control policies. In the absence of available RMB denominated debt instruments, the constituent fund may invest a significant portion of its portfolio in RMB denominated money market instruments, subject to the normal asset allocation as mentioned above.

Investments of the constituent fund will be limited to money market instruments with not more than 12 months in maturity and debt instruments with a remaining maturity of not more than 2 years.

The constituent fund will in effect maintain an effective currency exposure to HKD of not less than 30%. This will either result from investment exposure or currency hedging operations of the investments.

The constituent fund will not engage in securities lending transactions, financial futures and option trading.

The performance of the Sun Life MPF RMB and HKD Fund is subject to a number of risks, including the following: credit risk, interest rate risk, currency risk. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

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

The investment policies of the respective constituent funds are as follows: (continued)

(i) Sun Life MPF RMB and HKD Fund (continued)

Members in the Scheme should be informed that:

- (a) investments in the constituent fund are not the same as placing funds on deposit with a bank or deposit taking company and that there is no obligation to redeem the investment at the subscription value; and
- (b) the constituent fund is not subject to the supervision of the Hong Kong Monetary Authority.

The constituent fund is suitable for members who are prepared to take a medium-to-long term time horizon and are prepared to accept a moderate level of risk in order to gain a higher level of return than is available from the Sun Life MPF Conservative Fund.

(ii) Sun Life MPF Conservative Fund

The Sun Life MPF Conservative Fund seeks to provide members with a regular increase in value, with minimal risk to the underlying capital but with no guarantee of repayment of capital. The Sun Life MPF Conservative Fund achieves this result by investing primarily in money market instruments, cash deposits as well as short term corporate and government debt securities denominated in Hong Kong dollars. Where investment is made in debt securities of non-government issues, the constituent fund will only invest where the credit rating of the debt securities is in line with the guidelines established by the Authority.

The constituent fund will invest in Hong Kong dollar denominated instruments, i.e. it will have a 100% effective exposure to the Hong Kong dollar; and it will not engage in securities lending transactions, financial futures and option trading.

The normal asset allocation for the Sun Life MPF Conservative Fund as a percentage of NAV is expected to be:

- |   |      |
|---|------|
| - HKD money market instruments, deposits and<br>short term corporate and government debt securities | 100% |
|---|------|

The performance of the Sun Life MPF Conservative Fund is subject to a number of risks, including the following: credit risk, interest rate risk, political, economic and social risk. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

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

The investment policies of the respective constituent funds are as follows: (continued)

(ii) Sun Life MPF Conservative Fund (continued)

The Sun Life MPF Conservative Fund is suitable for members who wish to take a very conservative approach towards investing their retirement savings, with the major emphasis on capital protection and returns approximating Hong Kong dollar bank savings rates.

Members in the Scheme should be informed that:

- (a) investments in the Sun Life MPF Conservative Fund are not the same as placing funds on deposit with a bank or deposit taking company and that there is no obligation to redeem the investment at the subscription value; and
- (b) the Sun Life MPF Conservative Fund is not subject to the supervision of the Hong Kong Monetary Authority.

The fees and charges of the Sun Life MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The Sun Life MPF Conservative Fund uses method (i) and, therefore, unit prices/NAV/fund performance quoted have incorporated the impact of fees and charges.

(iii) Sun Life MPF Hong Kong Dollar Bond Fund

The Sun Life MPF Hong Kong Dollar Bond Fund is a fixed income fund which seeks to provide members with a return in excess of that achievable from bank deposits and money market securities.

The Sun Life MPF Hong Kong Dollar Bond Fund achieves this objective by investing in a portfolio of Approved Pooled Investment Funds ("APIFs") and/or Approved Index-Tracking Collective Investment Schemes ("ITCISs"), which in turn will invest at least 70% in bonds and other debt instruments which are denominated in Hong Kong dollars.

The investment managers of the underlying APIFs and/or Approved ITCISs have the discretion to diversify the portfolio by investing in bonds or other debt instruments denominated in currencies other than Hong Kong dollars, provided such bonds or debt instruments meet the investment requirements prescribed by the Authority.

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

The investment policies of the respective constituent funds are as follows: (continued)

(iii) Sun Life MPF Hong Kong Dollar Bond Fund (continued)

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF Hong Kong Dollar Bond Fund will invest at least 70% of its net asset value in Hong Kong dollar denominated bonds and debt instruments.

Where investments denominated in currencies other than Hong Kong dollars are made, the currency exposure may be hedged back into Hong Kong dollars by the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Hong Kong Dollar Bond Fund to minimize the currency risk.

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions; or entering into repurchase agreements. Any such use of derivative instruments or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Hong Kong Dollar Bond Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Hong Kong Dollar Bond Fund is subject to a number of risks, including the following: credit risk, interest rate risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

As the securities that the underlying APIFs and/or Approved ITCISs will invest in are normally traded on a daily basis, the net asset value of the Sun Life MPF Hong Kong Dollar Bond Fund may be subject to the changes in interest rate yields at which the bonds are traded. An increase in interest rates may result in a decline in the net asset value of the Sun Life MPF Hong Kong Dollar Bond Fund over short periods of time. Bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Lower rated securities, whilst offering a higher yield, tend to have greater risk.

The Sun Life MPF Hong Kong Dollar Bond Fund is suitable for members who are prepared to take a medium term investment horizon and are prepared to accept a low to moderate level of risk in order to gain a higher level of return than is available from the Sun Life MPF Conservative Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

(iv) Sun Life MPF Hong Kong Equity Fund

The Sun Life MPF Hong Kong Equity Fund is an equity fund which seeks to provide members with long term capital appreciation by investing primarily in equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange").

Given the above investment objectives, the Sun Life MPF Hong Kong Equity Fund will be subject to short term volatility of stock market and the ensuing possibility of negative returns over short to medium term investment horizons.

The Sun Life MPF Hong Kong Equity Fund will invest in a portfolio of APIFs and/or Approved ITCISs, which in turn will invest at least 70% in equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the Hong Kong Stock Exchange. In addition, investment managers of the underlying APIFs and/or Approved ITCISs may invest in securities issued by Hong Kong companies or other entities which in the investment manager's opinion have significant assets, business, production activities, trading or other business interests in Hong Kong and traded in international markets. Investment managers of the underlying APIFs and/or Approved ITCISs may also invest in offshore securities or instruments (such as American depositary receipts ("ADRs") and global depositary receipts ("GDRs") or in other securities permitted by the Regulation (including, without limitation, interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes). ADRs are traded on the US stock markets while GDRs are traded and cleared internationally on the European and US markets.

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF Hong Kong Equity Fund will invest at least 70% of its net asset value in Hong Kong equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the Hong Kong Stock Exchange. Actual asset and country weightings of the Sun Life MPF Hong Kong Equity Fund are determined by factors of the macro and micro economic conditions of the countries in which the underlying APIFs and/or Approved ITCISs invest in. The geographical allocation of the underlying APIFs and/or Approved ITCISs is classified in terms of the location of the primary listing of the securities except that in the case of the ADRs, GDRs or other depositary receipts, classification is in terms of the location of the primary listing of the underlying stocks.

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

The investment policies of the respective constituent funds are as follows: (continued)

(iv) Sun Life MPF Hong Kong Equity Fund (continued)

The currency exposure of the Sun Life MPF Hong Kong Equity Fund, in line with the underlying APIFs and/or Approved ITCISs, is expected to be primarily in Hong Kong dollars. Where investments of the underlying APIFs and/or Approved ITCISs are made in securities which are traded on foreign markets in foreign currencies, the currency exposure may be managed at the discretion of the investment managers of the underlying APIFs and/or Approved ITCISs, but it is likely that the impact of currency volatility on the portfolio will be limited.

Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Hong Kong Equity Fund itself will not engage in securities lending transactions, financial futures or option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Hong Kong Equity Fund is subject to a number of risks, including the following: equity investment risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Hong Kong Equity Fund is suitable for members who are able to take a longer term investment horizon in order to access the higher returns usually available from equity investments and are prepared to accept a high level of risk so attached.

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

The investment policies of the respective constituent funds are as follows: (continued)

(v) Sun Life MPF Global Bond Fund

The Sun Life MPF Global Bond Fund seeks to provide members with total return usually in excess of that achievable from bank deposits and money market securities.

The Sun Life MPF Global Bond Fund achieves this objective by investing primarily in a portfolio of APIFs and/or Approved ITCISs to achieve a globally diversified portfolio of bonds and other debt instruments that meet the requirements of the Regulation.

The Sun Life MPF Global Bond Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Global Bond Fund.

Actual country weightings are determined by factors of the macro and micro economic conditions of the countries in which the underlying APIFs and/or Approved ITCISs invest in.

The underlying APIFs and/or Approved ITCISs may employ a portion of their assets in other securities permitted by the Regulation including money market instruments or other investments that are consistent with the objectives of the fund. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions; or entering into repurchase agreements. Any such use of these derivative instruments and repurchase agreements will be in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Global Bond Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Global Bond Fund is subject to a number of risks, including the following: credit risk, interest rate risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

As the securities that the underlying APIFs and/or Approved ITCISs will invest in are normally traded on a daily basis, the net asset value of the Sun Life MPF Global Bond Fund may be subject to the changes in interest rate yields at which the bonds are traded. An increase in interest rates may result in a decline in the net asset value of the Sun Life MPF Global Bond Fund over short periods of time. Bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. Lower rated securities, whilst offering a higher yield, tend to have greater risk.

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

The investment policies of the respective constituent funds are as follows: (continued)

(v) Sun Life MPF Global Bond Fund (continued)

The Sun Life MPF Global Bond Fund is suitable for members who are prepared to take a medium term time horizon and are prepared to accept a low to moderate level of risk in order to gain a higher level of return than is available from the Sun Life MPF Conservative Fund.

(vi) Sun Life MPF Stable Fund

The Sun Life MPF Stable Fund is a balanced fund which seeks to provide members with steady capital appreciation.

The Sun Life MPF Stable Fund achieves its investment policy by investing in a portfolio of APIFs and/or Approved ITCISs, which in turn invest in the following assets - money market securities, cash deposits, fixed income securities and global equity securities.

Normal asset allocation for the Sun Life MPF Stable Fund is expected to be:

By investment type:

- |   |           |
|---|-----------|
| - Fixed income/money market investments | 50% - 90% |
| - Equity investments                    | 10% - 50% |

Country allocations may vary according to the change of country market capitalization. The asset and country allocations of the Sun Life MPF Stable Fund are determined by factors of the macro and micro economic conditions of the countries underlying APIFs and/or Approved ITCISs invest in and may therefore change from time to time.

The Sun Life MPF Stable Fund will maintain an effective currency exposure to the Hong Kong dollar of at least 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Stable Fund.



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

The investment policies of the respective constituent funds are as follows: (continued)

(vi) Sun Life MPF Stable Fund (continued)

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions or repurchase agreements. Any such use of derivative instruments, securities lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Stable Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Stable Fund is subject to a number of risks, including the following: equity investment risk, credit risk, interest rate risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Stable Fund is suitable for members who are prepared to accept a moderate degree of risk in order to gain a higher return than may be available from the Sun Life MPF Conservative Fund.

(vii) Sun Life MPF Balanced Fund

The Sun Life MPF Balanced Fund is a balanced fund which seeks to provide members with moderate capital appreciation over the medium to long term. The Sun Life MPF Balanced Fund achieves this result by investing in a portfolio of APIFs and/or Approved ITCISs, which in turn invest in the following assets: money market securities, cash deposits, fixed income securities and global equity securities. As such, the investment will, to a certain extent, be subject to the short term volatility of equity markets. The diversification of the portfolio between fixed income and equity securities is intended to reduce the impact of the short term risk, while enabling the Sun Life MPF Balanced Fund to meet its longer term objectives.

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

The investment policies of the respective constituent funds are as follows: (continued)

(vii) Sun Life MPF Balanced Fund (continued)

The normal asset allocation for the Sun Life MPF Balanced Fund is expected to be:

By investment type:

- |   |           |
|---|-----------|
| - Fixed income/money market investments | 30% - 70% |
| - Equity investments                    | 30% - 70% |

Country allocations may vary according to the change of country market capitalization. The asset and country allocations of the Sun Life MPF Balanced Fund are determined by factors of the macro and micro economic conditions of the countries underlying APIFs and/or Approved ITCISs invest in and may therefore change from time to time.

The Sun Life MPF Balanced Fund will maintain an effective currency exposure to the Hong Kong dollar of at least 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Balanced Fund.

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions or repurchase agreements. Any such use of derivative instruments, securities lending transactions or repurchase agreements will be effected in accordance with applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Balanced Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Balanced Fund is subject to a number of risks, including the following: equity investment risk, credit risk, interest rate risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Balanced Fund is suitable for members who are able to take a medium to longer term investment horizon in order to access the potentially higher returns usually available from equity investments.

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

The investment policies of the respective constituent funds are as follows: (continued)

(viii) Sun Life MPF Growth Fund

The Sun Life MPF Growth Fund is an equity fund which seeks to provide members with significant capital appreciation over the medium term to longer term, through investing in a portfolio of APIFs and/or Approved ITCISs, which in turn will invest primarily in equity investments. Given the primary focus on equity investments, the Sun Life MPF Growth Fund will usually maintain a limited exposure to fixed income securities. As such, the investment will be subject to the short term volatility of equity markets, which may result in a negative return over short term periods.

The normal asset allocation for the Sun Life MPF Growth Fund is expected to be:

By investment type:

- |   |           |
|---|-----------|
| - Fixed income/money market investments | 10% - 50% |
| - Equity investments                    | 50% - 90% |

The country allocations may vary according to the change of country market capitalization. The asset and country allocations of the Sun Life MPF Growth Fund are determined by factors of the macro and micro economic conditions of the countries underlying APIFs and/or Approved ITCISs invest in and may therefore change from time to time.

The Sun Life MPF Growth Fund will maintain an effective currency exposure to the Hong Kong dollar of at least 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Growth Fund.

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions or repurchase agreements. Any such use of derivative instruments, securities lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Growth Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

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

The investment policies of the respective constituent funds are as follows: (continued)

(viii) Sun Life MPF Growth Fund (continued)

The performance of the Sun Life MPF Growth Fund is subject to a number of risks, including the following: equity investment risk, credit risk, interest rate risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Growth Fund is suitable for members who are able to take a longer term investment horizon in order to access the potentially higher returns usually available from equity investments and are prepared to accept the risk so attached.

(ix) Sun Life MPF Asian Equity Fund

The Sun Life MPF Asian Equity Fund seeks to provide members with long term capital growth.

The Sun Life MPF Asian Equity Fund achieves this objective through investing in a portfolio of APIFs and/or Approved ITCISs that will invest at least 70% in Asian equities, including but not limited to Hong Kong, Singapore, South Korea, Taiwan, Thailand and Malaysia, but will not include Japan.

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF Asian Equity Fund will invest at least 70% of its net asset value in Asian equities, including but not limited to Hong Kong, Singapore, South Korea, Taiwan, Thailand and Malaysia, but will not include Japan.

The Sun Life MPF Asian Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will result from investment *exposure* or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Asian Equity Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

(ix) Sun Life MPF Asian Equity Fund (continued)

The underlying APIFs and/or Approved ITCISs may employ a portion of their assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Asian Equity Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Asian Equity Fund is subject to a number of risks, including the following: equity investment risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Asian Equity Fund is only suitable for members who are willing to assume a relatively higher level of risk to achieve potentially higher long term returns.

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

The investment policies of the respective constituent funds are as follows: (continued)

(x) Sun Life MPF Multi-Sector Equity Fund

The Sun Life MPF Multi-Sector Equity Fund seeks to achieve long-term capital appreciation through investments in global equity sectors.

The Sun Life MPF Multi-Sector Equity Fund achieves this objective through investing in a portfolio of APIFs and/or Approved ITCISs.

Given the above investment objective, investors should regard the Sun Life MPF Multi-Sector Equity Fund as a high risk investment. The return of the fund over the long term is expected to follow the trend of growth of global equity markets.

The underlying APIFs and/or Approved ITCISs of the Sun Life MPF Multi-Sector Equity Fund will in aggregate invest in a portfolio of listed securities that belong to certain industry sectors, such as energy, financials, healthcare, technology or telecommunications through a geographically diversified portfolio of listed securities in world markets. The Investment Manager will, based on its own opinion on which sectors and what allocation weightings, decide which industry sectors to invest taking into account various factors including the growth outlook of the sectors, valuation of the sectors, technical indicators and the relative attractiveness of one sector over the other sectors. At all times, the Sun Life MPF Multi-Sector Equity Fund will invest in multiple sectors, and not a single sector.

Investments of underlying APIFs and/or Approved ITCISs in aggregate may cover a global range of markets including but not limited to Asia, Australasia, Japan, Europe and North America. The Sun Life MPF Multi-Sector Equity Fund will normally invest up to 100% of net asset in global equities.

The Sun Life MPF Multi-Sector Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will either result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Multi-Sector Equity Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

(x) Sun Life MPF Multi-Sector Equity Fund (continued)

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Multi-Sector Equity Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Multi-Sector Equity Fund is subject to a number of risks, including the following: equity investment risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

(xi) Sun Life MPF Greater China Equity Fund

The Sun Life MPF Greater China Equity Fund seeks to achieve long-term capital appreciation through investments in Hong Kong, China, Macau and Taiwan-related securities.

The Sun Life MPF Greater China Equity Fund achieves this objective through investing in a portfolio of APIFs and/or Approved ITCISs.

Given the above investment objective, investors should regard the Sun Life MPF Greater China Equity Fund as a high risk investment. The return of the fund over the long term is expected to follow the trend of the growth of Greater China-related equity markets.

The underlying portfolio of APIFs and/or Approved ITCISs of the Sun Life MPF Greater China Equity Fund invests at least 70% of their net asset value in a portfolio of listed securities issued by companies with either assets in, or revenues derived from, the People's Republic of China, Hong Kong, Macau and/or Taiwan which are listed, traded or dealt in on regulated exchanges subject to the restrictions in the Regulation.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xi) Sun Life MPF Greater China Equity Fund (continued)

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF Greater China Equity Fund will invest at least 70% of its net asset value in a portfolio of listed securities issued by companies with either assets in, or revenues derived from, the People's Republic of China, Hong Kong, Macau and/or Taiwan which are listed, traded or dealt in on regulated exchanges subject to the restrictions in the Regulation.

The Sun Life MPF Greater China Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF Greater China Equity Fund.

The underlying APIFs and/or Approved ITCISs may employ a portion of its assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes. Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts and option or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF Greater China Equity Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF Greater China Equity Fund is subject to a number of risks, including the following: equity investment risk, political, economic and social risk, risks associated with specific nature of portfolio management funds. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.



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

The investment policies of the respective constituent funds are as follows: (continued)

(xii) Sun Life FTSE MPF Hong Kong Index Fund

The Sun Life FTSE MPF Hong Kong Index Fund is an equity index fund which seeks to provide members with investment results that, before fees and expenses, closely track the performance of the FTSE MPF Hong Kong Index.

The Sun Life FTSE MPF Hong Kong Index Fund achieves this objective through investing solely in the iShare Hong Kong Equity Index Fund, a sub-fund of the BlackRock Premier Funds. The iShare Hong Kong Equity Index Fund is an Approved ITCIS, and managed by BlackRock Asset Management North Asia Limited.

To achieve the investment objective of the iShare Hong Kong Equity Index Fund, BlackRock Asset Management North Asia Limited intends to invest primarily in securities included in the FTSE MPF Hong Kong Index using a Representative Sampling Strategy. The iShare Hong Kong Equity Index Fund may hold securities that are not included in the FTSE MPF Hong Kong Index.

The iShare Hong Kong Equity Index Fund will primarily invest directly in the equity securities of the FTSE MPF Hong Kong Index. The iShare Hong Kong Equity Index Fund may invest up to 10% of its latest available net asset value in financial derivative instruments for the purposes of hedging and non-hedging including investment, and/or return optimization. The iShare Hong Kong Equity Index Fund does not intend to use financial derivative instruments extensively for investment purposes.

The iShare Hong Kong Equity Index Fund will not directly or indirectly invest in China A shares, B shares and/or debt securities.

The Sun Life FTSE MPF Hong Kong Index Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

The iShare Hong Kong Equity Index Fund does not currently intend to enter into any stock lending, repurchase or similar over-the-counter transactions. The Sun Life FTSE MPF Hong Kong Index Fund itself will not engage in securities lending transactions or repurchase agreements, financial futures and option trading.

Whilst the investment objective of the Sun Life FTSE MPF Hong Kong Index Fund and the iShare Hong Kong Equity Index Fund is to track the FTSE MPF Hong Kong Index, there can be no assurance that the performance of the Sun Life FTSE MPF Hong Kong Index Fund and the iShare Hong Kong Equity Index Fund will at any time be identical to that of the FTSE MPF Hong Kong Index. Investment in the Sun Life FTSE MPF Hong Kong Index Fund is essentially subject to the same risks of the iShare Hong Kong Equity Index Fund.

The performance of the Sun Life FTSE MPF Hong Kong Index Fund is subject to a number of risks, including the following: equity investment risk, political, economic and social risk, index related risk. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xii) Sun Life FTSE MPF Hong Kong Index Fund (continued)

The Sun Life FTSE MPF Hong Kong Index Fund is designed for members who are willing to assume a relatively higher level of risk to achieve potentially higher long term returns.

*FTSE MPF Hong Kong Index*

The FTSE MPF Hong Kong Index is a free float adjusted market capitalization index consisting of Hong Kong and China constituent securities listed on the Hong Kong and Singapore stock markets. The base currency of the FTSE MPF Hong Kong Index is Hong Kong dollars. The FTSE MPF Hong Kong Index forms part of the FTSE MPF Index Series which is compiled and managed by FTSE International Limited ("FTSE"). The FTSE MPF Index Series is based on the FTSE All-World Index Series. Specifically, the FTSE MPF Hong Kong Index consists of the Hong Kong listed HSBC Holdings and eligible large and mid cap Hong Kong and China companies (H Shares, Red Chips and P Chips listed on the Stock Exchange of Hong Kong) from the FTSE All-World Index. The FTSE MPF Hong Kong Index is an unhedged total return index - this means that (i) the index will not hedge its non-Hong Kong dollar currency exposure in the index back into Hong Kong dollars and (ii) the index measures the price movements of constituents assuming any cash distributions after dividend withholding tax are reinvested back into the index.

*Index Provider Disclaimer*

The Sun Life FTSE MPF Hong Kong Index Fund is not in any way sponsored, endorsed, sold or promoted by FTSE or the London Stock Exchange Group companies ("LSEG") (together the "Licensor Parties") and none of the Licensor Parties make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to (i) the results to be obtained from the use of the FTSE MPF Hong Kong Index (upon which the Sun Life FTSE MPF Hong Kong Index Fund is based), (ii) the figure at which the FTSE MPF Hong Kong Index is said to stand at any particular time on any particular day or otherwise, or (iii) the suitability of the FTSE MPF Hong Kong Index for the purpose to which it is being put in connection with the Sun Life FTSE MPF Hong Kong Index Fund. None of the Licensor Parties have provided or will provide any financial or investment advice or recommendation in relation to the FTSE MPF Hong Kong Index to Sun Life Trustee Company Limited or to its clients. The FTSE MPF Hong Kong Index is calculated by FTSE or its agent. None of the Licensor Parties shall be (a) liable (whether in negligence or otherwise) to any person for any error in the FTSE MPF Hong Kong Index or (b) under any obligation to advise any person of any error therein. All rights in the FTSE MPF Hong Kong Index vest in FTSE. "FTSE®" is a trade mark of LSEG and is used by FTSE under licence.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xii) Sun Life FTSE MPF Hong Kong Index Fund (continued)

*Description of Index Methodology of the FTSE MPF Hong Kong Index*

In accordance with the rules set out for the management of the FTSE MPF Index Series, exchanges that are not approved by the Authority will be excluded from the calculation of the FTSE MPF Index Series.

More information about the FTSE MPF Hong Kong Index including the index rules, further information of the index methodology, the latest index value (published daily), index information, monthly reports (including top 10 largest constituents and weighting information) and other important news relating to the FTSE MPF Hong Kong Index can be obtained from the website of the index provider at [www.ftse.com/hkmpf](http://www.ftse.com/hkmpf). FTSE and BlackRock Asset Management North Asia Limited (or its connected persons) are independent of each other. The index methodology of the FTSE MPF Hong Kong Index is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology.

(xiii) Sun Life MPF Age 65 Plus Fund

*Investment Objective*

The investment objective of the Sun Life MPF Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner.

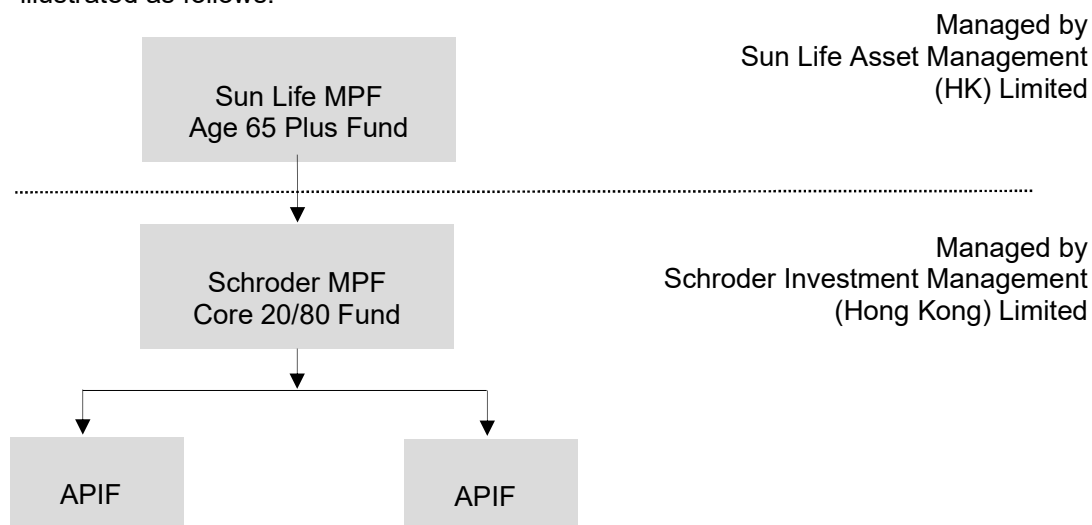
## Investment report for the year ended 31 December 2023 (continued)

The investment policies of the respective constituent funds are as follows: (continued)

### (xiii) Sun Life MPF Age 65 Plus Fund (continued)

#### *Investment Structure*

The Sun Life MPF Age 65 Plus Fund is a feeder fund and invest in an APIF, namely, Schroder MPF Core 20/80 Fund, which in turn invests in two APIFs as allowed under the Regulation. The investment structure of the Sun Life MPF Age 65 Plus Fund is illustrated as follows:



#### *Asset Allocation*

Through the underlying investment of Schroder MPF Core 20/80 Fund, the Sun Life MPF Age 65 Plus Fund 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 Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The principal underlying investments will be in securities listed on stock exchanges, government and corporate bonds and cash deposits worldwide. The asset allocation of the Sun Life MPF Age 65 Plus Fund to equities and fixed income instruments and money market instruments is set out below. Members should note that the actual allocation may at times be varied as market, economic and other conditions change. In any case, the Sun Life MPF Age 65 Plus Fund will at all times comply with the asset allocation requirements applicable to Age 65 Plus Fund (as defined in the MPF Ordinance). Subject to the above, the investment manager of the Schroder MPF Core 20/80 Fund invested by the Sun Life MPF Age 65 Plus Fund has discretion as to the asset allocation of the Schroder MPF Core 20/80 Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

### (xiii) Sun Life MPF Age 65 Plus Fund (continued)

#### *Geographical Allocation*

Global equities	15% to 25%
Asia Pacific excluding Japan	0% to 12.5%
United States	1.5% to 17.5%
Japan	0% to 6.25%
Europe	1.5% to 12.5%
Others	0% to 7.5%
Fixed income securities and money market instruments	75% to 85%
US Dollar	7.5% to 76.5%
Global currencies Ex US Dollar	7.5% to 76.5%

#### *Investment Strategy*

The two underlying APIFs invested by the Schroder MPF Core 20/80 Fund will be actively managed with reference to the constituent index for equity securities and the constituent index for fixed income securities (each a "Constituent Index") under the Reference Portfolio respectively. The two underlying approved pooled investment funds adopt an investment strategy which selects securities based on certain characteristics such as (in the case of equity securities) attractive valuation, high quality, and low return volatility, and (in the case of fixed income securities) maturity, credit rating and liquidity, to build a diversified portfolio of equity securities and a diversified portfolio of fixed income securities, respectively. Up to 10% of the net asset value of the underlying APIFs may be invested in securities other than the underlying securities of the respective Constituent Index with the aim to enhance returns or reduce portfolio risks when compared to similar underlying securities of the respective Constituent Index.

#### *Hong Kong Dollar Currency Exposure*

The Sun Life MPF Age 65 Plus Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or the Sun Life MPF Age 65 Plus Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xiii) Sun Life MPF Age 65 Plus Fund (continued)

*Use of Derivatives, Securities Lending and Repurchase Agreement*

The Sun Life MPF Age 65 Plus Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements. The underlying APIFs may employ a portion of its assets in acquiring futures contracts, options and forward currency transactions for hedging purposes. The underlying APIFs do not intend to enter into securities lending transactions or repurchase agreements. Any such use of derivative instruments will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs.

*Risk Inherent and Expected Return*

The risk profile of Sun Life MPF Age 65 Plus Fund is determined by the Investment Manager with reference to that of Schroder MPF Core 20/80 Fund, which in turn is determined by Schroder Investment Management (Hong Kong) Ltd, based on various factors including volatility, investment objective and policy and asset allocation. This risk profile is provided for reference only, and may be updated periodically based on prevailing market conditions.

The risk level of Sun Life MPF Age 65 Plus Fund is low and, as such, is suitable for members with 15 or less years before retirement.

The return of the Sun Life MPF Age 65 Plus Fund over the long term is expected to be similar to the return of the Reference Portfolio.

The performance of the Sun Life MPF Age 65 Plus Fund is subject to a number of risks, including the following: equity investment risk, credit risk, interest rate risk, political, economic and social risk. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

(xiv) Sun Life MPF Core Accumulation Fund

*Investment Objective*

The investment objective of the Sun Life MPF Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner.

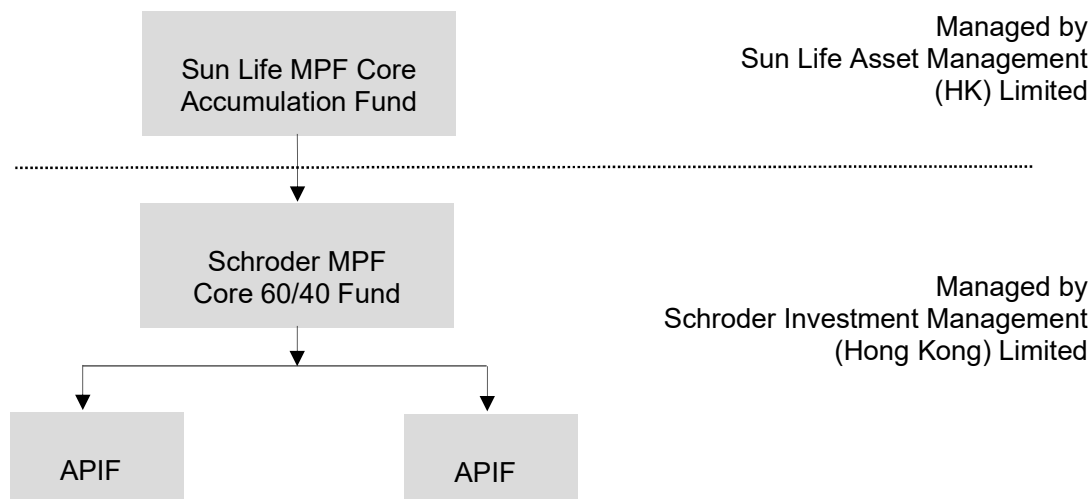
## Investment report for the year ended 31 December 2023 (continued)

The investment policies of the respective constituent funds are as follows: (continued)

### (xiv) Sun Life MPF Core Accumulation Fund (continued)

#### *Investment Structure*

The Sun Life MPF Core Accumulation Fund is a feeder fund and invest in an APIF, namely, Schroder MPF Core 60/40 Fund, which in turn invests in two APIFs as allowed under the Regulation. The investment structure of the Sun Life MPF Core Accumulation Fund is illustrated as follows:



#### *Asset Allocation*

Through the underlying investment of the Schroder MPF Core 60/40 Fund, the Sun Life MPF Core Accumulation Fund 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 Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The principal underlying investments will be in securities listed on stock exchanges, government and corporate bonds and cash deposits worldwide. The asset allocation of the Sun Life MPF Core Accumulation Fund to equities and fixed income instruments and money market instruments is set out below. Members should note that the actual allocation may at times be varied as market, economic and other conditions change. In any case, the Sun Life MPF Core Accumulation Fund will at all times comply with the asset allocation requirements applicable to Core Accumulation Fund (as defined in the MPF Ordinance). Subject to the above, the investment manager of the Schroder MPF Core 60/40 Fund invested by the Sun Life MPF Core Accumulation Fund has discretion as to the asset allocation of the Schroder MPF Core 60/40 Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

### (xiv) Sun Life MPF Core Accumulation Fund (continued)

#### *Geographical Allocation*

Global equities	55% to 65%
Asia Pacific excluding Japan	0% to 32.5%
United States	5.5% to 45.5%
Japan	0% to 16.25%
Europe	5.5% to 32.5%
Others	0% to 19.5%
Fixed income securities and money market instruments	35% to 45%
US Dollar	3.5% to 40.5%
Global currencies Ex US Dollar	3.5% to 40.5%

#### *Investment Strategy*

The two underlying APIFs invested by the Schroder MPF Core 60/40 Fund will be actively managed with reference to the constituent index for equity securities and the constituent index for fixed income securities (each a "Constituent Index") under the Reference Portfolio respectively. The two underlying approved pooled investment funds adopt an investment strategy which selects securities based on certain characteristics such as (in the case of equity securities) attractive valuation, high quality, and low return volatility, and (in the case of fixed income securities) maturity, credit rating and liquidity, to build a diversified portfolio of equity securities and a diversified portfolio of fixed income securities, respectively. Up to 10% of the net asset value of the underlying APIFs may be invested in securities other than the underlying securities of the respective Constituent Index with the aim to enhance returns or reduce portfolio risks when compared to similar underlying securities of the respective Constituent Index.

#### *Hong Kong Dollar Currency Exposure*

The Sun Life MPF Core Accumulation Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%. This will result from investment exposure or currency hedging operations of the underlying APIFs and/or the Sun Life MPF Core Accumulation Fund.



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

The investment policies of the respective constituent funds are as follows: (continued)

(xiv) Sun Life MPF Core Accumulation Fund (continued)

*Use of Derivatives, Securities Lending and Repurchase Agreement*

The Sun Life MPF Core Accumulation Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements. The underlying APIFs may employ a portion of its assets in acquiring futures contracts, options and forward currency transactions for hedging purposes. The underlying APIFs do not intend to enter into any securities lending transactions or repurchase agreements. Any such use of derivative instruments will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs.

*Risk Inherent and Expected Return*

The risk profile of Sun Life MPF Core Accumulation Fund is determined by the Investment Manager with reference to that of Schroder MPF Core 60/40 Fund, which in turn is determined by Schroder Investment Management (Hong Kong) Ltd, based on various factors including volatility, investment objective and policy and asset allocation. This risk profile is provided for reference only, and may be updated periodically based on prevailing market conditions.

The risk level of Sun Life MPF Core Accumulation Fund is medium and, as such, is suitable for members with more than 10 years before retirement.

The return of Sun Life MPF Core Accumulation Fund over the long term is expected to be similar to the return of the Reference Portfolio.

The performance of the Sun Life MPF Core Accumulation Fund is subject to a number of risks, including the following: equity investment risk, credit risk, interest rate risk, political, economic and social risk. Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

(xv) Sun Life MPF Global Low Carbon Index Fund

The Sun Life MPF Global Low Carbon Index Fund is an equity index fund which seeks to provide members with investment results that, before fees and expenses, closely track the performance of the FTSE Custom MPF Developed Selected Countries ESG Low Carbon Select Hedged Index ("Underlying Index").

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

The investment policies of the respective constituent funds are as follows: (continued)

(xv) Sun Life MPF Global Low Carbon Index Fund (continued)

The Sun Life MPF Global Low Carbon Index Fund achieves this objective through investing solely in the Sun Life AM Global Low Carbon Index Fund ("Underlying Fund"), a sub-fund of the Sun Life Asset Management Funds, which is also an equity index fund that seeks to provide its unitholders with investment results that, before fees and expenses, closely track the performance of the Underlying Index. The Underlying Fund is an Approved ITCIS, and managed by Sun Life Asset Management (HK) Limited.

To achieve the investment objective of the Underlying Fund, Sun Life Asset Management (HK) Limited intends to adopt full replication strategy where it will principally invest the assets of the Underlying Fund in substantially all the securities constituting the Underlying Index in substantially the same weightings (i.e. proportions) as these securities have in the Underlying Index. When a constituent security ceases to be a constituent of the Underlying Index, rebalancing occurs which involves, among other things, selling the outgoing security and potentially using the proceeds to invest in the incoming security.

The Underlying Fund may invest up to 10% of its latest available net asset value in financial derivative instruments for hedging purposes. The Underlying Fund does not intend to use financial derivative instruments for investment purposes. For the avoidance of doubt, the Underlying Fund will not receive any collateral pursuant to its use of financial derivative instruments.

The Underlying Fund will not directly or indirectly invest in China A shares, B shares and/or debt securities.

The Underlying Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30%.

The Underlying Fund does not currently intend to enter into any securities lending, repurchase or similar over-the-counter transactions. The Sun Life MPF Global Low Carbon Index Fund itself will not engage in securities lending transactions or repurchase agreements, financial futures and option trading.

Whilst the investment objective of the Sun Life MPF Global Low Carbon Index Fund via the investment in the Underlying Fund is to track the Underlying Index, there can be no assurance that the performance of the Sun Life MPF Global Low Carbon Index Fund via the investment in the Underlying Fund will at any time be identical to that of the Underlying Index. Investment in the Sun Life MPF Global Low Carbon Index Fund is essentially subject to the same risks of the Underlying Fund.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xv) Sun Life MPF Global Low Carbon Index Fund (continued)

The performance of the Sun Life MPF Global Low Carbon Index Fund is subject to a number of risks, including the following:

- general investment risk
- equity investment risk and volatility risk
- political, economic and social risk
- currency risk
- hedging risk
- liquidity risk
- counterparty risk
- custodial risk
- operational risk
- financial services industry risk
- eurozone risk
- valuation and accounting risk
- risks related to Approved ITCIS
- risk associated with the use of derivatives
- early termination risk
- specific risks in relation to investments in the Sun Life MPF Global Low Carbon Index Fund

Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF Global Low Carbon Index Fund is designed for members who are willing to assume a medium to high level of risk typically associated with equity markets to achieve potentially higher long-term returns with higher level of risk.

(xvi) Sun Life MPF European Equity Fund

The Sun Life MPF European Equity Fund is an equity fund which seeks to provide members with long-term capital growth by investing primarily in shares of companies covering different sectors of the economy in Europe and which are listed on any stock exchange, and equity-related securities (including but not limited to warrants and convertible bonds) listed on the stock exchanges in Europe.

Given the above investment objectives, the Sun Life MPF European Equity Fund will be subject to short term volatility of stock market and the ensuing possibility of negative returns over short to medium term investment horizons.

The Sun Life MPF European Equity Fund will invest in a portfolio of APIFs and/or Approved ITCISs, which in turn will invest at least 70% in shares of companies covering different sectors of the economy in Europe and which are listed on any stock exchange, and equity-related securities (including but not limited to warrants and convertible bonds) listed on the stock exchanges in Europe. The underlying APIFs and/or Approved ITCISs may employ a portion of their assets in other securities permitted by the Regulation including, without limitation, money market instruments or interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xvi) Sun Life MPF European Equity Fund (continued)

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF European Equity Fund will invest at least 70% of its net asset value in shares of companies covering different sectors of the economy in Europe and which are listed on any stock exchange, and equity-related securities (including but not limited to warrants and convertible bonds) listed on the stock exchanges in Europe.

The Sun Life MPF European Equity Fund will maintain an effective currency exposure to Hong Kong dollars of not less than 30% through investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF European Equity Fund.

Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF European Equity Fund itself will not engage in securities lending transactions, financial futures and option trading or enter into repurchase agreements.

The performance of the Sun Life MPF European Equity Fund is subject to a number of risks, including the following:

- general investment risk
- equity investment risk and volatility risk
- interest rate risk
- political, economic and social risk
- concentration risk
- currency risk
- hedging risk
- liquidity risk
- counterparty risk
- custodial risk
- operational risk
- financial services industry risk
- eurozone risk
- risks associated with specific nature of portfolio management funds
- valuation and accounting risk
- risk associated with the use of derivatives
- early termination risk

Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF European Equity Fund is designed for members who are willing to assume a medium to high level of risk typically associated with specific equity markets to achieve potentially higher long-term returns.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xvii) Sun Life MPF US Equity Fund

The Sun Life MPF US Equity Fund is an equity fund which seeks to provide members with long-term capital growth by investing primarily in equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the stock exchanges in the United States ("US Stock Exchanges").

Given the above investment objectives, the Sun Life MPF US Equity Fund will be subject to short term volatility of stock market and the ensuing possibility of negative returns over short to medium term investment horizons.

The Sun Life MPF US Equity Fund will invest in a portfolio of APIFs and/or Approved ITCISs, which in turn will invest at least 70% in equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the US Stock Exchanges. In addition, investment managers of the underlying APIFs and/or Approved ITCISs may invest in securities issued by US companies or other entities which in the investment manager's opinion have significant assets, business, production activities, trading or other business interests in US and traded in international markets. Investment managers of the underlying APIFs and/or Approved ITCISs may also invest in offshore securities or instruments (such as global depositary receipts ("GDRs") or in other securities permitted by the Regulation (including, without limitation, interests in other collective investment schemes such as authorized unit trusts and index-tracking collective investment schemes). GDRs are traded and cleared internationally on the European and US markets.

Under normal asset allocation, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF US Equity Fund will invest at least 70% of its net asset value in US equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the US Stock Exchanges. Actual asset and country weightings of the Sun Life MPF US Equity Fund are determined by factors of the macro and micro economic conditions of the countries in which the underlying APIFs and/or Approved ITCISs invest in. The geographical allocation of the underlying APIFs and/or Approved ITCISs is classified in terms of the location of the primary listing of the securities except that in the case of the GDRs or other depositary receipts, classification is in terms of the location of the primary listing of the underlying stocks.

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

The investment policies of the respective constituent funds are as follows: (continued)

(xvii) Sun Life MPF US Equity Fund (continued)

The Sun Life MPF US Equity Fund will maintain an effective currency exposure to the Hong Kong dollar of not less than 30% through investment exposure or currency hedging operations of the underlying APIFs and/or Approved ITCISs of the Sun Life MPF US Equity Fund.

Assets of the underlying APIFs and/or Approved ITCISs may be applied for acquiring futures contracts, options or forward currency transactions for purposes allowed under the Regulation and in accordance with their investment limits and restrictions. Assets of the underlying APIFs and/or Approved ITCISs may also be applied for the purpose of entering into securities lending transactions. Any such use of derivative instruments or securities lending transactions will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the underlying APIFs and/or Approved ITCISs. The Sun Life MPF US Equity Fund itself will not engage in securities lending transactions, financial futures or option trading or enter into repurchase agreements.

The performance of the Sun Life MPF US Equity Fund is subject to a number of risks, including the following:

- general investment risk
- equity investment risk and volatility risk
- interest rate risk
- political, economic and social risk
- concentration risk
- currency risk
- hedging risk
- liquidity risk
- counterparty risk
- custodial risk
- operational risk
- financial services industry risk
- risks associated with specific nature of portfolio management funds
- valuation and accounting risk
- risk associated with the use of derivatives
- early termination risk

Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF US Equity Fund is designed for members who are willing to assume a medium to high level of risk typically associated with specific equity markets to achieve potentially higher long-term returns.

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

The investment policies of the respective constituent funds are as follows: (continued)

### (xviii) Sun Life MPF US & Hong Kong Equity Fund

The Sun Life MPF US & Hong Kong Equity Fund is an equity fund which seeks to achieve long-term capital growth.

The Sun Life MPF US & Hong Kong Equity Fund achieves its investment objective by investing its assets in two or more APIFs and/or Approved ITCISs with exposure to the equity markets of the United States and Hong Kong (such APIFs and/or Approved ITCISs will be selected by the investment manager having regard to the investment objective and investment policy of the Sun Life MPF US & Hong Kong Equity Fund).

It is intended that, through its investments in APIFs and/or Approved ITCISs, the Sun Life MPF US & Hong Kong Equity Fund will invest in securities of companies listed in the United States and/or Hong Kong stock exchanges.

Normal asset allocation for the Sun Life MPF US & Hong Kong Equity Fund (taking into account its investments in the underlying APIFs and/or Approved ITCISs) is expected to be:

By investment type:

Equities	90% - 100%
(i) United States	50% - 70%
(ii) Hong Kong	30% - 50%
Cash or cash equivalents	0% - 10%

The Sun Life MPF US & Hong Kong Equity Fund 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.

Whilst the Sun Life MPF US & Hong Kong Equity Fund may invest in Approved ITCISs, it is not an index tracking fund. It should be noted that the manager(s) of the Approved ITCISs and the trustee(s) of the Approved ITCISs are mutually independent and are independent of the provider of the relevant indices.

The Sun Life MPF US & Hong Kong Equity Fund may hold cash, bank deposits or cash equivalents for ancillary purposes such as meeting redemption requests or defraying operating expenses.

The Sun Life MPF US & Hong Kong Equity Fund will not enter into financial futures contracts or financial option contracts except for hedging purposes. The underlying APIFs and/or Approved ITCISs of the Sun Life MPF US & Hong Kong Equity Fund may enter into financial futures contracts and financial option contracts for hedging and investment purposes.

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

The investment policies of the respective constituent funds are as follows: (continued)

### (xviii) Sun Life MPF US & Hong Kong Equity Fund (continued)

The Sun Life MPF US & Hong Kong Equity Fund will not engage in securities lending or repurchase agreements. The underlying APIFs and/or Approved ITCISs of the Sun Life MPF US & Hong Kong Equity Fund may engage in securities lending or repurchase agreements.

The performance of the Sun Life MPF US & Hong Kong Equity Fund is subject to a number of risks, including the following:

- general investment risk
- equity investment risk and volatility risk
- interest rate risk
- political, economic and social risk
- concentration risk
- currency risk
- hedging risk
- liquidity risk
- counterparty risk
- custodial risk
- operational risk
- financial services industry risk
- eurozone risk
- risks associated with specific nature of portfolio management funds
- valuation and accounting risk
- risks related to Approved ITCIS
- risk associated with the use of derivatives
- early termination risk

Please refer to the Risks section of the MPF Scheme Brochure for a detailed description of each of the risks listed above and other relevant risks.

The Sun Life MPF US & Hong Kong Equity Fund is considered high risk and is suitable for members who are able to take a longer term investment horizon in order to access the potentially higher returns usually available from equity investments and are prepared to accept a high level of risk so attached.



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

### Review

Global equities advanced in 2023 with MSCI AC World Net Total Return Index up 22.2%, showing a strong rebound from previous year. Among developed markets, US was the outperformer driven by growthy sectors, followed by Europe and Japan, in USD term. Japanese equities' performance was offset by Yen depreciation. At the beginning of the year, global equities extended the gain from late last year. The bank crisis triggered by insolvency of Silicon Vally Bank and collapse of Credit Suisse induced market volatility in end of first quarter. While Fed slowed down the pace of rate hike, it pointed to rates staying higher for longer amid resilient economic activities and tight labour market, limiting equities' upside potential. Towards the fourth quarter, after several pauses of rate hikes, the market expected rate hike cycle was close to an end and rate cut would start in 2024, which boosted the performance of risk assets. Artificial intelligence was a key theme throughout the year and strong capex growth guidance from the US tech leaders boded well for the AI ecosystems. Coupled with falling bond yield, growth stocks outperformed value stocks in 2023. On the other hand, the intensifying geopolitical conflict, especially Israel-Hamas war, reignited concerns on supply chain disruption and inflation towards quarter end. Japanese equities showed strong performance in local currency term. The 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 thus relatively low interest rate.

MSCI AC Asia ex Japan Net Total Return Index up 6.0% in 2023, led by India and Tech drive rally in second half of 2023. Chinese equities continued to be the major drags despite the full re-opening of COVID polices. We see strong domestic consumption recovery was temporarily in Q1 with property sectors' weakness and local government debt remain a major drag in economy. Mounting default incidents from Chinese property developers and continued sporadic policy headwinds on fintech and internet sectors also soured domestic demand. We see consumption trade down and intensifying competition on shrinking consumption demand. Two major Tech-laden markets, Taiwan and Korea, were undergoing inventory de-stocking over the year but AI-related data center demand led by CSP (Content service provider) came into rescue in second half of 2023 to spur a new investment theme and shortage in AI-chips and capacity across the supply chain. India, together with ASEAN led by Indonesia and Thailand, continue to outperform throughout the year. Improvement in current accounts, driven by higher commodity prices and rising service exports, resulted into more resilient corporate earnings. Indian banking sector also particularly benefitted from improved balance sheets which bolstered healthy loan growth and earnings.

MSCI Hong Kong Net Total Return fell 14.8% in 2023, one of the worst performing markets among Asian equity markets. While a full re-opening from COVIDs, China market recovery was short lived. Economic slowdown with deflation pressure persists throughout the year has dragged on various sector performance in both on-shore market and Hong Kong equities. Gainers were SOE (State-Owned-Enterprise) on valuation re-rating from government support and AI-related Information Technology sector stocks, which soared mainly in the fourth quarter upon the booming AI-driven rally. Losers were Real Estate, infrastructure companies, which continue to drag by property sector weakness and local government debt issues.

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

### Review (continued)

US inflation continued to retreat from June 2022's four-decade high of 9.1%, with the 12-month rise in consumer prices falling to 3.1% in November, a lower level than many had expected. After raising rates three times in the year's first half, the Fed made only one additional increase later in 2023. Policymakers indicated they will likely continue to hold interest rates steady, despite inflation remaining above its 2% target. Against this backdrop, even while the broad economy remained strong, some sectors, such as real estate and finance, lagged. In the financial sector, the rapid rate increases in early 2023 left some regional lenders, such as Silicon Valley Bank, in precarious financial positions, with the value of their long-term Treasury bonds sinking. Many nervous depositors withdrew their cash, resulting in three of the four largest bank failures on record (after Washington Mutual in 2008).

In the bond market, US Treasuries rebounded in 2023 after posting their worst annual return in decades in 2022, with the Bloomberg US Treasury Bond Index gaining 4.1% vs. the previous year's 12.5% decline. But it was not a smooth ride for investors. Despite rising bond prices generally, yields were higher than they have been for most of the past decade. The 10-year Treasury yield nearly touched 5% in October for the first time since 2007, before pulling back below 4% by year-end. For the entire year, the 10-year yield was lower than that of three-month bills, keeping the yield curve inverted. A similar trend was observed in Europe and the UK as annual inflation significantly decelerated, although the ECB and BOE downplayed the extent of expected rate cuts. The BOJ revised its policy to allow 10-year Japanese government bond yields to rise above 1% but made no further changes to its wider yield-curve control policy. Meanwhile, Chinese government bond yields declined amid expectations that monetary policy will be loosened to spur growth. EM yields ended lower.

For Hong Kong Bond market, markets transitioned from anticipating further rate hikes to pricing in the end of the Fed's hiking cycle. Improving inflation data played a pivotal role in driving the market's shift, leading to a significant rate rally beginning in November. Liquidity remained adequate in Hong Kong as HKMA retains a wide array of policy tools to provide additional liquidity via open market operations or reducing the issuance of exchange funded bills. The HKD local rates curve flattened during the last quarter as investor evaluate the path of Fed's interest rate cycle amidst lower inflation. HKD swaps outperformed USD swaps as domestic accounts look to add duration into this rates backdrop.

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

## Investment income and performance

	<i>Sun Life MPF RMB and HKD Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 11,901,048	\$ (6,957,903)	\$ (6,180,631)
Net (loss)/return from investments - realised	<u>(20,213,119)</u>	<u>(6,447,990)</u>	<u>22,819,422</u>
	<i>Sun Life MPF Conservative Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 22,392,087	\$ 1,844,860	\$ (9,968,321)
Net return from investments - realised	<u>16,014,381</u>	<u>1,440,213</u>	<u>14,361,530</u>
	<i>Sun Life MPF Hong Kong Dollar Bond Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 268,188,817	\$ (357,991,604)	\$ (63,119,882)
Net return from investments - realised	<u>15,226,241</u>	<u>2,377,586</u>	<u>42,167,526</u>
	<i>Sun Life MPF Hong Kong Equity Fund</i>		
	2023	2022	2021
Net (depreciation)/appreciation of investments - unrealised	\$ (5,162,722,242)	\$ (4,911,467,964)	\$ (4,709,468,820)
Net (loss)/return from investments - realised	<u>(513,837,613)</u>	<u>(560,218,841)</u>	<u>1,029,264,603</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 Global Bond Fund</i>			
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Net appreciation/(depreciation) of investments - unrealised	\$ 171,720,887	\$ (233,094,334)	\$ (69,280,967)
Net (loss)/return from investments - realised	<u>(46,858,584)</u>	<u>(20,658,936)</u>	<u>21,109,149</u>
<i>Sun Life MPF Stable Fund</i>			
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Net appreciation/(depreciation) of investments - unrealised	\$ 381,085,525	\$(1,106,710,788)	\$ (237,385,506)
Net return/(loss) from investments - realised	<u>9,488,467</u>	<u>(141,235,125)</u>	<u>222,776,427</u>
<i>Sun Life MPF Balanced Fund</i>			
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Net appreciation/(depreciation) of investments - unrealised	\$ 290,605,330	\$(1,194,803,827)	\$ (57,048,413)
Net return/(loss) from investments - realised	<u>93,220,218</u>	<u>(159,155,259)</u>	<u>194,766,357</u>
<i>Sun Life MPF Growth Fund</i>			
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Net appreciation/(depreciation) of investments - unrealised	\$ 464,990,561	\$(1,972,406,478)	\$ (236,684,237)
Net return/(loss) from investments - realised	<u>130,476,234</u>	<u>(407,829,942)</u>	<u>655,025,628</u>
<i>Sun Life MPF Asian Equity Fund</i>			
	<i>2023</i>	<i>2022</i>	<i>2021</i>
Net appreciation/(depreciation) of investments - unrealised	\$ 190,861,878	\$ (948,057,231)	\$ (405,863,102)
Net (loss)/return from investments - realised	<u>(60,395,643)</u>	<u>(150,705,993)</u>	<u>22,534,353</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 Multi-Sector Equity Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 1,683,031,617	\$(1,914,775,770)	\$ 498,974,917
Net return/(loss) from investments - realised	310,934,576	(193,481,787)	882,117,144
	<i>Sun Life MPF Greater China Equity Fund</i>		
	2023	2022	2021
Net (depreciation)/appreciation of investments - unrealised	\$ (86,472,281)	\$(1,736,081,137)	\$ (927,969,996)
Net (loss)/return from investments - realised	(429,599,770)	(584,264,346)	28,539,639
	<i>Sun Life FTSE MPF Hong Kong Index Fund</i>		
	2023	2022	2021
Net (depreciation)/appreciation of investments - unrealised	\$ (231,526,378)	\$ (248,974,966)	\$ (328,709,222)
Net (loss)/return from investments - realised	(28,611,154)	(16,137,523)	28,528,154
	<i>Sun Life MPF Age 65 Plus Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 187,008,094	\$ (317,570,469)	\$ 34,019,748
Net (loss)/return from investments - realised	(1,180,669)	(472,466)	4,666,729
	<i>Sun Life MPF Core Accumulation Fund</i>		
	2023	2022	2021
Net appreciation/(depreciation) of investments - unrealised	\$ 1,146,434,927	\$(1,058,655,987)	\$ 547,740,764
Net return from investments - realised	7,536,205	7,090,824	8,529,528
	<i>Sun Life MPF European Equity Fund<sup>(i)</sup></i>		
	2023		
Net appreciation of investments - unrealised	\$ 17,084,418		
Net loss from investments - realised	(3,287,957)		

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

## Investment income and performance (continued)

	<u><i>Sun Life MPF US Equity Fund<sup>(i)</sup></i></u>
	<u>2023</u>
Net appreciation of investments - unrealised	\$ 132,341,093
Net loss from investments - realised	<u>(3,096,455)</u>
	<u><i>Sun Life MPF Global Low Carbon Index Fund<sup>(i)</sup></i></u>
	<u>2023</u>
Net appreciation of investments - unrealised	\$ 41,825,636
Net return from investments - realised	<u>-</u>
	<u><i>Sun Life MPF US &amp; Hong Kong Equity Fund<sup>(ii)</sup></i></u>
	<u>2023</u>
Net appreciation of investments - unrealised	\$ 7,081,367
Net return from investments - realised	<u>-</u>
(i)	The first dealing day of the constituent funds was on 5 June 2023 and the performance information was calculated from 5 June 2023.
(ii)	The first dealing day of the constituent fund was on 29 November 2023 and the performance information was calculated from 29 November 2023.

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

## Sun Life MPF RMB and HKD Fund

### Investment portfolio

	Nominal value	Market value HKD	% of net assets
<b>Quoted investments</b>			
<b>Bonds</b>			
<i>Denominated in Renminbi</i>			
AFRICAN DEVELOPMENT BANK SER EMTN 2.155% 25JAN2024	15,000,000	\$ 16,771,023	1.64
BARCLAYS BANK PLC SER EMTN (BR) 4% 24MAR2024	30,000,000	33,970,876	3.32
EUROPEAN INVESTMENT BANK SER EMTN (REG) (REG S) 2.7% 22APR2024	11,000,000	12,282,044	1.20
EXPORT-IMPORT BANK KOREA 2.85% 25MAR2024	15,000,000	16,796,651	1.64
EXPORT-IMPORT BANK KOREA SER GMTN (REG) (REG S) 2.8% 03MAR2024	20,000,000	22,434,323	2.19
HONG KONG MORTGAGE CORP SER EMTN (REG) (REG S) 2.7% 09FEB2024	30,000,000	33,699,632	3.29
MTR CORP LTD 2.9% 24MAR2024	24,000,000	26,919,724	2.63
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.75% 23FEB2024	20,000,000	22,144,407	2.16
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.98% 23NOV2024	10,000,000	10,963,289	1.07
PEOPLE'S BANK OF CHINA (REG S) (BR) 3.18% 22FEB2024	40,000,000	43,883,819	4.29
PEOPLE'S BANK OF CHINA (REG S) (BR) 3.38% 21MAR2024	10,000,000	10,977,907	1.07
QNB FINANCE LTD SER EMTN (REG S) (BR) 3.28% 18FEB2024	16,000,000	18,032,844	1.76
QNB FINANCE LTD SER EMTN (REG) (REG S) 3.5% 22APR2024	4,450,000	4,995,807	0.49
SUN HUNG KAI PROP (CAP) SER EMTN 2.78% 11JUN2024	10,000,000	10,958,677	1.07
VOLKSWAGEN INTL FIN NV SER EMTN (REG) (REG S) 2.9% 21JAN2024	10,000,000	11,263,443	1.10
WHARF REIC FINANCE BVI SER EMTN (REG) (REG S) 2.95% 19JAN2024	20,000,000	22,225,876	2.17
		<u>\$ 318,320,342</u>	<u>31.09</u>

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

## Sun Life MPF RMB and HKD Fund (continued)

### Investment portfolio (continued)

	Nominal value	Market value HKD	% of net assets
<b>Quoted investments (continued)</b>			
<b>Bonds (continued)</b>			
<i>Denominated in Hong Kong Dollar</i>			
AUST & NZ BANKING GROUP SER EMTN (BR) 5.27% 27JUL2024	5,000,000	\$ 5,122,678	0.50
COMMONWEALTH BANK AUST SER EMTN (REG) 5.3% 04OCT2024	6,000,000	6,094,502	0.60
HONG KONG T-BILL SER 91 0% 14FEB2024	10,000,000	9,940,730	0.97
HONG KONG T-BILL SER 91 0% 31JAN2024	10,000,000	9,958,020	0.97
WESTPAC BANKING CORP SER EMTN (REG) (REG S) 5.25% 16AUG2024	5,000,000	5,106,993	0.50
		<u>\$ 36,222,923</u>	<u>3.54</u>



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

## Sun Life MPF RMB and HKD Fund (continued)

### Investment portfolio (continued)

	Nominal value	Market value HKD	% of net assets
<b>Certificate of deposits</b>			
<i>Denominated in Hong Kong Dollar</i>			
AGRICULTURAL BK CHINA/HK SER CD (REG S) 0% CD 14MAR2024	4,000,000	\$ 3,962,312	0.39
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 5% CD 18JAN2024	10,000,000	10,102,880	0.99
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 5.24% CD 26MAR2024	5,000,000	5,072,222	0.50
BANK OF CHINA/MACAU SER FXCD 4.5% CD 06MAR2024	10,000,000	10,126,497	0.99
CHINA CONSTRUCT BK/SEOUL SER FXCD (REG S) (BR) 5.57% CD 29FEB2024	10,000,000	10,051,623	0.98
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) (BR) 0% CD 07MAY2024	6,000,000	5,893,614	0.58
CHINA CONSTRUCT BK/TOKYO SER Cd. (REG S) (BR) 0% CD 12JUN2024	10,000,000	9,777,460	0.95
CHINA DEVELOPMENT BK/HK SER CD (REG S) 0% CD 12JUN2024	5,000,000	4,896,745	0.48
CHINA DEVELOPMENT BK/HK SER CD (REG S) 0% CD 23MAY2024	10,000,000	9,818,750	0.96
CHINA DEVELOPMENT BK/HK SER FXCD (REG S) (BR) 5.07% CD 19JAN2024	10,000,000	10,102,250	0.99
IND & COMM BK CHN/SYDNEY SER FXCD (REG S) (BR) 5.285% CD 14MAY2024	10,000,000	10,071,251	0.98
IND & COMM BK CHN/SYDNEY SER FXCD 5.1% CD 12JAN2024	10,000,000	10,240,419	1.00
SMTB HONG KONG SER FXCD (REG S) (BR) 5.08% CD 22JAN2024	10,000,000	10,101,190	0.99
		<u>\$ 110,217,213</u>	<u>10.78</u>

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

## Sun Life MPF RMB and HKD Fund (continued)

### Investment portfolio (continued)

	Nominal value	Market value HKD	% of net assets
<b>Certificate of deposits (continued)</b>			
<i>Denominated in Renminbi</i>			
AGRICULTURAL BK CHINA/HK SER cd (REG S) 0% CD 17JAN2024	8,000,000	\$ 8,762,999	0.86
AGRICULTURAL BK CHINA/HK SER cd (REG S) 0% CD 31JAN2024	20,000,000	21,883,109	2.14
AGRICULTURAL BK CHINA/HK SER FXCD 3.1% CD 13MAR2024	20,000,000	22,140,253	2.16
BANK OF CHINA/MACAU SER FXCD (REG S) 3% CD 08FEB2024	25,000,000	27,442,142	2.68
BANK OF CHINA/MACAU SER FXCD 3% CD 22MAR2024	20,000,000	22,112,221	2.16
BANK OF COMM/MACAU SER CD (REG S) (BR) 0% CD 12JAN2024	30,000,000	32,874,110	3.21
BKOF COMMUNICATIONS/TOKYO SER CD (REG S) 0% CD 16MAY2024	30,000,000	32,539,894	3.18
IND & COMM BK CHN/SEOUL SER CD (REG S) 0% CD 22MAR2024	20,000,000	21,787,309	2.13
		<u>\$ 189,542,037</u>	<u>18.52</u>
<b>Total investments *</b>		\$ 654,302,515	63.93
<b>Other net assets</b>		<u>369,134,949</u>	<u>36.07</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 1,023,437,464</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 639,677,844</u>	

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

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<b>Bonds</b>				
<i>Denominated in Renminbi</i>				
AFRICAN DEVELOPMENT BANK SER EMTN 2.155% 25JAN2024	-	15,000,000	-	15,000,000
AGRICUL DEV BANK CHINA (REG) (REG S) 2.6% 11AUG2023	-	10,000,000	10,000,000	-
Bank Of China Hong Kong Ltd 2.8% 09/07/2023	15,000,000	15,000,000	30,000,000	-
Bank Of China Ltd (Hong Kong Branch) 2.8% 14/01/2023	27,950,000	-	27,950,000	-
BANK OF CHINA/FRANKFURT SER EMTN (REG) (REG S) 2.85% 28APR2023	-	30,000,000	30,000,000	-
BANK OF CHINA/MACAU SER EMTN (REG) (REG S) 2.75% 29SEP2023	-	7,000,000	7,000,000	-
BARCLAYS BANK PLC SER EMTN (BR) 4% 24MAR2024	-	30,000,000	-	30,000,000
BMW FINANCE NV SER EMTN (REG S) (BR) 2.8% 11AUG2023	-	22,000,000	22,000,000	-
BNP PARIBAS SER EMTN (REG S) (BR) 5% 08JUN2023	-	20,000,000	20,000,000	-
Bpce Sa 4.8% 22/06/2023	20,000,000	-	20,000,000	-
CENTRAL AMERICAN BANK SER EMTN (REG) (REG S) 4.85% 23MAY2023	-	30,000,000	30,000,000	-
China Construction Bank Corp (Singapore Branch) 2.85% 22/04/2023	20,000,000	-	20,000,000	-
CHINA GOVERNMENT BOND (BR) (REG S) 3.8% 09JUL2023	-	4,500,000	4,500,000	-
China, People's Republic Of (Government) 2.09% 22/02/2023	20,000,000	-	20,000,000	-
EUROPEAN INVESTMENT BANK SER EMTN (REG) (REG S) 2.7% 22APR2024	-	11,000,000	-	11,000,000
EXPORT-IMPORT BANK KOREA 2.85% 25MAR2024	-	15,000,000	-	15,000,000
EXPORT-IMPORT BANK KOREA SER GMTN (REG S) 2.6% 30JUL2023	-	25,000,000	25,000,000	-

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Renminbi (continued)</i>				
EXPORT-IMPORT BANK KOREA SER GMTN (REG) (REG S) 2.8% 03MAR2024	-	20,000,000	-	20,000,000
Export-Import Bank Of Korea 2.9% 02/03/2023	20,000,000	-	20,000,000	-
Export-Import Bank Of Korea 3.28% 21/03/2023	20,000,000	-	20,000,000	-
HKCG FINANCE LTD SER EMTN 3% 30OCT2023	-	5,000,000	5,000,000	-
Hong Kong Mortgage Corp Ltd 2.545% 10/02/2023	30,000,000	-	30,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (BR) 2.8% 07MAR2023	-	10,000,000	10,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (BR) 3% 20DEC2023	-	20,000,000	20,000,000	-
HONG KONG MORTGAGE CORP SER EMTN (REG) (REG S) 2.7% 09FEB2024	-	30,000,000	-	30,000,000
International Bank For Reconstruction And Development 2.55% 19/07/2023	20,000,000	-	20,000,000	-
INTL FINANCE CORP SER GMTN (REG) 2.55% 18SEP2023	-	20,000,000	20,000,000	-
KFW 2.39% 09/02/2023	15,000,000	-	15,000,000	-
MALAYAN BANKING BHD SER EMTN (REG S) (BR) 4.8% 05OCT2023	-	20,000,000	20,000,000	-
MTR CORP LTD 2.9% 24MAR2024	-	24,000,000	-	24,000,000
National Australia Bank Ltd 4.74% 30/05/2023	20,000,000	-	20,000,000	-
National Australia Bank Ltd 4.75% 06/06/2023	20,000,000	-	20,000,000	-

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Renminbi (continued)</i>				
PEOPLE'S BANK OF CHINA (BR) 3.2% 23NOV2023	-	25,000,000	25,000,000	-
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.3% 24AUG2023	-	22,500,000	22,500,000	-
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.5% 23NOV2023	-	40,000,000	40,000,000	-
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.75% 23FEB2024	-	20,000,000	-	20,000,000
PEOPLE'S BANK OF CHINA (REG S) (BR) 2.98% 23NOV2024	-	10,000,000	-	10,000,000
PEOPLE'S BANK OF CHINA (REG S) (BR) 3.18% 22FEB2024	-	40,000,000	-	40,000,000
PEOPLE'S BANK OF CHINA (REG S) (BR) 3.38% 21MAR2024	-	10,000,000	-	10,000,000
QNB FINANCE LTD SER EMTN (REG S) (BR) 3.28% 18FEB2024	-	16,000,000	-	16,000,000
QNB FINANCE LTD SER EMTN (REG) (REG S) 3.5% 22APR2024	-	4,450,000	-	4,450,000
SHINHAN BANK SER GMTN (REG S) 3.7% 11OCT2023	-	20,000,000	20,000,000	-
SUN HUNG KAI PROP (CAP) SER EMTN 2.78% 11JUN2024	-	10,000,000	-	10,000,000
VOLKSWAGEN INTL FIN NV SER EMTN (REG) (REG S) 2.9% 21JAN2024	-	10,000,000	-	10,000,000
VOLKSWAGEN INTL FIN NV SER EMTN (REG) (REG S) 3.4% 08DEC2023	-	30,000,000	30,000,000	-
WESTPAC BANKING CORP SER EMTN (BR) (REG S) 4.42% 14AUG2023	-	30,000,000	30,000,000	-

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	<i>Nominal value</i>			<i>As at 31 December 2023</i>
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Renminbi</i>				
WESTPAC BANKING CORP SER EMTN (REG S) (BR) 4.45% 13JUL2023	-	30,000,000	30,000,000	-
WHARF REIC FINANCE BVI (SER EMTN) 3.2% 15SEP2023	-	10,000,000	10,000,000	-
WHARF REIC FINANCE BVI SER EMTN (REG) (REG S) 2.95% 19JAN2024	-	20,000,000	-	20,000,000

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Nominal value			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Hong Kong Dollar</i>				
AUST & NZ BANKING GROUP SER EMTN (BR) 5.27% 27JUL2024	-	5,000,000	-	5,000,000
Australia And New Zealand Banking Group Ltd 4.1% 26/09/2023	8,000,000	-	8,000,000	-
COMMONWEALTH BANK AUST SER EMTN (REG) 5.3% 04OCT2024	-	6,000,000	-	6,000,000
Hong Kong Mortgage Corp Ser EMTN (Br) 0% 29/03/2023	10,000,000	-	10,000,000	-
HONG KONG T-BILL SER 91 0% 02AUG2023	-	10,000,000	10,000,000	-
HONG KONG T-BILL SER 91 0% 08FEB2023	-	15,000,000	15,000,000	-
HONG KONG T-BILL SER 91 0% 08MAR2023	-	15,000,000	15,000,000	-
HONG KONG T-BILL SER 91 0% 14FEB2024	-	10,000,000	-	10,000,000
HONG KONG T-BILL SER 91 0% 20DEC2023	-	10,000,000	10,000,000	-
HONG KONG T-BILL SER 91 0% 22FEB2023	-	10,000,000	10,000,000	-
HONG KONG T-BILL SER 91 0% 29MAR2023	-	10,000,000	10,000,000	-
HONG KONG T-BILL SER 91 0% 31JAN2024	-	10,000,000	-	10,000,000
WESTPAC BANKING CORP SER EMTN (REG) (REG S) 5.25% 16AUG2024	-	5,000,000	-	5,000,000

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Portfolio Holdings			
	As at 31 December 2022	Additions	Disposals	As at 31 December 2023
<b>Certificates of deposits</b>				
<i>Denominated in Renminbi</i>				
AGRICULTURAL BK CHINA/HK SER cd (REG S) 0% CD 17JAN2024	-	8,000,000	-	8,000,000
AGRICULTURAL BK CHINA/HK SER cd (REG S) 0% CD 31JAN2024	-	20,000,000	-	20,000,000
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 2.45% CD 03AUG2023	-	15,000,000	15,000,000	-
AGRICULTURAL BK CHINA/HK SER FXCD 3.1% CD 13MAR2024	-	20,000,000	-	20,000,000
BANK OF CHINA/MACAU SER FXCD (REG S) 3% CD 08FEB2024	-	25,000,000	-	25,000,000
BANK OF CHINA/MACAU SER FXCD 3% CD 22MAR2024	-	20,000,000	-	20,000,000
BANK OF COMM/MACAU SER CD (REG S) (BR) 0% CD 12JAN2024	-	30,000,000	-	30,000,000
Bank Of Communications Co Ltd (Macau Branch) 2.7% 21/02/2023	20,000,000	-	20,000,000	-
BKOF COMMUNICATIONS/TOKYO SER CD (REG S) 0% CD 16MAY2024	-	30,000,000	-	30,000,000
Canadian Imperial Bank Of Commerce (Hong Kong Branch) 0% 06/07/2023	20,000,000	-	20,000,000	-
CHINA CONSTRUCT BANK/SG SER FXCD 1% CD 01JUN2023	-	30,000,000	30,000,000	-
CHINA CONSTRUCT BK/SEOUL SER FXCD (REG S) 2% CD 26SEP2023	-	50,000,000	50,000,000	-
CHINA CONSTRUCT BK/TOKYO SER CD. (REG S) 0% CD 27DEC2023	-	15,000,000	15,000,000	-
China Construction Bank Corporation (Macau Branch) 2.5% 11/01/2023	30,000,000	-	30,000,000	-
Cooperative Rabobank UA (Hong Kong Branch) 3.33% 15/03/2023	20,000,000	-	20,000,000	-
IND & COM B C/DUBAI DIFC SER FXCD (REG S) (BR) 1% CD 13JUN2023	-	30,000,000	30,000,000	-



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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Nominal value			
	As at 31 December 2022	Additions	Disposals	As at 31 December 2023
Certificate of deposits (continued)				
Denominated in Renminbi (continued)				
IND & COM B C/DUBAI DIFC SER FXCD (REG S) 2.6% CD 24AUG2023	-	20,000,000	20,000,000	-
IND & COMM BK CHN/DOHA SER FXCD 3% CD 05MAY2023	-	10,000,000	10,000,000	-
IND & COMM BK CHN/SEOUL SER Cd (REG S) 0% CD 20DEC2023	-	20,000,000	20,000,000	-
IND & COMM BK CHN/SEOUL SER CD (REG S) 0% CD 22MAR2024	-	20,000,000	-	20,000,000
IND & COMM BK CHN/SYDNEY SER CD (REG S) 0% CD 14APR2023	-	13,000,000	13,000,000	-
Industrial And Commercial Bank Of China Ltd (Luxembourg Branch) 2.85% 11/04/2023	40,000,000	-	40,000,000	-
Industrial And Commercial Bank Of China Ltd (Sydney Branch) 0% 06/02/2023	20,000,000	-	20,000,000	-

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Portfolio Holdings			
	As at 31 December 2022	Additions	Disposals	As at 31 December 2023
Certificate of deposits (continued)				
Denominated in Hong Kong Dollar				
AGRICULTURAL BK CHINA/HK SER CD (REG S) 0% CD 14MAR2024	-	4,000,000	-	4,000,000
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 5% CD 18JAN2024	-	10,000,000	-	10,000,000
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) (BR) 5.24% CD 26MAR2024	-	5,000,000	-	5,000,000
AGRICULTURAL BK CN/MACAO SER Cd (REG S) 0% CD 04AUG2023	-	10,000,000	10,000,000	-
BANK OF CHINA/MACAU SER FXCD 4.5% CD 06MAR2024	-	10,000,000	-	10,000,000
BANK OF COMM/MACAU SER FXCD (REG S) (BR) 4.41% CD 13OCT2023	-	5,000,000	5,000,000	-
CANADIAN IMP BK COMM HK SER CD (REG S) (BR) 0% CD 06OCT2023	-	10,000,000	10,000,000	-
CANADIAN IMP BK COMM HK SER CD (REG S) (BR) 0% CD 13OCT2023	-	10,000,000	10,000,000	-
Canadian Imperial Bank Of Commerce (Hong Kong Branch) 0% 12/04/2023	12,000,000	-	12,000,000	-
CHINA CONSTRUCT BK/SEOUL SER FXCD (REG S) (BR) 5.57% CD 29FEB2024	-	10,000,000	-	10,000,000
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) (BR) 0% CD 07MAY2024	-	6,000,000	-	6,000,000
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) (BR) 0% CD 31OCT2023	-	10,000,000	10,000,000	-
CHINA CONSTRUCT BK/TOKYO SER Cd. (REG S) (BR) 0% CD 12JUN2024	-	10,000,000	-	10,000,000
China Development Bank (Hong Kong Branch) 0% 02/05/2023	13,000,000	-	13,000,000	

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

## Sun Life MPF RMB and HKD Fund (continued)

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

	Nominal value			
	As at 31 December 2022	Additions	Disposals	As at 31 December 2023
Certificate of deposits (continued)				
Denominated in Hong Kong Dollar (continued)				
CHINA DEVELOPMENT BK/HK SER CD (REG S) 0% CD 12JUN2024	-	5,000,000	-	5,000,000
CHINA DEVELOPMENT BK/HK SER CD (REG S) 0% CD 23MAY2024	-	10,000,000	-	10,000,000
CHINA DEVELOPMENT BK/HK SER FXCD (REG S) (BR) 5.07% CD 19JAN2024	-	10,000,000	-	10,000,000
Hang Seng Bank Ltd 2.83% 02/03/2023	6,000,000	-	6,000,000	-
Hang Seng Bank Ltd 5% 01/03/2023	10,000,000	-	10,000,000	-
IND & COMM BK CHN/SYDNEY SER Cd. (REG S) (BR) 0% CD 17NOV2023	-	14,000,000	14,000,000	-
IND & COMM BK CHN/SYDNEY SER FXCD (REG S) (BR) 5.285% CD 14MAY2024	-	10,000,000	-	10,000,000
IND & COMM BK CHN/SYDNEY SER FXCD 5.1% CD 12JAN2024	-	10,000,000	-	10,000,000
Industrial And Commercial Bank Of China Ltd (Sydney Branch) 5.33% 15/06/2023	10,000,000	-	10,000,000	-
SMTB HONG KONG SER FXCD (REG S) (BR) 5.08% CD 22JAN2024	-	10,000,000	-	10,000,000

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

## Sun Life MPF Conservative Fund

### Investment portfolio

	Nominal value	Market value HKD	% of net assets
<b>Certificate of deposits</b>			
<i>Denominated in Hong Kong Dollar</i>			
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) 5.14% CD 17APR2024	250,000,000	\$ 252,767,366	1.40
IND & COMM BK CHN/SYDNEY SER FXCD (REG S) 5.31% CD 17MAY2024	120,000,000	120,832,509	0.67
CHINA CONSTRUCT BK/TOKYO SER cd (REG S) 0% CD 13SEP2024	200,000,000	193,086,000	1.07
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 07FEB2024	100,000,000	99,411,000	0.55
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 18JAN2024	100,000,000	99,704,000	0.55
AGRICULTURAL BK CHINA/HK SER CD 0% CD 07JUN2024	150,000,000	146,934,750	0.81
IND & COMM BK CHN/SYDNEY SER FXCD 4.74% CD 11MAR2024	100,000,000	101,292,266	0.56
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 20FEB2024	100,000,000	99,221,000	0.55
AGRICULTURAL BK CHINA/HK SER FXCD 5.14% CD 26APR2024	100,000,000	100,994,207	0.56
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) 0% CD 22AUG2024	150,000,000	145,309,800	0.81
BANK OF CHINA/SYDNEY SER FXCD (REG S) 5.63% CD 04JUN2024	150,000,000	150,958,486	0.84
CHINA CONSTRUCT BK/TOKYO SER CD 0% CD 02MAY2024	200,000,000	196,613,800	1.09

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

## Sun Life MPF Conservative Fund (continued)

### Investment portfolio (continued)

	Nominal value	Market value HKD	% of net assets
<b>Certificate of deposits (continued)</b>			
<i>Denominated in Hong Kong Dollar (continued)</i>			
CHINA CONSTRUCT BK/TOKYO SER Cd (REG S) 0% CD 06SEP2024	250,000,000	\$ 241,508,250	1.34
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) 5.24% CD 09MAY2024	150,000,000	151,298,965	0.84
CHINA CONSTRUCT BK/TOKYO SER Cd 0% CD 11SEP2024	250,000,000	241,420,000	1.34
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 05MAR2024	100,000,000	99,142,704	0.55
CHINA CONSTRUCT BK/TOKYO SER Cd. 0% CD 02MAY2024	100,000,000	98,306,900	0.54
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 26JAN2024	100,000,000	99,588,000	0.55
CHINA CONSTRUCT BK/TOKYO SER Cd (REG S) 0% CD 06SEP2024	250,000,000	151,298,965	1.34
		<u>\$ 2,638,390,003</u>	<u>14.62</u>
<b>Total investments *</b>		\$ 2,638,390,003	14.62
<b>Other net assets</b>		<u>15,407,173,402</u>	<u>85.38</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u><u>\$ 18,045,563,405</u></u>	<u><u>100.00</u></u>
<b>Total investments at cost *</b>		<u><u>\$ 2,614,257,974</u></u>	

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

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

## Sun Life MPF Conservative Fund

### Statement of movements in investment portfolio

	Portfolio Holdings		
	As at 31 December 2022	Additions	As at 31 December 2023
<b>Certificate of deposits</b>			
<i>Denominated in Hong Kong Dollar</i>			
AGRICULTURAL BK CHINA/HK SER CD 0% CD 07JUN2024	-	150,000,000	- 150,000,000
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) 5.14% CD 17APR2024	-	250,000,000	- 250,000,000
AGRICULTURAL BK CHINA/HK SER FXCD (REG S) 5.24% CD 09MAY2024	-	150,000,000	- 150,000,000
AGRICULTURAL BK CHINA/HK SER FXCD 5.14% CD 26APR2024	-	100,000,000	- 100,000,000
AGRICULTURAL BK CN/MACAO SER FXCD (REG S) 3.79% CD 30OCT2023	-	100,000,000	100,000,000 -
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 05MAR2024	-	100,000,000	- 100,000,000
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 07FEB2024	-	100,000,000	- 100,000,000
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 18JAN2024	-	100,000,000	- 100,000,000
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 20FEB2024	-	100,000,000	- 100,000,000
BANCO SANTANDER SA HK SER CD (REG S) 0% CD 26JAN2024	-	100,000,000	- 100,000,000
BANK OF CHINA/SYDNEY SER FXCD (REG S) 5.63% CD 04JUN2024	-	150,000,000	- 150,000,000
CHINA CONSTRUCT BANK/SG SER FXCD (REG S) 3.23% CD 20JUL2023	-	100,000,000	100,000,000 -
CHINA CONSTRUCT BANK/SG SER FXCD (REG S) 3.59% CD 03NOV2023	-	100,000,000	100,000,000 -
CHINA CONSTRUCT BK/TOKYO SER Cd (REG S) 0% CD 06SEP2024	-	250,000,000	- 250,000,000

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

## Sun Life MPF Conservative Fund (continued)

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

	Portfolio Holdings		
	As at 31 December 2022	Additions	As at 31 December 2023
<b>Certificate of deposits (continued)</b>			
<i>Denominated in Hong Kong Dollar (continued)</i>			
CHINA CONSTRUCT BK/TOKYO SER Cd (REG S) 0% CD 13SEP2024	-	200,000,000	-
CHINA CONSTRUCT BK/TOKYO SER CD (REG S) 0% CD 22AUG2024	-	150,000,000	-
CHINA CONSTRUCT BK/TOKYO SER CD 0% CD 02MAY2024	-	200,000,000	-
CHINA CONSTRUCT BK/TOKYO SER CD 0% CD 11SEP2024	-	250,000,000	-
CHINA CONSTRUCT BK/TOKYO SER CD. 0% CD 02MAY2024	-	100,000,000	-
DBS Bank Hong Kong Ltd 1.07% 16/03/2023	200,000,000	-	200,000,000
Hang Seng Bank Ltd 2.51% 08/02/2023	100,000,000	-	100,000,000
Hang Seng Bank Ltd 4.85% 23/02/2023	100,000,000	-	100,000,000
HANG SENG BANK LTD SER FXCD (REG S) (BR) 3.21% CD 30JUN2023	-	100,000,000	100,000,000
HANG SENG BANK LTD SER FXCD (REG S) (BR) 3.74% CD 24AUG2023	-	100,000,000	100,000,000
HANG SENG BANK LTD SER FXCD (REG S) (BR) 3.88% CD 14AUG2023	-	100,000,000	100,000,000
HANG SENG BANK LTD SER FXCD (REG S) (BR) 4.37% CD 13DEC2023	-	100,000,000	100,000,000
IND & COMM BK CHN/SYDNEY SER FXCD (REG S) 5.31% CD 17MAY2024	-	120,000,000	-
IND & COMM BK CHN/SYDNEY SER FXCD 4.74% CD 11MAR2024	-	100,000,000	-

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

## Sun Life MPF Hong Kong Dollar Bond Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
BEA Union Investment Management Ltd			
- BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	10,093,578	\$ 1,112,816,993	25.48
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Hong Kong Bond Fund	34,824,408	582,612,344	13.34
Invesco Pooled Investment Fund			
- HK\$ Bond Fund Class B	47,281,855	970,280,393	22.21
JPMorgan SAR Funds			
- JPMorgan SAR HK\$ Bond Fund Class C	54,871,550	583,284,582	13.35
Principal Life Style Fund			
- Principal Hong Kong Bond Fund Pension Class	84,754,349	1,098,746,908	25.15
<b>Total investments *</b>		\$ 4,347,741,220	99.53
<b>Other net assets</b>		20,367,995	0.47
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 4,368,109,215</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 4,137,475,124</u>	

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



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

## Sun Life MPF Hong Kong Dollar Bond Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
BEA Union Investment Management Ltd - BEA Union Investment Hong Kong Dollar (HK\$) Bond Fund	1,998,203	8,237,703	142,328	10,093,578
First Sentier Investors MPF Umbrella Fund - First Sentier MPF Hong Kong Bond Fund	63,939,510	4,267,176	33,382,278	34,824,408
Invesco Pooled Investment Fund - HK\$ Bond Fund Class B	44,963,406	7,867,426	5,548,977	47,281,855
JPMorgan SAR Funds - JPMorgan SAR HK\$ Bond Fund Class C	77,993,740	487,804	23,609,994	54,871,550
Principal Life Style Fund - Principal Hong Kong Bond Fund Pension Class	86,094,626	13,023,147	14,363,424	84,754,349

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

## Sun Life MPF Hong Kong Equity Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
First Sentier Investors MPF Umbrella Fund - FSSA MPF Hong Kong Equity Fund	208,566,089	\$ 8,021,451,778	25.37
Principal Life Style Fund - Principal Hong Kong Equity Fund Pension Class	125,218,559	4,001,334,009	12.66
Allianz Global Investors Choice Fund - Allianz Choice Hong Kong Ordinary I (HKD)	140,532,093	9,198,415,704	29.10
Schroder Institutional Pooled Fund - Hong Kong Equity Fund Class B	419,717,050	3,030,357,100	9.59
Templeton MPF Investment Funds - Franklin MPF Hong Kong Equity Fund Class X	75,562,220	3,261,265,423	10.32
		<u>\$ 27,512,824,014</u>	<u>87.04</u>
<i>Approved index-tracking collective investment scheme</i>			
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index Fund Class A	427,572,666	\$ 3,484,717,227	11.02
		<u>\$ 3,484,717,227</u>	<u>11.02</u>
<b>Total investments *</b>		\$ 30,997,541,241	98.06
<b>Other net assets</b>		<u>613,821,362</u>	<u>1.94</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 31,611,362,603</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 34,878,233,007</u>	

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

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

## Sun Life MPF Hong Kong Equity Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
First Sentier Investors MPF Umbrella Fund - FSSA MPF Hong Kong Equity Fund	327,053,180	-	118,487,091	208,566,089
Invesco Pooled Investment Fund - Hong Kong and China Fund Class B	25,769,058	-	25,769,058	-
Principal Life Style Fund - Principal Hong Kong Equity Fund Pension Class	93,556,179	55,763,353	24,100,973	125,218,559
Allianz Global Investors Choice Fund - Allianz Choice Hong Kong Ordinary I (HKD)	70,779,761	29,883,520	3,818,494	140,532,093
Schroder Institutional Pooled Fund - Hong Kong Equity Fund Class B	114,467,067	403,795,030	-	419,717,050
Templeton MPF Investment Funds - Franklin MPF Hong Kong Equity Fund Class X	15,922,020	24,325,122	19,542,663	75,562,220
<i>Approved index-tracking collective investment scheme</i>				
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index Fund Class A	328,512,817	317,381,209	218,321,360	427,572,666

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

## Sun Life MPF Global Bond Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	13,775,847	\$ 366,437,524	16.74
- First Sentier MPF Global Bond Fund	20,845,723	383,769,761	17.53
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	29,317,683	698,555,356	31.91
The Sun Life Investment Funds			
- Sun Life IF Global Bond Fund - Class X	45,324,945	459,141,694	20.98
		<u>\$ 1,907,904,335</u>	<u>87.16</u>
<i>Approved index-tracking collective investment scheme</i>			
Blackrock Fund Advisors			
- iShares 20+ Year Treasury Bond ETF	216,949	167,559,189	7.66
Amundi International Asset Management SAS			
- Amundi US Treasury 10+Y DR-MH ETF	127,000	88,661,113	4.05
		<u>\$ 256,220,302</u>	<u></u>
<b>Total investments *</b>		<u>\$ 2,164,124,637</u>	<u>11.71</u>
<b>Other net assets</b>		<u>24,668,325</u>	<u>1.13</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 2,188,792,962</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 2,118,464,965</u>	

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

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

## Sun Life MPF Global Bond Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	24,721,944	7,718,726	18,664,823	13,775,847
- First Sentier MPF Global Bond Fund	20,301,248	13,114,027	12,569,552	20,845,723
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	29,481,146	8,293,349	8,456,812	29,317,683
JPMorgan SAR Funds				
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	10,457,919	6,285,898	16,743,817	-
The Sun Life Investment Funds				
- Sun Life IF Global Bond Fund - Class X	-	45,324,945	-	45,324,945
Templeton MPF Investment Funds				
- Templeton Global Bond A (ACC) HKD	3,741,515	6,779,333	10,520,848	-
<i>Approved index-tracking collective investment scheme</i>				
Blackrock Fund Advisors				
- iShares 20+ Year Treasury Bond ETF	-	216,949	-	216,949
Amundi International Asset Management SAS				
- Amundi US Treasury 10+Y DR-MH ETF	-	359,000	232,000	127,000

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

## Sun Life MPF Stable Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund			
- Allianz Choice Global Equity-Ordinary Class I	6,661,185	\$ 76,337,177	1.10
- Allianz Hong Kong Fund	1,590,930	68,664,533	0.99
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	25,111,856	667,975,369	9.61
- First Sentier MPF Global Bond Fund	26,036,000	479,322,760	6.90
- FSSA MPF Asia Region Equity Fund	1,109,757	97,525,448	1.40
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	62,510,656	1,489,447,641	21.43
JPMorgan SAR Funds			
- JPMorgan SAR Greater China Fund Class C	7,570,710	83,277,810	1.20
- JPMORGAN ASIAN FUND CLASS A	207,735	154,587,329	2.22
The Sun Life Investment Funds			
- Sun Life IF Asian Balanced Fund - Class X	21,782,406	223,705,308	3.22
- Sun Life IF European Equity Fund - Class X	8,808,809	90,642,641	1.30
- Sun Life IF Global Bond Fund - Class X	130,527,656	1,322,245,158	19.02
- Sun Life IF Global Equity Fund - Class X	15,679,916	172,949,472	2.49
Principal Life Style Fund			
- Principal European Equity Fund Pension Class	8,029,199	186,748,727	2.69
- Principal Hong Kong Equity Fund Pension Class	6,533,675	208,782,286	3.00
The Sun Life Investment Funds			
- Sun Life IF US Opportunities Fund Class X	3,741,978	39,440,450	0.57
		<u>\$ 5,361,652,109</u>	<u>77.14</u>

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

## Sun Life MPF Stable Fund (continued)

### Investment portfolio (continued)

	Holdings	Market value HKD	% of net assets
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
Blackrock Fund Advisors			
- iShares 20+ Year Treasury Bond ETF	542,500	\$ 418,996,447	6.03
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	1,200,000	20,304,000	0.29
- China AMC MSCI Japan Hedged to USD ETF	6,511,000	111,989,200	1.61
China Asset Management (Hong Kong) LTD/Hong Kong			
- ChinaAMC MSCI China A 50 Connect ETF	1,500,000	30,060,000	0.43
Invesco QQQ Trust Series 1 - ETF	22,100	70,660,084	1.02
Amundi International Asset Management SAS			
- Amundi MSCI Japan UCITS ETF ACC ETF	1,504,000	193,236,750	2.78
Amundi International Asset Management SAS			
- Amundi Core EURSTX 600 DR ETF	8,600	16,109,920	0.23
Amundi International Asset Management SAS			
- Amundi US Treasury 10+Y DR-MH ETF	415,000	289,719,385	4.17
SPDR S&P 500 ETF TRUST	39,200	145,502,334	2.09
Sun Life Asset Management (HK) Ltd			
- Sun Life AM Global Low Carbon Index Class A	6,998,258	81,459,728	1.17
- Sun Life AM Hong Kong ESG Index Fund Class A	21,802,212	177,688,030	2.56
		<u>\$ 1,555,725,878</u>	<u>22.38</u>

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

## Sun Life MPF Stable Fund (continued)

### Investment portfolio (continued)

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Total investments *</b>		\$ 6,917,377,987	99.52
<b>Other net assets</b>		33,042,333	0.48
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 6,950,420,320</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 6,740,340,618</u>	

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



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

## Sun Life MPF Stable Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	4,188,811	-	4,188,811	-
- Allianz Choice Global Equity-Ordinary Class I	-	6,661,185	-	6,661,185
- Allianz Hong Kong Fund	-	4,556,893	2,965,963	1,590,930
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	50,434,587	3,256,416	28,579,147	25,111,856
- First Sentier MPF Global Bond Fund	63,721,599	7,221,701	44,907,300	26,036,000
- FSSA MPF Hong Kong Equity Fund	4,138,087	-	4,138,087	-
- FSSA MPF Asia Region Equity Fund	2,956,005	876,934	2,723,182	1,109,757
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	63,880,422	14,075,419	15,445,185	62,510,656
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund Class C	11,756,138	8,746,229	12,931,657	7,570,710
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	14,362,205	9,685,321	24,047,526	-
- JPMorgan Asian Fund Class A	-	259,945	52,210	207,735
Principal Life Style Fund				
- Principal European Equity Fund Pension Class	13,299,551	781,602	6,051,954	8,029,199
- Principal Hong Kong Equity Fund Pension Class	1,928,559	5,564,416	959,300	6,533,675
- Principal Life Hong Kong Bond Pension Class	-	8,095,081	8,095,081	-
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund Class B	14,238,155	-	14,238,155	-
The Sun Life Investment Funds				
- Sun Life IF Asian Balanced Fund Class X	-	21,782,406	-	21,782,406
- Sun Life IF Asian Balanced Fund Class X	-	10,851,819	2,043,011	8,808,809
- Sun Life IF Global Bond Fund Class X	-	152,523,553	21,995,897	130,527,656
- Sun Life IF Global Equity Fund Class X	-	26,380,190	10,700,274	15,679,916
- Sun Life IF US Opportunities Fund Class X	5,470,495	1,796,038	3,524,555	3,741,978

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

## Sun Life MPF Stable Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<i>Approved pooled investment funds (continued)</i>				
Templeton MPF Investment Funds				
- Templeton Global Bond A (Acc) HKD	22,462,973	18,751,477	41,214,450	-
Franklin Templeton Investments Asia LTD				
- Templeton MPF Asian Balanced Fund Class A	-	147,268	147,268	-
- The Templeton MPF Investment Fund European Equity(A)	-	417,593	417,593	-
<i>Approved index-tracking collective investment funds</i>				
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	3,200,000	7,000,000	9,000,000	1,200,000
- China AMC MSCI Japan Hedged to USD ETF	5,600,000	15,731,000	14,820,000	6,511,000
Blackrock Fund Advisors				
- iShares 20+ Year Treasury Bond ETF	-	542,500	-	542,500
- iShares S&P 500 Growth ETF	-	229,000	229,000	-
- iShares S&P 500 Value ETF	-	71,000	71,000	-
- iShares Core MSCI AC Asia EX Japan Index ETF	-	235,500	235,500	-
China Asset Management (Hong Kong) LTD				
- China AMC MSCI CH A50 CNT-HKD ETF	-	1,500,000	-	1,500,000
Invesco QQQ Trust Series 1 – ETF	-	44,000	21,900	22,100

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

## Sun Life MPF Stable Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<i>Approved index-tracking collective investment funds (continued)</i>				
Amundi International Asset Management SAS				
- Amundi MSCI Japan UCITS ETF ACC ETF	-	2,417,000	913,000	1,504,000
- Amundi Core EURSTX 600 DR ETF	-	84,500	75,900	8,600
- Amundi US Treasury 10+Y DR-MH ETF	-	1,089,500	674,500	415,000
- Amundi US Treasury 1-3Y DR-MH ETF	-	478,000	478,000	-
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Global Low Carbon Index Class A	13,171,583	-	6,173,325	6,998,258
- Sun Life AM Hong Kong ESG Index Fund Class A	16,625,010	21,802,212	16,625,010	21,802,212
SPDR S&P 500 ETF Trust	-	57,700	18,500	39,200

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

## Sun Life MPF Balanced Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund			
- Allianz Choice Global Equity Ordinary I	11,021,233	\$ 126,303,329	1.75
- Allianz Global Investors Choice Fund Hong Kong Fund	2,782,061	120,073,770	1.66
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	17,653,559	469,584,660	6.50
- First Sentier MPF Global Bond Fund	21,530,975	396,385,256	5.49
- FSSA MPF Asia Region Equity Fund	2,155,561	189,430,705	2.62
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	42,098,678	1,003,089,401	13.88
JPMorgan SAR Funds			
- JPMorgan SAR Greater China Fund Class C	12,659,676	139,256,434	1.93
- JPMORGAN ASIAN FUND CLASS A	407,740	303,421,572	4.20
The Sun Life Investment Fund			
- Sun Life IF Asian Balanced Fund Class X	21,141,942	217,127,743	3.01
- Sun Life IF European Equity Fund Class X	14,726,302	151,533,649	2.10
- Sun Life IF Global Bond Fund Class X	89,054,241	902,119,460	12.49
- Sun Life IF Global Equity Fund Class X	26,272,112	289,781,393	4.01
- Sun Life IF US Opportunities Fund Class X	6,991,780	73,693,362	1.02
Principal Life Style Fund			
- Principal Europe Equity Fund Pension Class	13,736,515	319,493,483	4.42
- Principal Hong Kong Equity Fund Pension Class	12,255,237	391,613,653	5.42
		<u>\$ 5,092,907,870</u>	<u>70.50</u>

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

## Sun Life MPF Balanced Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
Blackrock Fund Advisors			
- iShares 20+ year Treasury Bond ETF	409,500	\$ 316,274,737	4.38
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	1,990,000	33,670,800	0.47
- China AMC MSCI Japan Hedged to USD ETF	14,854,000	255,488,800	3.54
China Asset Management (Hong Kong) LTD/Hong Kong			
- China AMC MSCI CHA50 CNT-HKD ETF	2,600,000	52,104,000	0.72
Invesco QQQ Trust Series 1 - ETF	34,100	109,027,551	1.51
Amundi International Asset Management SAS			
- Amundi MSCI Japan UCITS ETF ACC ETF	2,002,500	257,284,968	3.56
- Amundi Core EURSTX 600 DR ETF	22,700	42,522,695	0.59
- Amundi US Treasury 10+Y DR-MH ETF	388,000	270,870,172	3.75
- Sun Life AM Global Low Carbon Index Class A	12,111,869	140,982,153	1.95
- Sun Life AM Hong Kong ESG Index Fund Class A	40,089,820	326,732,029	4.52
SPDR S&P 500 ETF Trust	72,800	270,218,621	3.74
		<u>\$ 2,075,176,526</u>	<u>28.73</u>
<b>Total investments *</b>		\$ 7,168,084,396	99.23
<b>Other net assets</b>		<u>55,784,047</u>	<u>0.77</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 7,223,868,443</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 6,999,393,517</u>	

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

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

## Sun Life MPF Balanced Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	6,219,901	-	6,219,901	-
- Allianz Choice Global Equity Ordinary Class I	-	11,021,233	-	11,021,233
- Allianz Global Investors Choice Fund Allianz Hong Kong Fund	-	6,350,752	3,568,691	2,782,061
First Sentier Investors MPF Umbrella Fund	-			-
- First Sentier MPF Asia Region Bond Fund	34,717,484	4,982,281	22,046,206	17,653,559
- First Sentier MPF Global Bond Fund	32,513,096	6,852,186	17,834,307	21,530,975
- FSSA MPF Hong Kong Equity Fund	3,069,342	634,166	3,703,508	-
- FSSA MPF Asia Region Equity Fund	4,571,438	1,401,590	3,817,467	2,155,561
Invesco Pooled Investment Fund				-
- MPF Bond Fund Class B	43,871,976	9,348,513	11,121,811	42,098,678
JPMorgan SAR Funds				-
- JPMorgan SAR Greater China Fund Class C	20,355,390	8,878,181	16,573,895	12,659,676
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	17,774,578	18,162,173	35,936,751	-
- JPMorgan Asian Fund Class A	-	488,956	81,216	407,740
Principal Life Style Fund				-
- Principal Europe Equity Fund Pension Class	21,966,790	1,462,774	9,693,049	13,736,515
- Principal Hong Kong Equity Fund Pension Class	5,509,923	9,910,975	3,165,661	12,255,237
- Principal Life Hong Kong Bond Pension Class	-	4,821,640	4,821,640	-
The Sun Life Investment Fund				
- Sun Life IF Asian Balanced Fund Class X	-	96,625,565	7,571,324	89,054,241
- Sun Life IF European Equity Fund Class X	-	43,921,409	17,649,297	26,272,112
- Sun Life IF Global Bond Fund Class X	19,198,033	-	7,086,164	12,111,869
- Sun Life IF US Opportunities Fund Class X	5,065,711	3,325,507	1,399,438	6,991,780
- Sun Life IF Global Equity Fund Class X	45,371,591	40,089,820	45,371,591	40,089,820

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

## Sun Life MPF Balanced Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments(continued)</b>				
<i>Approved pooled investment funds (continued)</i>				
Schroder MPF Umbrella Fund				-
- Schroder MPF International Fund Class B	25,927,527	-	25,927,527	-
Templeton MPF Investment Funds				-
- Templeton Global Bond A (Acc) HKD	17,557,709	13,993,233	31,550,942	-
Franklin Templeton Investments Asia LTD				
- Templeton MPF Asian Balanced Fund Class A	-	218,240	218,240	-
- The Templeton MPF Inv-European Equity(A)	-	1,518,225	1,518,225	-
<i>Approved index-tracking collective investment funds</i>				
Amundi International Asset Management SAS				
- Amundi MSCI Japan UCITS ETF ACC ETF	-	3,333,500	1,331,000	2,002,500
- Amundi Core EURSTX 600 DR ETF	-	135,500	112,800	22,700
- Amundi US Treasury 10+Y DR-MH ETF	-	888,500	500,500	388,000
- Amundi US Treasury 1-3Y DR-MH ETF	-	350,000	350,000	-
Blackrock Fund Advisors				
- iShares 20+ Year Treasury Bond ETF	-	409,500	-	409,500
- iShares S&P 500 Growth ETF	-	365,000	365,000	-
- iShares S&P 500 Value ETF	-	104,000	104,000	-
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	3,100,000	10,590,000	11,700,000	1,990,000
- China AMC MSCI Japan Hedged to USD ETF	5,900,000	29,612,000	20,658,000	14,854,000

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

## Sun Life MPF Balanced Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved index-tracking collective investment funds (continued)</i>				
China Asset Management (Hong Kong) LTD/Hong Kong				
- China AMC MSCI CHA50 CNT-HKD ETF	-	2,600,000	-	2,600,000
Invesco QQQ Trust Series 1 – ETF		75,900	41,800	34,100
- iShares Core MSCI AC Asia EX Japan Index ETF	-	1,273,500	1,273,500	-
SPDR S&P 500 ETF Trust	-	98,100	25,300	72,800
- Sun Life AM Global Low Carbon Index Class A	-	21,141,942	-	21,141,942
- Sun Life AM Hong Kong ESG Index Fund Class A	-	18,274,689	3,548,387	14,726,302



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

## Sun Life MPF Growth Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund			
- Allianz Choice Asian Fund Ordinary Class I	3,616,844	\$ 189,269,439	1.58
- Allianz Choice Global Equity Ordinary Class I	25,736,395	294,939,092	2.46
- Allianz Global Investors Choice Fund Hong Kong Fund	6,484,472	279,869,804	2.34
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	16,949,818	450,865,168	3.76
- First Sentier MPF Global Bond Fund	19,600,211	360,839,893	3.01
- FSSA MPF Asia Region Equity Fund	5,107,331	448,832,267	3.74
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	39,900,918	950,723,166	7.93
JPMorgan SAR Funds			
- JPMorgan SAR Greater China Fund Class C	29,285,090	322,135,992	2.69
- JPMorgan Asian Fund Class A	835,560	621,786,020	5.19
Principal Life Style Fund			
- Principal European Equity Fund Pension Class	31,688,695	737,037,859	6.15
- Principal Hong Kong Equity Fund Pension Class	28,067,765	896,899,808	7.48
The Sun Life Investment Fund			
- Sun Life IF Asian Balanced Fund Class X	34,466,450	353,970,441	2.95
- Sun Life IF European Equity Fund Class X	34,221,211	352,136,256	2.94
- Sun Life IF Global Bond Fund Class X	84,271,866	853,674,004	7.12
- Sun Life IF Global Equity Fund Class X	61,014,109	672,985,620	5.61
- Sun Life IF US Opportunities Fund Class X	15,953,275	168,147,523	1.40
		<u>\$ 7,954,112,352</u>	<u>66.35</u>

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

## Sun Life MPF Growth Fund (continued)

### Investment portfolio (continued)

	Holdings	Market value HKD	% of net assets
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
Blackrock Fund Advisors			
- iShares 20+ Year Treasury Bond ETF	398,000	\$ 307,392,785	2.56
China Asset Management (Hong Kong) LTD/Hong Kong			
- China AMC MSCI CHA50 CNT-HKD ETF	6,300,000	126,252,000	1.05
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	5,000,000	84,600,000	0.71
- China AMC MSCI Japan Hedged to USD ETF	34,867,000	599,712,400	5.00
Invesco QQQ Trust Series 1 – ETF	79,500	254,184,466	2.12
Amundi International Asset Management SAS			
- Amundi MSCI Japan UCITS ETF ACC ETF	4,454,500	572,322,542	4.78
- Amundi Core EURSTX 600 DR ETF	49,000	91,789,077	0.77
- Amundi US Treasury 10+Y DR-MH ETF	360,000	251,322,840	2.10
SPDR S&P 500 ETF Trust	168,200	624,323,792	5.21
- Sun Life AM Global Low Carbon Index Class A	28,100,796	327,093,265	2.73
- Sun Life AM Hong Kong ESG Index Fund Class A	89,815,905	731,999,625	6.11
		<u>\$ 3,970,992,792</u>	<u>33.14</u>
<b>Total investments *</b>		\$ 11,925,105,144	99.49
<b>Other net assets</b>		<u>61,184,280</u>	<u>0.51</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 11,986,289,424</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 11,632,232,925</u>	

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

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

## Sun Life MPF Growth Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	14,057,816	1,069,622	11,510,594	3,616,844
- Allianz Choice Global Equity Ordinary Class I	-	25,736,395	-	25,736,395
- Allianz Global Investors Choice Fund Hong Kong Fund	-	15,406,505	8,922,033	6,484,472
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	31,190,666	6,924,482	21,165,330	16,949,818
- First Sentier MPF Global Bond Fund	15,784,913	15,782,027	11,966,729	19,600,211
- FSSA MPF Hong Kong Equity Fund	10,177,440	-	10,177,440	-
- FSSA MPF Asia Region Equity Fund	11,582,927	3,007,733	9,483,329	5,107,331
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	32,714,354	21,443,265	14,256,701	39,900,918
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund-Class C	29,210,894	23,409,148	23,334,952	29,285,090
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	13,186,727	18,945,328	32,132,055	-
- JPMorgan Asian Fund Class A	-	893,785	58,225	835,560
The Sun Life Investment Fund				
- Sun Life IF Asian Balanced Fund Class X	-	34,466,450	-	34,466,450
- Sun Life IF European Equity Fund Class X	-	44,110,753	9,889,542	34,221,211
- Sun Life IF Global Bond Fund Class X	-	99,482,383	15,210,517	84,271,866
- Sun Life IF Global Equity Fund Class X	-	100,371,441	39,357,332	61,014,109
- Sun Life IF US Opportunities Fund Class X	7,764,662	10,056,745	1,868,132	15,953,275
Principal Life Style Fund				
- Principal Europe Equity Fund-Ps H	53,561,635	3,242,394	25,115,334	31,688,695
- Principal Hong Kong Equity Fund Pension Class	15,491,092	16,371,014	3,794,341	28,067,765
- Principal Life Hong Kong Bond Pension Class	-	15,260,691	15,260,691	-

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

## Sun Life MPF Growth Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds (continued)</i>				
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund Class B	60,303,292	-	60,303,292	-
Templeton MPF Investment Funds				
- Templeton Global Bond A (Acc) HKD	20,365,447	23,488,223	43,853,670	-
Franklin Templeton Investments Asia LTD				
- Templeton MPF Asian Balanced Fund Class A	-	470,192	470,192	-
- The Templeton MPF Investment European Equity(A)	-	217,092	217,092	-
<i>Approved index-tracking collective investment funds</i>				
Amundi International Asset Management SAS				
- Amundi MSCI Japan UCITS ETF ACC ETF	-	7,249,500	2,795,000	4,454,500
- Amundi Core EURSTX 600 DR ETF	-	301,900	252,900	49,000
- Amundi US Treasury 10+Y DR-MH ETF	-	768,900	408,900	360,000
Amundi US Treasury Bond				
- Amundi US Treasury 1-3Y (DR) UCITS ETFMHGD HKD A	100,000	343,000	443,000	-
Blackrock Fund Advisors				
- iShares 20+ Year Treasury Bond ETF	-	398,000	-	398,000
- iShares S&P 500 Growth ETF	-	799,000	799,000	-
- iShares S&P 500 Value ETF	-	222,000	222,000	-
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	8,900,000	24,500,000	28,400,000	5,000,000
- China AMC MSCI Japan Hedged to USD ETF	13,500,000	67,010,000	45,643,000	34,867,000

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

## Sun Life MPF Growth Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<i>Approved index-tracking collective investment funds (continued)</i>				
China Asset Management (Hong Kong) LTD/Hong Kong				
- China AMC MSCI CHA50 CNT-HKD ETF	-	6,300,000	-	6,300,000
Invesco QQQ Trust Series 1 - ETF	-	180,200	100,700	79,500
iShares Core MSCI AC Asia EX Japan Index ETF	-	3,445,000	3,445,000	-
SPDR S&P 500 ETF Trust	-	222,700	54,500	168,200
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Global Low Carbon Index Class A	41,244,543	-	13,143,747	28,100,796
- Sun Life AM Hong Kong ESG Index Fund Class A	68,883,843	89,815,905	68,883,843	89,815,905

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

## Sun Life MPF Asian Equity Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund - Allianz Choice Asian Fund Ordinary Class I	44,739,810	\$ 2,341,234,271	47.60
JPMorgan SAR Funds - JPMorgan Asian Fund Class A	780,944	581,143,432	11.81
Schroder MPF Umbrella Fund - Schroder MPF Asian Fund Class B	27,259,630	1,553,526,308	31.59
The Sun Life Investment Fund - Sun Life IF Asian Equity Fund Class X	24,949,203	251,238,476	5.11
		<u>\$ 4,727,142,487</u>	<u>96.11</u>
<i>Approved index-tracking collective investment scheme</i>			
Mirae Asset Global Investments (Hong Kong) LTD/HK - Global X MSCI China ETF	4,400,000	\$ 103,400,000	2.10
		<u>\$ 103,400,000</u>	<u>2.10</u>
<b>Total investments *</b>		\$ 4,830,542,487	98.21
<b>Other net assets</b>		<u>87,911,247</u>	<u>1.79</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 4,918,453,734</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 4,790,135,168</u>	

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

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

## Sun Life MPF Asian Equity Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	53,704,330	6,710,105	15,674,625	44,739,810
- Allianz Global Investors Choice Fund Hong Kong Fund	-	4,457,393	4,457,393	-
JPMorgan SAR Funds				
- JPMorgan Asian Fund Class A	-	912,273	131,329	780,944
Schroder MPF Umbrella Fund				
- Schroder MPF Asian Fund Class B	26,708,535	17,880,438	17,329,343	27,259,630
Schroder Institutional Pooled Funds				
- Hong Kong Equity Fund Class A	-	9,773,184	9,773,184	-
The Sun Life Investment Fund				
- Sun Life IF Asian Equity Fund Class X	-	27,390,737	2,441,534	24,949,203
- Sun Life Am Hong Kong ESG Index A	540,392	-	540,392	-
<i>Approved index-tracking collective investment scheme</i>				
Blackrock Fund Advisors				
- iShares MSCI South Korea ETF	-	350,000	350,000	-
- iShares MSCI Taiwan ETF	-	310,000	310,000	-
Mirae Asset Global Investments (Hong Kong) LTD/Hong Kong				
- Global X MSCI China ETF	-	11,200,000	6,800,000	4,400,000

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

## Sun Life MPF Multi-Sector Equity Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Asia Pacific Ltd - Allianz Choice Global Equity Ordinary I (HKD)	231,861,906	\$ 2,657,137,438	20.83
Schroder MPF Umbrella Fund - Schroder MPF International Fund Class B	101,461,066	3,174,716,758	24.88
The Sun Life Investment Funds - Sun Life IF Global Equity Fund - Class X	62,072,560	684,660,334	5.37
		<u>\$ 6,516,514,530</u>	<u>51.08</u>
<i>Approved index-tracking collective investment scheme</i>			
Amundi Luxembourg SA-AM S&P G Energy Car ETF DR U ETF	3,600,000	325,747,719	2.55
Amundi International Asset Management SAS - Amundi MSCI Japan UCITS ETF ACC ETF	900,000	115,633,694	0.91
BMO Global Asset Management Asia LTD - BMO MSCI Japan Hedged To USD E - ETF	9,700,000	166,840,000	1.31
Cohen & Steers Capital Management INC - iShares U.S. Basic Materials ETF	300,000	323,344,247	2.53



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

## Sun Life MPF Multi-Sector Equity Fund (continued)

### Investment portfolio (continued)

	Holdings	Market value HKD	% of net assets
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme (continued)</i>			
- iShares Global Comm Services ETF	700,000	\$ 407,817,141	3.20
- iShares Global Consumer Discretionary ETF	450,000	558,631,476	4.38
- iShares Global Consumer Staples ETF	400,000	184,812,761	1.45
- iShares Global Financials ETF	850,000	520,892,753	4.08
- iShares Global Healthcare ETF	1,270,000	858,998,283	6.73
- iShares Global Industrials ETF	800,000	795,722,479	6.24
- iShares Global Tech ETF	3,170,000	1,687,666,597	13.23
		<u>\$ 5,946,107,150</u>	<u>46.61</u>
<b>Total investments *</b>		\$ 12,462,621,680	97.69
<b>Other net assets</b>		<u>295,336,959</u>	<u>2.31</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 12,757,958,639</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 10,990,406,998</u>	

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

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

## Sun Life MPF Multi-Sector Equity Fund

### 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 pooled investment funds</i>				
Allianz Global Investors Asia Pacific Ltd - Allianz Choice Global Equity Ordinary I (HKD)	149,092,885	84,952,427	2,183,406	231,861,906
FIL Investment Management - Fidelity Global INV-Global Equity Fund	-	1,592,372	1,592,372	-
Schroder MPF Umbrella Fund - Schroder MPF International Fund Class B	126,069,097	17,034,593	41,642,624	101,461,066
- Schroder MPF UMB-INTL-HKD AA	-	9,012,074	9,012,074	-
The Sun Life Investments Funds - Sun Life IF Global Equity Fund - Class X	-	96,925,130	34,852,570	62,072,560
<i>Approved index-tracking collective investment scheme</i>				
Amundi International Asset Management SAS - Amundi MSCI Japan UCITS ETF ACC ETF	-	3,000,000	2,100,000	900,000
Amundi Luxembourg SA-AM S&P G Energy Car ETF DR U ETF	-	3,600,000	-	3,600,000
Blackrock Fund Advisors - iShares S&P 500 Growth ETF	-	500,000	500,000	-
- iShares S&P 500 Value ETF	-	100,000	100,000	-
BMO Global Asset Management Asia LTD - BMO MSCI Japan Hedged To USD E - ETF	-	22,600,000	12,900,000	9,700,000
Cohen & Steers Capital Management INC - iShares U.S. Basic Materials ETF	-	1,100,000	800,000	300,000
China Asset Management (Hong Kong) Limited - China AMC NASDAQ 100 ETF HKD	12,500,000	8,200,000	20,700,000	-
Invesco QQQ Trust Series 1 - ETF	-	133,000	133,000	-

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

## Sun Life MPF Multi-Sector Equity Fund (continued)

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

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments (continued)</b>				
<i>Approved index-tracking collective investment scheme (continued)</i>				
SPDR S&P 500 ETF Trust	80,000	47,000	127,000	-
- iShares Core MSCI Asia ex Japan ETF HKD	4,300,000	2,900,000	7,200,000	-
- iShares Global Comm Services ETF	750,000	1,153,575	1,203,575	700,000
- iShares Global Consumer Discretionary ETF	500,000	300,000	350,000	450,000
- iShares Global Consumer Staples ETF	1,000,000	1,100,000	1,700,000	400,000
- iShares Global Energy ETF	750,000	1,500,000	2,250,000	-
- iShares Global Financials ETF	1,350,000	250,000	750,000	850,000
- iShares Global Healthcare ETF	450,000	1,750,000	930,000	1,270,000
- iShares Global Industrials ETF	650,000	850,000	700,000	800,000
- iShares Global Tech ETF	1,370,000	3,950,000	2,150,000	3,170,000
- iShares US Utilities ETF	300,000	250,000	550,000	-
- iShares US Real Estate ETF	-	700,000	700,000	-

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

## Sun Life MPF Greater China Equity Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund - Allianz Choice Greater China Fund Ordinary Class I	112,508,955	\$ 1,918,277,689	31.63
BEA Union Investment Management Ltd/Hong Kong - BEA Union Investment Greater China Growth I (2)	15,650,125	1,447,010,515	23.86
JPMorgan SAR Funds - JPMorgan SAR Greater China Fund-Class C	216,506,263	2,381,568,889	39.26
		<u>\$ 5,746,857,093</u>	<u>94.75</u>
<i>Approved index-tracking collective investment scheme</i>			
Blackrock Fund Advisors - iShares MSCI Taiwan ETF	600,000	\$ 215,656,534	3.55
		<u>\$ 215,656,534</u>	<u>3.55</u>
<b>Total investments *</b>		\$ 5,962,513,627	98.30
<b>Other net assets</b>		<u>103,024,917</u>	<u>1.70</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 6,065,538,544</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 7,023,658,568</u>	

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

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

## Sun Life MPF Greater China Equity Fund

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Greater China Fund Ordinary Class I	92,112,238	49,252,321	28,855,604	112,508,955
- Allianz Global Investors Choice Fund Hong Kong Fund	-	7,340,799	7,340,799	-
BEA Union Investment Management Ltd/Hong Kong				
- BEA Union Investment Greater China Growth I (2)	9,283,902	9,735,107	3,368,884	15,650,125
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund-Class C	287,275,184	45,481,258	116,250,179	216,506,263
<i>Approved index-tracking collective investment scheme</i>				
Blackrock Fund Advisors				
- iShares MSCI Taiwan ETF	-	1,440,000	840,000	600,000
Mirae Asset Global Investments (Hong Kong) Limited				
- Global X MSCI China ETF	-	15,400,000	15,400,000	-
State Street Global Advisors Asia Ltd/Hong Kong				
- SPDR FTSE Greater China ETF	8,400,000	1,100,000	9,500,000	-
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Hong Kong ESG Index A	2,293,003	-	2,293,003	-

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

## Sun Life FTSE MPF Hong Kong Index Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved index-tracking collective investment scheme</i>			
BlackRock Premier Funds - iShares Hong Kong Equity Index Fund Class I2	18,377,521	\$ 2,019,182,319	99.98
<b>Total investment *</b>		\$ 2,019,182,319	99.98
<b>Other net assets</b>		427,215	0.02
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 2,019,609,534</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 2,590,657,006</u>	

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

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

## Sun Life FTSE MPF Hong Kong Index Fund (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 index-tracking collective investment scheme</i>				
BlackRock Premier Funds				
- iShares Hong Kong Equity Index Fund Class I2	15,757,935	3,965,034	1,345,448	18,377,521

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

## Sun Life MPF Age 65 Plus Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved pooled investment fund</i>			
Schroder MPF Umbrella Fund - Schroder MPF Core 20/80 Fund Class B	230,938,163	\$ 2,720,451,558	99.82
<b>Total investment *</b>		\$ 2,720,451,558	99.82
<b>Other net assets</b>		4,770,721	0.18
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 2,725,222,279</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 2,644,046,465</u>	

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



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

**Sun Life MPF Age 65 Plus Fund (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 Umbrella Fund - Schroder MPF Core 20/80 Fund Class B	196,922,527	39,133,638	5,118,002	230,938,163

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

## Sun Life MPF Core Accumulation Fund

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved pooled investment fund</i>			
Schroder MPF Umbrella Fund - Schroder MPF Core 60/40 Fund Class B	695,344,081	\$ 10,381,487,123	99.88
<b>Total investment *</b>		\$ 10,381,487,123	99.88
<b>Other net assets</b>		12,627,471	0.12
<b>Net assets attributable to the members at 31 December 2023</b>		\$ 10,394,114,594	100.00
<b>Total investment at cost *</b>		\$ 8,996,051,575	

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

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

## Sun Life MPF Core Accumulation Fund (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 Umbrella Fund				
- Schroder MPF Core 60/40 Fund Class B	555,593,768	146,769,551	7,019,238	695,344,081

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

## Sun Life MPF European Equity Fund<sup>(i)</sup>

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved pooled investment fund</i>			
JF Asset Management LTD - JPMorgan SAR Funds European	1,278,413	\$ 109,708,258	35.15
The Sun Life Investment Funds - Sun Life IF European Equity Fund - Class X	4,785,042	49,238,084	15.78
Principal Asset Management CO Asia LTD - Principal Life-Euro EQ-PS H	4,312,086	100,293,524	32.13
		\$ 259,239,866	83.06
<i>Approved index-tracking collective investment scheme</i>			
Amundi International Asset Management SAS - Amundi Core EURSTX 600 DR ETF	6,800	\$ 12,738,076	4.08
- Amundi Core MSCI EMU DR ETF	41,600	19,907,874	6.38
BMO Global Asset Management Asia LTD - China AMC MSCI Europe Quality Hedged To USD ETF	590,000	9,982,800	3.20
		\$ 42,628,750	13.66
<b>Total investment *</b>		\$ 301,868,616	96.72
<b>Other net assets</b>		10,238,380	3.28
<b>Net assets attributable to the members at 31 December 2023</b>		\$ 312,106,996	100.00
<b>Total investment at cost *</b>		\$ 284,784,199	

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

(i) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

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

## Sun Life MPF European Equity Fund<sup>(i)</sup>

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
JF Asset Management LTD - JPMorgan SAR Funds European	-	1,278,413	-	1,278,413
The Sun Life Investment Funds - Sun Life IF European Equity Fund- Class X	-	5,652,584	867,542	4,785,042
Principal Asset Management CO Asia LTD - Principal Life-Euro EQ-PS H	-	4,312,086	-	4,312,086
<i>Approved index-tracking collective investment scheme</i>				
BMO Global Asset Management Asia LTD - China AMC MSCI Europe Quality Hedged To USD ETF	-	1,910,000	1,320,000	590,000
Amundi International Asset Management SAS - Amundi Core EURSTX 600 DR ETF	-	36,000	29,200	6,800
- Amundi Core MSCI EMU DR ETF	-	76,300	34,700	41,600

- (i) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

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

## Sun Life MPF US Equity Fund<sup>(i)</sup>

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved pooled investment fund</i>			
JF Asset Management LTD - JPMorgan SAR American	6,783,505	\$ 595,375,391	28.56
Sun Life Asset Management (HK) Ltd - The Sun Life Investment Funds	60,391,468	636,526,070	30.53
		<u>\$ 1,231,901,461</u>	<u>59.09</u>
<i>Approved index-tracking collective investment scheme</i>			
BlackRock Advisors			
- iShares US Healthcare ETF	55,400	\$ 123,756,397	5.94
- iShares U.S. Industrials ETF	106,400	95,013,687	4.56
- iShares U.S. Financials ETF	59,200	39,463,662	1.89
BNY Mellon US Large Cap Core E - ETF	521,062	367,488,478	17.63
Cohen & Steers Capital Management INC			
- iShares US Consumer Discretionary ETF	33,800	19,997,899	0.96
- iShares US Technology ETF	141,200	135,285,003	6.49
- iShares U.S. Basic Materials ETF	4,700	5,065,726	0.24
		<u>\$ 786,070,852</u>	<u>37.71</u>
<b>Total investment *</b>		\$ 2,017,972,313	96.80
<b>Other net assets</b>		<u>66,745,053</u>	<u>3.20</u>
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 2,084,717,366</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 1,885,631,220</u>	

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

- (i) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

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

## Sun Life MPF US Equity Fund<sup>(i)</sup>

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2023
	As at 31 December 2022	Additions	Disposals	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
JF Asset Management LTD				
- JPMorgan SAR American	-	6,783,505	-	6,783,505
Sun Life Asset Management (HK) Ltd				
- The Sun Life Investment Funds	-	60,391,468	-	60,391,468
<i>Approved index-tracking collective investment scheme</i>				
BlackRock Advisors				
- iShares US Healthcare ETF	-	55,400	-	55,400
- iShares U.S. Industrials ETF	-	106,400	-	106,400
- iShares U.S. Financials ETF	-	59,200	-	59,200
- iShares S&P 500 Growth ETF	-	17,000	17,000	-
BNY Mellon US Large Cap Core E - ETF	-	555,762	34,700	521,062
Cohen & Steers Capital Management INC				
- iShares US Consumer Discretionary ETF	-	33,800	-	33,800
- iShares US Technology ETF	-	141,200	-	141,200
- iShares U.S. Basic Materials ETF	-	4,700	-	4,700
- iShares US Consumer Staples - ETF	-	36,800	36,800	-
Invesco QQQ Trust Series 1 - ETF	-	23,000	23,000	-
SPDR S&P 500 ETF Trust	-	36,800	36,800	-

- (i) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

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

## Sun Life MPF Global Low Carbon Index Fund<sup>(i)</sup>

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved index-tracking collective investment scheme</i>			
Sun Life Asset Management (HK) Ltd - Sun Life AM Global Low Carbon Index Class A	63,482,464	\$ 738,935,886	98.20
<b>Total investment *</b>		\$ 738,935,886	98.20
<b>Other net assets</b>		13,529,548	1.80
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 752,465,434</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 697,110,250</u>	

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

- (i) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.



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

## Sun Life MPF Global Low Carbon Index Fund<sup>(i)</sup>

### 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 index-tracking collective investment scheme</i>				
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Global Low Carbon Index Class A	-	63,482,464	-	63,482,464

- (i) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

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

## Sun Life MPF US & Hong Kong Equity Fund<sup>(ii)</sup>

### Investment portfolio

	Holdings	Market value HKD	% of net assets
<b>Quoted investment</b>			
<i>Approved index-tracking collective investment scheme</i>			
SPDR S&P 500 ETF TRUST	42,912	\$ 159,280,515	61.80
- Tracker Fund of Hong Kong	5,394,300	92,674,074	35.95
<b>Total investment *</b>		\$ 251,954,589	97.75
<b>Other net assets</b>		5,792,814	2.25
<b>Net assets attributable to the members at 31 December 2023</b>		<u>\$ 257,747,403</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 244,873,222</u>	

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

(ii) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

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

## Sun Life MPF US & Hong Kong Equity Fund<sup>(ii)</sup>

### Statement of movements in investment portfolio

	<i>Portfolio Holdings</i>		
	<i>As at 31 December 2022</i>	<i>Additions</i>	<i>Disposals</i>
<b>Quoted investment</b>			
<i>Approved index-tracking collective investment scheme</i>			
SPDR S&P 500 ETF Trust	-	42,912	-
- Tracker Fund of Hong Kong	-	5,394,300	-

- (ii) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

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

## Performance table

		2023							
		Net asset value				Fund expense ratio			
		Total net asset value	per unit Class A	per unit Class B	per unit	Class A %	Class B %	%	Transaction costs
(1)	Sun Life MPF RMB and HKD Fund	1,023,437,464	1.0635	1.0686	N/A	1.23569	1.18565	N/A	-
(2)	Sun Life MPF Conservative Fund	18,045,563,405	1.1737	1.1785	N/A	0.89459	0.89426	N/A	-
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	4,368,109,215	1.3812	1.4434	N/A	1.81495	1.61492	N/A	-
(4)	Sun Life MPF Hong Kong Equity Fund	31,611,362,603	4.8553	5.0736	N/A	1.77493	1.57455	N/A	120,089
(5)	Sun Life MPF Global Bond Fund	2,188,792,962	0.9110	0.9369	N/A	1.81698	1.61686	N/A	345,750
(6)	Sun Life MPF Stable Fund	6,950,420,320	2.0520	2.1443	N/A	1.83276	1.63295	N/A	2,346,366
(7)	Sun Life MPF Balanced Fund	7,223,868,443	2.4737	2.5850	N/A	1.84250	1.64264	N/A	2,728,752
(8)	Sun Life MPF Growth Fund	11,986,289,424	2.9201	3.0514	N/A	1.84746	1.64754	N/A	4,961,562
(9)	Sun Life MPF Asian Equity Fund	4,918,453,734	1.5231	1.5720	N/A	1.95553	1.75513	N/A	520,543
(10)	Sun Life MPF Multi- Sector Equity Fund	12,757,958,639	1.8693	1.9295	N/A	1.81779	1.61787	N/A	9,619,573
(11)	Sun Life MPF Greater China Equity Fund	6,065,538,544	1.1379	1.1736	N/A	2.10279	1.90248	N/A	1,028,450
(12)	Sun Life FTSE MPF Hong Kong Index Fund	2,019,609,534	0.9033	0.9033	N/A	0.93416	0.93405	N/A	-
(13)	Sun Life MPF Age 65 Plus Fund	2,725,222,279	N/A	N/A	1.1101	N/A	N/A	0.75376	-
(14)	Sun Life MPF Core Accumulation Fund	10,394,114,594	N/A	N/A	1.4013	N/A	N/A	0.76328	-

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

## Performance table (continued)

		2023							
		Net asset value				Fund expense ratio			
		Total net asset value	per unit Class A	per unit Class B	per unit	Class A %	Class B %	%	Transaction costs
(15)	Sun Life MPF European Equity Fund (Note 1)	312,106,996	N/A	N/A	1.0354	N/A	N/A	1.22881*	103,957
(16)	Sun Life MPF US Equity Fund (Note 1)	2,084,717,366	N/A	N/A	1.0884	N/A	N/A	1.22324*	610,825
(17)	Sun Life MPF Global Low Carbon Index Fund (Note 1)	752,465,434	N/A	N/A	1.0592	N/A	N/A	1.24643*	-
(18)	Sun Life MPF US & Hong Kong Equity Fund (Note 1)	257,747,403	N/A	N/A	1.0299	N/A	N/A	1.09420*	4,322

Note 1: Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023. Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

(\* This annualized fund expense ratio, expressed as percentage of average net asset value of the constituent fund, is calculated based on the total expenses incurred for the constituent funds since the fund launch date up to the year end of 31 December 2023 (the "relevant corresponding period"), which is then annualized by applying a conversion factor of 365 and dividing by the total number of days in the relevant corresponding period.)

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

## Performance table (continued)

		2022							
		Net asset value				Fund expense ratio			Transaction costs
		Total net asset value	per unit Class A	per unit Class B	per unit	Class A %	Class B %	%	
(1)	Sun Life MPF RMB and HKD Fund	1,026,313,880	1.0602	1.0648	N/A	1.24	1.19	N/A	
(2)	Sun Life MPF Conservative Fund	15,420,464,462	1.1324	1.1370	N/A	1.15	1.11	N/A	-
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	3,954,182,886	1.3108	1.3670	N/A	1.83	1.62	N/A	-
(4)	Sun Life MPF Hong Kong Equity Fund	35,781,862,643	5.8310	6.0811	N/A	1.79	1.58	N/A	-
(5)	Sun Life MPF Global Bond Fund	1,815,386,301	0.8691	0.8920	N/A	1.82	1.62	N/A	51,043
(6)	Sun Life MPF Stable Fund	6,507,802,998	1.9651	2.0494	N/A	1.83	1.62	N/A	913,045
(7)	Sun Life MPF Balanced Fund	6,400,460,368	2.3735	2.4753	N/A	1.83	1.63	N/A	1,231,070
(8)	Sun Life MPF Growth Fund	10,249,097,395	2.8089	2.9293	N/A	1.84	1.63	N/A	2,977,935
(9)	Sun Life MPF Asian Equity Fund	4,247,185,353	1.5073	1.5527	N/A	1.95	1.75	N/A	-
(10)	Sun Life MPF Multi-Sector Equity Fund	9,316,685,646	1.5728	1.6203	N/A	1.82	1.62	N/A	7,052,383
(11)	Sun Life MPF Greater China Equity Fund	6,498,707,017	1.2469	1.2834	N/A	2.13	1.93	N/A	744,491
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1,970,533,747	1.0337	1.0337	N/A	0.96	0.96	N/A	-
(13)	Sun Life MPF Age 65 Plus Fund	2,153,997,133	N/A	N/A	1.0368	N/A	N/A	0.77	-
(14)	Sun Life MPF Core Accumulation Fund	7,274,621,976	N/A	N/A	1.2370	N/A	N/A	0.77	

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

## Performance table (continued)

		2021							
		Net asset value				Fund expense ratio			
		Total net asset value	per unit Class A	per unit Class B	per unit	Class A %	Class B %	%	Transaction costs
(1)	Sun Life MPF RMB and HKD Fund	969,603,430	1.1036	1.1079	N/A	1.24	1.18	N/A	-
(2)	Sun Life MPF Conservative Fund	11,590,600,718	1.1288	1.1326	N/A	0.40	0.39	N/A	-
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	4,421,616,748	1.4490	1.5082	N/A	1.82	1.62	N/A	-
(4)	Sun Life MPF Hong Kong Equity Fund	38,765,034,027	6.8855	7.1664	N/A	1.78	1.58	N/A	-
(5)	Sun Life MPF Global Bond Fund	2,109,146,994	1.0071	1.0316	N/A	1.80	1.60	N/A	-
(6)	Sun Life MPF Stable Fund	7,908,229,369	2.3711	2.4678	N/A	1.80	1.59	N/A	60,269
(7)	Sun Life MPF Balanced Fund	7,720,752,769	2.9193	3.0384	N/A	1.81	1.60	N/A	98,372
(8)	Sun Life MPF Growth Fund	12,340,283,640	3.5271	3.6710	N/A	1.81	1.61	N/A	168,253
(9)	Sun Life MPF Asian Equity Fund	5,260,157,339	1.9338	1.9880	N/A	1.93	1.72	N/A	-
(10)	Sun Life MPF Multi- Sector Equity Fund	10,279,650,561	1.9723	2.0276	N/A	1.79	1.58	N/A	4,181,830
(11)	Sun Life MPF Greater China Equity Fund	8,602,315,432	1.7277	1.7748	N/A	2.14	1.93	N/A	-
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1,743,157,016	1.2172	1.2172	N/A	0.98	0.97	N/A	-
(13)	Sun Life MPF Age 65 Plus Fund	2,195,585,744	N/A	N/A	1.2127	N/A	N/A	0.77	-
(14)	Sun Life MPF Core Accumulation Fund	6,936,737,246	N/A	N/A	1.4530	N/A	N/A	0.78	-

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

## Performance table (continued)

		2023								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0844	\$ 1.0892	\$ N/A	\$ 1.0365	\$ 1.0414	\$ N/A	0.31	0.36	N/A
(2)	Sun Life MPF Conservative Fund	1.1735	1.1783	N/A	1.1328	1.1374	N/A	3.65	3.65	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3814	1.4435	N/A	1.3107	1.3107	N/A	5.37	5.59	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	6.6690	6.9561	N/A	4.6636	4.8729	N/A	-16.37	-16.57	N/A
(5)	Sun Life MPF Global Bond Fund	0.9161	0.9421	N/A	0.8360	0.8594	N/A	4.82	5.03	N/A
(6)	Sun Life MPF Stable Fund	2.0830	2.1728	N/A	1.8848	1.9688	N/A	4.42	4.63	N/A
(7)	Sun Life MPF Balanced Fund	2.5380	2.6473	N/A	2.2677	2.3689	N/A	4.22	4.43	N/A
(8)	Sun Life MPF Growth Fund	3.0313	3.1617	N/A	2.6718	2.7910	N/A	3.69	4.17	N/A
(9)	Sun Life MPF Asian Equity Fund	1.6953	1.7466	N/A	1.3909	1.4351	N/A	1.05	1.24	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.8745	1.9348	N/A	1.5744	1.6219	N/A	18.85	19.08	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.4098	1.4514	N/A	1.0912	1.1254	N/A	-8.74	-8.56	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.1899	1.1899	N/A	0.8640	0.8640	N/A	-12.61	-12.61	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.1140	N/A	N/A	1.0287	N/A	N/A	7.07
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.4051	N/A	N/A	1.2407	N/A	N/A	13.28



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

## Performance table (continued)

		2023								
		Highest		Unit	Lowest		Unit	Net investment return (note)		
		issue price			redemption price					
		Class A	Class B		Class A	Class B		Class A	Class B	
								%	%	%
(15)	Sun Life MPF European Equity Fund (Note 1)	N/A	N/A	1.0418	N/A	N/A	0.9134	N/A	N/A	0.00
(16)	Sun Life MPF US Equity Fund (Note 1)	N/A	N/A	1.0926	N/A	N/A	0.9339	N/A	N/A	0.00
(17)	Sun Life MPF Global Low Carbon Index Fund (Note 1)	N/A	N/A	1.0602	N/A	N/A	0.9351	N/A	N/A	0.00
(18)	Sun Life MPF US & Hong Kong Equity Fund (Note 1)	N/A	N/A	1.0329	N/A	N/A	0.9884	N/A	N/A	0.00

Note 1: Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023. Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme 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		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.1111	\$ 1.1155	\$ N/A	\$ 1.0205	\$ 1.0249	\$ N/A	-3.93	-3.89	N/A
(2)	Sun Life MPF Conservative Fund	1.1324	1.1370	N/A	1.1288	1.1326	N/A	0.32	0.39	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.4469	1.5060	N/A	1.2758	1.3301	N/A	-9.54	-9.36	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	7.2184	7.5138	N/A	4.2966	4.4794	N/A	-15.31	-15.14	N/A
(5)	Sun Life MPF Global Bond Fund	1.0048	1.0292	N/A	0.8296	0.8511	N/A	-13.70	-13.53	N/A
(6)	Sun Life MPF Stable Fund	2.3679	2.4645	N/A	1.8370	1.9151	N/A	-17.12	-16.95	N/A
(7)	Sun Life MPF Balanced Fund	2.9180	3.0371	N/A	2.1825	2.2752	N/A	-18.70	-18.53	N/A
(8)	Sun Life MPF Growth Fund	3.5282	3.6722	N/A	2.5448	2.6529	N/A	-20.36	-20.20	N/A
(9)	Sun Life MPF Asian Equity Fund	1.9698	2.0252	N/A	1.2696	1.3074	N/A	-22.06	-21.90	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.9829	2.0387	N/A	1.4535	1.4967	N/A	-20.26	-20.09	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.7382	1.7858	N/A	0.9655	0.9935	N/A	-27.83	-27.69	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.3113	1.3113	N/A	0.7538	0.7538	N/A	-15.08	-15.08	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.2088	N/A	N/A	1.0079	N/A	N/A	-14.50
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.4548	N/A	N/A	1.1596	N/A	N/A	-14.87

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

## Performance table (continued)

		2021								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.1059	\$ 1.1102	\$ N/A	\$ 1.0735	\$ 1.0772	\$ N/A	2.23	2.29	N/A
(2)	Sun Life MPF Conservative Fund	1.1288	1.1326	N/A	1.1288	1.1326	N/A	0.00	0.00	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.4831	1.5423	N/A	1.4386	1.4971	N/A	-2.01	-1.81	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	8.8129	9.1566	N/A	6.6886	6.9611	N/A	-10.09	-9.91	N/A
(5)	Sun Life MPF Global Bond Fund	1.0455	1.0688	N/A	1.0029	1.0270	N/A	-3.65	-3.46	N/A
(6)	Sun Life MPF Stable Fund	2.4987	2.5961	N/A	2.3454	2.4410	N/A	-1.73	-1.54	N/A
(7)	Sun Life MPF Balanced Fund	3.0835	3.2037	N/A	2.8620	2.9785	N/A	0.40	0.60	N/A
(8)	Sun Life MPF Growth Fund	3.7399	3.8857	N/A	3.4250	3.5636	N/A	2.39	2.59	N/A
(9)	Sun Life MPF Asian Equity Fund	2.4226	2.4862	N/A	1.8777	1.9302	N/A	-6.97	-6.78	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.9880	2.0432	N/A	1.6560	1.6994	N/A	18.63	18.86	N/A
(11)	Sun Life MPF Greater China Equity Fund	2.2734	2.3313	N/A	1.6813	1.7270	N/A	-8.14	-7.96	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.7092	1.7092	N/A	1.2045	1.2045	N/A	-16.53	-16.53	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.2210	N/A	N/A	1.1720	N/A	N/A	1.09
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.4565	N/A	N/A	1.3139	N/A	N/A	9.72

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

## Performance table (continued)

		2020								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0841	\$ 1.0877	\$ N/A	\$ 1.0140	\$ 1.0135	\$ N/A	5.03	5.08	N/A
(2)	Sun Life MPF Conservative Fund	1.1289	1.1327	N/A	1.1213	1.1251	N/A	0.68	0.68	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.4801	1.5362	N/A	1.3994	1.4507	N/A	5.60	5.81	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	7.7570	8.0576	N/A	4.9562	5.1402	N/A	17.47	17.70	N/A
(5)	Sun Life MPF Global Bond Fund	1.0462	1.0695	N/A	0.9538	0.9735	N/A	6.76	6.98	N/A
(6)	Sun Life MPF Stable Fund	2.4176	2.5112	N/A	1.9525	2.0250	N/A	12.01	12.23	N/A
(7)	Sun Life MPF Balanced Fund	2.9146	3.0275	N/A	2.1507	2.2305	N/A	14.04	14.27	N/A
(8)	Sun Life MPF Growth Fund	3.4543	3.5881	N/A	2.3292	2.4156	N/A	16.80	17.03	N/A
(9)	Sun Life MPF Asian Equity Fund	2.1061	2.1609	N/A	1.1604	1.1887	N/A	35.91	36.18	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.6626	1.7059	N/A	1.0367	1.0620	N/A	15.50	15.72	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.8991	1.9470	N/A	1.0486	1.0734	N/A	42.67	42.96	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.4762	1.4762	N/A	1.0203	1.0203	N/A	9.64	9.64	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.1995	N/A	N/A	1.0429	N/A	N/A	9.23
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.3243	N/A	N/A	0.9486	N/A	N/A	13.93

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

## Performance table (continued)

		2019								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0518	\$ 1.0544	\$ N/A	\$ 1.0080	\$ 1.0107	\$ N/A	-0.07	-0.03	N/A
(2)	Sun Life MPF Conservative Fund	1.1212	1.1250	N/A	1.1089	1.1126	N/A	1.13	1.12	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.4312	1.4826	N/A	1.3682	1.4158	N/A	2.06	2.27	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	6.7096	6.9454	N/A	5.4705	5.6597	N/A	15.44	15.68	N/A
(5)	Sun Life MPF Global Bond Fund	1.0017	1.0213	N/A	0.9384	0.9555	N/A	4.50	4.72	N/A
(6)	Sun Life MPF Stable Fund	2.1548	2.2338	N/A	1.9715	2.0397	N/A	8.73	8.95	N/A
(7)	Sun Life MPF Balanced Fund	2.5519	2.6454	N/A	2.2545	2.3325	N/A	12.01	12.23	N/A
(8)	Sun Life MPF Growth Fund	2.9530	3.0612	N/A	2.5295	2.6170	N/A	14.61	14.84	N/A
(9)	Sun Life MPF Asian Equity Fund	1.5364	1.5732	N/A	1.3102	1.3389	N/A	14.05	14.28	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.4444	1.4790	N/A	1.1882	1.2143	N/A	18.90	19.14	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.3241	1.3548	N/A	1.0849	1.1078	N/A	17.87	18.11	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.3727	1.3727	N/A	1.1336	1.1336	N/A	14.98	14.98	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.1010	N/A	N/A	1.0080	N/A	N/A	8.94
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.1662	N/A	N/A	1.0078	N/A	N/A	14.47

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

## Performance table (continued)

		2018								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0817	\$ 1.0838	\$ N/A	\$ 1.0174	\$ 1.0197	\$ N/A	-1.89	-1.84	N/A
(2)	Sun Life MPF Conservative Fund	1.1087	1.1125	N/A	1.1015	1.1052	N/A	0.65	0.66	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3735	1.4195	N/A	1.3359	1.3815	N/A	0.00	0.20	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	7.0148	7.2438	N/A	5.4165	5.6019	N/A	-12.05	-11.87	N/A
(5)	Sun Life MPF Global Bond Fund	0.9691	0.9851	N/A	0.9176	0.9341	N/A	-2.44	-2.24	N/A
(6)	Sun Life MPF Stable Fund	2.1608	2.2314	N/A	1.9363	2.0025	N/A	-5.15	-4.96	N/A
(7)	Sun Life MPF Balanced Fund	2.5714	2.6554	N/A	2.2445	2.3220	N/A	-7.13	-6.94	N/A
(8)	Sun Life MPF Growth Fund	3.0054	3.1036	N/A	2.5286	2.6159	N/A	-9.20	-9.01	N/A
(9)	Sun Life MPF Asian Equity Fund	1.7336	1.7683	N/A	1.2855	1.3131	N/A	-16.80	-16.64	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.4695	1.4990	N/A	1.3413	1.3682	N/A	-11.80	-11.62	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.4975	1.5263	N/A	1.0698	1.0920	N/A	-17.44	-17.27	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.4892	1.4892	N/A	1.1102	1.1102	N/A	-14.32	-14.32	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.0333	N/A	N/A	0.9985	N/A	N/A	-1.59
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.1219	N/A	N/A	0.9915	N/A	N/A	-5.87

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

## Performance table (continued)

		2017								
		Highest issue price		Unit price	Lowest redemption price		Unit price	Net investment return (note)		
		Class A	Class B		Class A	Class B		Class A %	Class B %	%
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0499	\$ 1.0516	\$ N/A	\$ 0.9833	\$ 0.9846	\$ N/A	6.75	6.81	N/A
(2)	Sun Life MPF Conservative Fund	1.1015	1.1052	N/A	1.1014	1.1052	N/A	0.01	0.00	N/A
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3995	1.4441	N/A	1.3396	1.3805	N/A	2.37	2.61	N/A
(4)	Sun Life MPF Hong Kong Equity Fund	6.5275	6.7382	N/A	4.5512	4.6899	N/A	42.11	42.39	N/A
(5)	Sun Life MPF Global Bond Fund	0.9763	0.9914	N/A	0.9281	0.9412	N/A	2.98	3.18	N/A
(6)	Sun Life MPF Stable Fund	2.0890	2.1569	N/A	1.8320	1.8879	N/A	14.01	14.24	N/A
(7)	Sun Life MPF Balanced Fund	2.4515	2.5311	N/A	2.0543	2.1168	N/A	19.53	19.77	N/A
(8)	Sun Life MPF Growth Fund	2.8343	2.9264	N/A	2.2711	2.3403	N/A	25.18	25.43	N/A
(9)	Sun Life MPF Asian Equity Fund	1.6365	1.6686	N/A	1.1727	1.1936	N/A	38.49	38.77	N/A
(10)	Sun Life MPF Multi-Sector Equity Fund	1.3732	1.4005	N/A	1.1207	1.1407	N/A	23.14	23.38	N/A
(11)	Sun Life MPF Greater China Equity Fund	1.3752	1.4011	N/A	1.0012	1.0182	N/A	35.69	35.96	N/A
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.3522	1.3522	N/A	0.9660	0.9660	N/A	40.63	40.63	N/A
(13)	Sun Life MPF Age 65 Plus Fund	N/A	N/A	1.0275	N/A	N/A	0.9980	N/A	N/A	N/A
(14)	Sun Life MPF Core Accumulation Fund	N/A	N/A	1.0799	N/A	N/A	0.9981	N/A	N/A	N/A

# 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)	
		Class A	Class B	Class A	Class B	Class A %	Class B %
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0251	\$ 1.0261	\$ 0.9819	\$ 0.9832	(2.54)	(2.49)
(2)	Sun Life MPF Conservative Fund	1.1014	1.1052	1.1012	1.1050	0.00	0.01
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.4032	1.4449	1.3324	1.3730	(1.38)	(1.22)
(4)	Sun Life MPF Hong Kong Equity Fund	4.8993	5.0453	3.8444	3.9545	0.48	0.68
(5)	Sun Life MPF Global Bond Fund	1.0030	1.0164	0.9219	0.9331	1.30	1.51
(6)	Sun Life MPF Stable Fund	1.9600	2.0185	1.7717	1.8223	0.93	1.13
(7)	Sun Life MPF Balanced Fund	2.1899	2.2551	1.9214	1.9762	1.77	1.97
(8)	Sun Life MPF Growth Fund	2.4134	2.4853	2.0487	2.1071	2.92	3.13
(9)	Sun Life MPF Asian Equity Fund	1.2742	1.2960	0.9993	1.0152	2.05	2.25
(10)	Sun Life MPF Multi-Sector Equity Fund	1.1315	1.1510	0.9427	0.9578	2.10	2.31
(11)	Sun Life MPF Greater China Equity Fund	1.0920	1.1099	0.8274	0.8400	(0.04)	0.16
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.0419	1.0419	0.7791	0.7791	2.25	2.25
(13)	Sun Life RCM MPF Capital Stable Fund (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A
(14)	Sun Life RCM MPF Stable Growth Fund (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A
(15)	Sun Life RCM MPF Balanced Fund (Note 2)	N/A	N/A	N/A	N/A	N/A	N/A

Note 2: Sun Life RCM MPF Capital Stable Fund, Sun Life RCM MPF Stable Growth Fund and Sun Life RCM MPF Balanced Fund ceased having any investments and operations starting from 27 May 2016 and were terminated on 2 December 2016.



# 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)	
		Class A	Class B	Class A	Class B	Class A %	Class B %
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0409	\$ 1.0416	\$ 1.0040	\$ 1.0048	(2.41)	(2.36)
(2)	Sun Life MPF Conservative Fund	1.1014	1.1051	1.1013	1.1050	0.01	0.01
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3674	1.4058	1.3370	1.3723	1.49	1.69
(4)	Sun Life MPF Hong Kong Equity Fund	5.3438	5.4880	4.1589	4.2740	0.38	0.58
(5)	Sun Life MPF Global Bond Fund	0.9619	0.9716	0.9103	0.9212	(3.92)	(3.73)
(6)	Sun Life MPF Stable Fund	1.8952	1.9464	1.7884	1.8380	(0.77)	(0.57)
(7)	Sun Life MPF Balanced Fund	2.1411	2.1988	1.9607	2.0153	(0.54)	(0.34)
(8)	Sun Life MPF Growth Fund	2.3780	2.4422	2.1125	2.1714	(0.36)	(0.16)
(9)	Sun Life MPF Asian Equity Fund	1.4415	1.4623	1.0804	1.0966	(10.45)	(10.27)
(10)	Sun Life MPF Multi-Sector Equity Fund	1.2920	1.3106	1.0267	1.0424	(4.79)	(4.60)
(11)	Sun Life MPF Greater China Equity Fund	1.3199	1.3379	0.9431	0.9567	(6.97)	(6.78)
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.2283	1.2283	0.8782	0.8782	(7.53)	(7.54)
(13)	Sun Life RCM MPF Capital Stable Fund	1.1153	1.1310	1.0297	1.0449	(3.55)	(3.36)
(14)	Sun Life RCM MPF Stable Growth Fund	1.1486	1.1652	1.0167	1.0322	(4.03)	(3.84)
(15)	Sun Life RCM MPF Balanced Fund	1.1957	1.2129	1.0114	1.0269	(4.47)	(4.28)

# 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)	
		Class A	Class B	Class A	Class B	Class A %	Class B %
(1)	Sun Life MPF RMB and HKD Fund	\$ 1.0457	\$ 1.0456	\$ 1.0205	\$ 1.0205	(0.79)	(0.74)
(2)	Sun Life MPF Conservative Fund	1.1013	1.1051	1.1012	1.1050	0.01	0.01
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3494	1.3847	1.2955	1.3271	3.01	3.21
(4)	Sun Life MPF Hong Kong Equity Fund	4.8721	4.9971	4.0734	4.1731	0.15	0.35
(5)	Sun Life MPF Global Bond Fund	0.9954	1.0041	0.9531	0.9626	(1.56)	(1.37)
(6)	Sun Life MPF Stable Fund	1.8709	1.9188	1.7706	1.8139	1.40	1.59
(7)	Sun Life MPF Balanced Fund	2.0853	2.1388	1.9287	1.9759	1.49	1.69
(8)	Sun Life MPF Growth Fund	2.2891	2.3478	2.0609	2.1114	1.72	1.93
(9)	Sun Life MPF Asian Equity Fund	1.3609	1.3785	1.1323	1.1457	4.30	4.51
(10)	Sun Life MPF Multi-Sector Equity Fund	1.2062	1.2220	1.0667	1.0795	1.08	1.28
(11)	Sun Life MPF Greater China Equity Fund	1.1214	1.1353	0.9498	0.9604	2.65	2.85
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.0710	1.0710	0.9091	0.9091	1.84	1.83
(13)	Sun Life RCM MPF Capital Stable Fund	1.1137	1.1278	1.0690	1.0813	(1.45)	(1.25)
(14)	Sun Life RCM MPF Stable Growth Fund	1.1283	1.1432	1.0634	1.0776	(2.40)	(2.20)
(15)	Sun Life RCM MPF Balanced Fund	1.1531	1.1682	1.0622	1.0764	(3.18)	(2.99)

Note: The net investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year. For constituent funds that were launched during the years, the net investment return is calculated by comparing the net asset value per unit at the period end against the initial subscription price of the investment funds of \$1.00 in the respective periods that the constituent funds were launched.

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

## Trustee's commentary

### Analysis of the investments held by the Scheme

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Conservative Fund</b> <i>Launch date: 01/12/2000</i>	<b>Class A</b>	3.63%	1.14%	0.64%	0.70%
	<b>Class B</b>	3.64%	1.16%	0.64%	0.71%
<b>Benchmark/Performance Target</b> (Lipper MPF Conservative Fund category median)		3.41%	1.10%	0.65%	0.74%
<b>Deviation from the benchmark/performance target</b>		Above	Above	Below	Below
<b>Trustee's commentary</b>		The performance was above benchmark for the past year and on 5-year perspective. HKD money market rates remained high during the year. 10-year and since launch performance continue to improve. The investment manager expected rate cut environment would finally return although it may delay due to strong US economy. The investment manager was ready to lock in longer-duration rates.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Hong Kong Dollar Bond Fund</b> <i>Launch date: 01/12/2000</i>	<b>Class A</b>	5.39%	0.14%	0.61%	1.41%
	<b>Class B</b>	5.59%	0.34%	0.81%	1.60%
<b>Benchmark/Performance Target</b> (Lipper MPF Hong Kong Dollar Bond Fund category median)		5.96%	0.81%	1.28%	1.60%
<b>Deviation from the benchmark/performance target</b>		Below	Below	Below	Below (Class A) In Line (Class B)
<b>Trustee's commentary</b>		The performance was below benchmark for the specified periods (for Class A only). Class B performance was in line with benchmark since launched. Bond markets had been volatile as investors changed their expectation on monetary policies. The investment manager believed that resilient US consumer might delay US rates cuts timetable. Rate volatility was likely to remain elevated due to incoming data, US Treasury refunding announcement and geopolitical risks. The investment manager was flexible in managing the duration.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF RMB and HKD Fund</b> <i>Launch date: 30/06/2012</i>	<b>Class A</b>	0.31%	0.67%	0.22%	0.54%
	<b>Class B</b>	0.36%	0.72%	0.27%	0.58%
<b>Benchmark/Performance Target</b> (Lipper MPF RMB and HKD Money Market Fund category median)		0.31%	0.72%	0.24%	0.65%
<b>Deviation from the benchmark/performance target</b>		In Line (Class A) Above (Class B)	Below (Class A) In Line (Class B)	Below (Class A) Above (Class B)	Below
<b>Trustee's commentary</b>		Class B performance was above benchmark for the past year while Class A performance was in line with benchmark. Higher carry in HKD deposits offset the weakening of CNH during 2023. The investment manager continued to favor HKD deposits over RMB deposits for higher carry but prefer short-dated RMB bonds over HKD bonds for an easing bias in monetary policy.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Global Bond Fund</b> <i>Launch date: 01/01/2010</i>	<b>Class A</b>	4.83%	-0.56%	-0.66%	-0.66%
	<b>Class B</b>	5.04%	-0.36%	-0.46%	-0.46%
<b>Benchmark/Performance Target</b> (Lipper MPF Global Bond Fund category median)		4.81%	-1.23%	-0.64%	0.10%
<b>Deviation from the benchmark/performance target</b>		Above	Above	Below (Class A) Above (Class B)	Below
<b>Trustee's commentary</b>		The performance was above benchmark for most of the specified periods. Global fixed income markets were very volatile in 2023 as investors speculated about the end of rate hike cycle. Yields fluctuated from time to time when expectations changed. Our investment manager reacted to market expectation with careful duration management.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Age 65 Plus Fund</b> <i>Launch date: 01/04/2017</i>	7.08%	1.95%	N/A	1.56%
<b>Benchmark/Performance Target</b> <i>(HKIFA Reference Portfolios for Constituent Funds under the Default Investment Strategy)</i>	7.22%	1.73%	N/A	1.59%
<b>Deviation from the benchmark/performance target</b>	Below	Above	N/A	Below
<b>Trustee's commentary</b>	<p>The performance was below its respective Reference Portfolio for the past year; but it was above the benchmark on a 5-year perspective. Global fixed income markets were very volatile in 2023 as investors speculated about the end of rate hike cycle. Fixed income part of portfolio, however, remained resilient. The fund underperformed mainly due to less exposure in growth sleeve for equity part as the rally was quite concentrated to several US stocks in 2023. The investment manager increased quality style and growth style and would continue to add growth style with a bullish view over equity market.</p>			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Stable Fund</b> <i>Launch date: 01/12/2000</i>	<b>Class A</b>	4.43%	0.71%	1.30%	3.16%
	<b>Class B</b>	4.64%	0.91%	1.50%	3.36%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;20-40% Equity) Fund category median)</i>		4.67%	0.91%	0.90%	2.65%
<b>Deviation from the benchmark/performance target</b>		Below	Below (Class A) In Line (Class B)	Above	Above
<b>Trustee's commentary</b>		<p>The performance was below benchmark for the past year but stayed above benchmark on 10-year and since-launched perspective. Equity portion of portfolio underperformed in the first three quarters of year mainly due to rather defensive region calls and manager selections. The investment manager was slightly underweight Europe and Japan when both markets rallied beginning of the year. Bond yields fluctuated during the year as US banking issue rocked markets in March and investors changed their expectation of US monetary policy. Performance of fixed income portion, therefore, swung. However, fund performance staged a strong comeback in the fourth quarter with returns mainly from allocation effect and manager selection effect. Underperformance for the year has materially narrowed after this strong quarter. For 2024, the investment manager would manage duration of fixed income portion to position for a rate cut environment.</p>			



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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Core Accumulation Fund</b> <i>Launch date: 01/04/2017</i>	13.28%	6.65%	N/A	5.12%
<b>Benchmark/Performance Target</b> <i>(HKIFA Reference Portfolios for Constituent Funds under the Default Investment Strategy)</i>	14.03%	6.49%	N/A	5.28%
<b>Deviation from the benchmark/performance target</b>	Below	Above	N/A	Below
<b>Trustee's commentary</b>	The performance was below its respective Reference Portfolio for the past year; but it was above the benchmark on a 5-year perspective. Investment manager increased quality sleeve and growth sleeve for equity part of portfolio in 2023. However, as equity rally was concentrated in several US stocks, the fund underperformed due to less exposure in growth sleeve. The investment manager would continue to add growth style with a bullish view over equity market.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Balanced Fund</b> <i>Launch date: 01/12/2000</i>	<b>Class A</b>	4.23%	1.68%	2.17%	4.00%
	<b>Class B</b>	4.44%	1.88%	2.37%	4.20%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;40-60% Equity) Fund category median)</i>		4.83%	1.88%	1.52%	3.16%
<b>Deviation from the benchmark/performance target</b>		Below	Below (Class A) In Line (Class B)	Above	Above
<b>Trustee's commentary</b>		<p>The performance was below benchmark for the past year but stayed above benchmark on 10-year and since-launched perspective. Equity portion of portfolio underperformed in the first three quarters of year mainly due to rather defensive region calls and manager selections. The investment manager was slightly underweight Europe and Japan when both markets rallied beginning of the year. Bond yields fluctuated during the year as US banking issue rocked markets in March and investors changed their expectation of US monetary policy. Performance of fixed income portion, therefore, swang. However, fund performance staged a strong comeback in the fourth quarter with returns mainly from allocation effect and manager selection effect. Underperformance for the year has materially narrowed after this strong quarter. For 2024, the investment manager believed AI theme would continue to grow and longer-duration fixed income assets would benefit in a rate cut environment. However, the investment manager would be tactical as market volatilities remained.</p>			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Growth Fund</b> <i>Launch date: 01/12/2000</i>	<b>Class A</b>	3.97%	2.56%	3.01%	4.75%
	<b>Class B</b>	4.17%	2.76%	3.22%	4.95%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;60-80% Equity) Fund category median)</i>		5.51%	2.76%	2.24%	3.75%
<b>Deviation from the benchmark/performance target</b>		Below	Below (Class A) In Line (Class B)	Above	Above
<b>Trustee's commentary</b>		<p>The performance was below benchmark for the past year but stayed above benchmark on 10-year and since-launched perspective. Equity portion of portfolio underperformed in the first three quarters of year mainly due to rather defensive region calls and manager selections. The investment manager was slightly underweight Europe and Japan when both markets rallied beginning of the year. Bond yields fluctuated during the year as US banking issue rocked markets in March and investors changed their expectation of US monetary policy. Performance of fixed income portion, therefore, swang. However, fund performance staged a strong comeback in the fourth quarter with returns mainly from allocation effect and manager selection effect. Underperformance for the year has materially narrowed after this strong quarter. For 2024, the investment manager would continue to hold a bias on growth markets as the manager saw solid secular growth in AI.</p>			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Multi-Sector Equity Fund</b> <i>Launch date: 03/03/2008</i>	<b>Class A</b>	18.86%	9.07%	5.12%	4.03%
	<b>Class B</b>	19.10%	9.29%	5.33%	4.24%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Global Equity Fund category median)</i>		20.67%	9.45%	5.44%	4.27%
<b>Deviation from the benchmark/performance target</b>		Below	Below	Below	Below
<b>Trustee's commentary</b>		The performance was below benchmark for the specified periods. The fund performance was a result of its structural overweight in Hong Kong equities since inception and that Hong Kong market was trailing developed markets for an extended period of time. Such structural rigidity was removed when the current multi-manager structure took effect at around mid-2016. For the past year, the fund narrowed underperformance in the fourth quarter with strong turnaround from growth-tilt managers. The investment manager expected rate hike cycle to close to an end and remained positive on long duration / growth assets. The investment manager maintained an overweight in technology sector and underweight in energy but might capture opportunities when there is volatility due to geopolitical tension.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Asian Equity Fund</b> <i>Launch date: 03/03/2008</i>	<b>Class A</b>	1.05%	2.58%	2.23%	2.69%
	<b>Class B</b>	1.26%	2.78%	2.44%	2.90%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Asia ex Japan Equity Fund category median)</i>		2.19%	2.68%	2.70%	2.75%
<b>Deviation from the benchmark/performance target</b>		Above	Below (Class A) Above (Class B)	Below	Below (Class A) Above (Class B)
<b>Trustee's commentary</b>		The performance was below benchmark for the past year and on a 10-year perspective. Asian market performances were very divergent last year as Hong Kong / China registered negative returns while Taiwan, South Korea and India surged. The investment manager was generally overweight Taiwan and South Korea throughout the year. However, performance was dragged lower by poor stock selection effect by underlying managers. The investment manager remained constructive on Taiwan and South Korea with tech recovery and AI theme.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Greater China Equity Fund</b> <i>Launch date: 03/03/2008</i>	<b>Class A</b>	-8.73%	0.35%	0.85%	0.82%
	<b>Class B</b>	-8.55%	0.55%	1.05%	1.02%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Greater China Equity Fund category median)</i>		-7.83%	1.59%	1.67%	0.86%
<b>Deviation from the benchmark/performance target</b>		Below	Below	Below	Below (Class A) Above (Class B)
<b>Trustee's commentary</b>		<p>The performance was below benchmark for the past year and for the periods of 5 years. Since mid-2016, the fund has been restructured to Greater China equity mandate, from Hong Kong equity mandate, hence the longer-term performance is less relevant. Taiwan market, underperformed in the previous year, rebounded with global tech recovery and AI theme. Hong Kong and China markets, on the other hand, declined on poor investment sentiment. The investment manager's underperformance was due to poor stock selection by underlying managers in the third quarter. The investment manager remained constructive on Taiwan with tech recovery and AI theme.</p>			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
<b>Sun Life FTSE MPF Hong Kong Index Fund</b> <i>Launch date: 10/12/2013</i>	<b>Class A</b>	-12.61%	-4.82%	-0.98%	-1.01%
	<b>Class B</b>	-12.61%	-4.82%	-0.98%	-1.01%
<b>Benchmark</b> <i>(FTSE MPF Hong Kong Index)</i>		-11.23%	-5.73%	-0.90%	-1.01%
<b>Performance Target</b> <i>(Lipper MPF Hong Kong Equity (Index Tracking) Fund category median)</i>		-11.81%	-4.14%	0.29%	0.13%
<b>Deviation from the performance target</b>		Below	Above	Below	In Line
<b>Trustee's commentary</b>		Fund performance was below peer group median for the past year but outperformed for the periods of 5 years. Among all Hong Kong Index tracking funds in the MPF market, the fund is the only one that tracks the FTSE Hong Kong Index, whereas most all others track the Hang Seng Index. The Hang Seng Index is highly concentrated and focused on giant cap stocks and the financial sector. The FTSE Hong Kong Index is a lot more broad-based and has exposure to mid- and smaller caps. For the past year, the fund underperformed as mid- and smaller caps were less favored than large SOE companies. Fund performance was below its benchmark due to tracking errors of managing a passive portfolio.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
Sun Life MPF Hong Kong Equity Fund Launch date: 01/12/2000	Class A	-16.73%	-2.97%	0.82%	7.08%
	Class B	-16.57%	-2.78%	1.03%	7.29%
Benchmark/Performance Target (Lipper MPF Hong Kong Equity Fund category median)		-16.04%	-4.99%	-0.93%	3.25%
Deviation from the benchmark/performance target		Below	Above	Above	Above
Trustee's commentary		The performance was below benchmark for the past year but outperformed on a 5-year, 10-year and since-launched perspective. Some of the underlying fund managers focused on companies with long-term quality earnings growth. However, these quality companies suffered selloffs from foreign investors due to lack of confidence. The investment manager continued to be defensive in broad markets expecting no quick fix of the property sector.			



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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Cumulative return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF Global Low Carbon Index Fund</b> <i>Launch date: 05/06/2023</i>	N/A	N/A	N/A	5.93%
<b>Benchmark</b> ( <i>Lipper MPF Global Equity Fund category median</i> )	N/A	N/A	N/A	8.98%
<b>Performance target</b> ( <i>FTSE Custom MPF Developed Selected Countries ESG Low Carbon Select Hedged Index</i> )	N/A	N/A	N/A	9.13%
<b>Deviation from the performance target</b>	N/A	N/A	N/A	Below
<b>Trustee's commentary</b>	The fund was launched in June 2023. 1-year, 5-year and 10-year returns data is not available. Since-launch performance was below its benchmark mainly due to cash drag impact in the initial portfolio construction phase. Cash drag impact happens when funds are new and fund sizes are small. Cash inflow before deployment might constitute a large part of portfolio. Cash drag impact diminishes as fund sizes grow.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Cumulative return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF European Equity Fund</b> <i>Launch date: 05/06/2023</i>	N/A	N/A	N/A	3.55%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF European Equity Fund category median)</i>	N/A	N/A	N/A	6.3%
<b>Deviation from the benchmark/performance target</b>	N/A	N/A	N/A	Below
<b>Trustee's commentary</b>	<p>The fund was launched in June 2023. 1-year, 5-year and 10-year returns data is not available. Since-launch performance was below its benchmark mainly due to cash drag impact in the initial portfolio construction phase. Cash drag impact happened when the fund was new and fund size was small. Cash inflow before deployment might constitute a large part of portfolio. Cash drag impact diminishes as fund sizes grow. The investment manager believed that European economy set to deteriorate and earnings outlook to weaken. However, undemanding valuation and diversified geographical exposure provided support to the market. The investment manager took a conservative view on portfolio management.</p>			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Cumulative return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF US Equity Fund</b> <i>Launch date: 05/06/2023</i>	N/A	N/A	N/A	8.85%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF United States Equity Fund category median)</i>	N/A	N/A	N/A	11.19%
<b>Deviation from the benchmark/performance target</b>	N/A	N/A	N/A	Below
<b>Trustee's commentary</b>	The fund was launched in June 2023. 1-year, 5-year and 10-year returns data is not available. Since-launch performance was below its benchmark mainly due to cash drag impact in the initial portfolio construction phase. Cash drag impact happened when the fund was new and fund size was small. Cash inflow before deployment might constitute a large part of portfolio. Cash drag impact diminishes as fund sizes grow. As the US approaches to rate cut cycle, the investment manager favored growth sectors such as information technology. Growth sectors are expected to benefit from re-rating of valuation.			

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

## Trustee's commentary (continued)

### Analysis of the investments held by the Scheme (continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
<b>Sun Life MPF US &amp; Hong Kong Equity Fund</b> <i>Launch date: 29/11/2023</i>	N/A	N/A	N/A	2.99%
<b>Benchmark/Performance Target</b> <i>(FTSE MPF USA Hedged TR &amp; FTSE MPF Hong Kong TR)</i>	N/A	N/A	N/A	3.04%
<b>Deviation from the benchmark/performance target</b>	N/A	N/A	N/A	Below
<b>Trustee's commentary</b>	The fund was launched in June 2023. 1-year, 5-year and 10-year returns data is not available. Since-launch performance was in line with benchmark as the investment manager took a benchmark-hugging approach in this fund.			

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

## Trustee's assessment framework and action

In relation to Investment Manager of the Sun Life Rainbow MPF Scheme (the "Scheme"), a set of key performance indicators ("KPIs") have been set as benchmarks to evaluate their performance. Trustee management meets quarterly to discuss the Investment Manager's operational and investment performance by assessing the achievement of KPIs as well as the performance of each constituent fund.

In addition, the Board of Trustee meets with the Investment Manager on a quarterly basis to assess performance through assessing the achievement of KPIs as well as the performance of each constituent fund; provide direction about the performance of the Investment Manager; and discuss any issues identified and action plans suggested by the Investment Manager.

As per the Investment Manager's governance practice, evaluation of each constituent fund's underlying investments considers both qualitative and quantitative factors, not just limited to fund performance. These include a review of the firm (ownership, turnover of key personnel, assets under management, regulation and compliance, and/or ESG practice) and the investment fund (turnover of key investment professionals, investment process including ESG integration, investment policies, fund assets, and performance vs. benchmark and peers). Any issues of concern are monitored until the Board of Trustee is satisfied they have been adequately addressed. In cases where serious concerns persist, the Trustee will define a course of action to rectify the fund performance issue.

In maintaining a meaningful measurement of performance of the Investment Manager, the Board of Trustee, on an annual basis, reviews the KPIs to determine whether they remain appropriate. In the recent review conducted in December 2023, the Board of Trustee concluded that all performance targets remain appropriate and sufficiently challenging. In order to monitor closely that the Investment Manager is working towards the KPIs which are set to measure longer term performance, the Board of Trustee will also be tracking the rolling 1-year performance of funds as a supplemental monitoring.

For and on behalf of  
Sun Life Trustee Company Limited



Hong Kong,

28 JUN 2024

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

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Sun Life Rainbow MPF Scheme (the "Scheme") set out on pages 148 to 220, 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 ("HKSAs") 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 Rainbow MPF 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme or to cease operations, or has no realistic alternative but to do so.

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 Rainbow MPF 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 HKSA's, 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 use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- 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 Rainbow MPF 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

28 JUN 2024

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

We have audited the financial statements of Sun Life Rainbow MPF 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 issued an unqualified auditor's report thereon dated **28 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 Rainbow MPF 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 Rainbow MPF 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; except for
    - Sun Life MPF US & Hong Kong Equity Fund, which commenced operation on 29 November 2023, was in compliance with the requirements as at 8 December 2023, 19 December 2023 and 31 December 2023; and
  - 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 Core Accumulation Fund and Sun Life MPF Age 65 Plus Fund 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 Core Accumulation Fund and Sun Life MPF Age 65 Plus Fund 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.

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

### *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 Core Accumulation Fund and Sun Life MPF Age 65 Plus Fund are not applicable to the Trustee during the year ended 31 December 2023 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 was not guaranteed funds. Accordingly, there is no reporting on this section.

### *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

28 JUN 2024

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

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF RMB and HKD Fund		Sun Life MPF Conservative Fund		Sun Life MPF Hong Kong Dollar Bond Fund		Sun Life MPF Hong Kong Equity Fund		Sun Life MPF Global Bond Fund		Sun Life MPF Stable Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>													
Cash at banks		\$ 370,723,359	\$ 502,837,525	\$ 15,271,430,212	\$ 14,968,968,781	\$ 2,972,868	\$ 70,532,032	\$ 577,223,204	\$ 550,182,184	\$ 708,467	\$ 35,672,709	\$ 39,498,863	\$ 275,989,515
Amounts receivable on sales of investments		-	-	-	-	22,000,000	12,000,000	200,000,000	-	10,000,000	8,000,000	15,613,336	-
Amounts receivable on subscriptions		2,859,774	5,504,954	111,068,907	105,837,445	37,913,851	35,324,107	42,712,896	84,404,467	28,518,848	6,374,524	6,706,640	5,378,701
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Dividend, interest and other receivables		2,750,915	2,007,931	169,261,326	90,557,948	185,089	272,868	100,914	48,294	4,376	155,611	963,187	998,810
Investments		654,302,515	525,070,085	2,638,390,003	401,660,356	4,347,741,220	3,877,726,162	30,997,541,241	35,311,366,833	2,164,124,637	1,774,577,751	6,917,377,987	6,248,549,177
Derivative financial instruments	5	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total assets</b>		<u>\$ 1,030,636,563</u>	<u>\$ 1,035,420,495</u>	<u>\$ 18,190,150,448</u>	<u>\$ 15,567,024,530</u>	<u>\$ 4,410,813,028</u>	<u>\$ 3,995,855,169</u>	<u>\$ 31,817,578,255</u>	<u>\$ 35,946,001,778</u>	<u>\$ 2,203,356,328</u>	<u>\$ 1,824,780,595</u>	<u>\$ 6,980,160,013</u>	<u>\$ 6,530,916,203</u>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ 5,993,161	\$ 7,896,049	\$ 128,898,522	\$ 132,551,853	\$ 36,461,632	\$ 35,824,485	\$ 160,902,302	\$ 113,908,329	\$ 11,584,002	\$ 6,861,438	\$ 18,176,941	\$ 13,687,500
Amounts payable on purchases of investments		-	-	-	-	-	-	-	-	-	-	1,406,773	-
Benefits payable		-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	5	-	-	-	-	-	-	-	-	47,999	-	358,882	-
Forfeiture payable		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables	8	1,205,938	1,210,566	15,688,521	14,008,215	6,242,181	5,847,798	45,313,350	50,230,806	2,931,365	2,532,856	9,797,097	9,425,705
<b>Liabilities (excluding net assets attributable to members)</b>		<u>\$ 7,199,099</u>	<u>\$ 9,106,615</u>	<u>\$ 144,587,043</u>	<u>\$ 146,560,068</u>	<u>\$ 42,703,813</u>	<u>\$ 41,672,283</u>	<u>\$ 206,215,652</u>	<u>\$ 164,139,135</u>	<u>\$ 14,563,366</u>	<u>\$ 9,394,294</u>	<u>\$ 29,739,693</u>	<u>\$ 23,113,205</u>
<b>Net assets attributable to members</b>	2(q)	<u>\$ 1,023,437,464</u>	<u>\$ 1,026,313,880</u>	<u>\$ 18,045,563,405</u>	<u>\$ 15,420,464,462</u>	<u>\$ 4,368,109,215</u>	<u>\$ 3,954,182,886</u>	<u>\$ 31,611,362,603</u>	<u>\$ 35,781,862,643</u>	<u>\$ 2,188,792,962</u>	<u>\$ 1,815,386,301</u>	<u>\$ 6,950,420,320</u>	<u>\$ 6,507,802,998</u>
<b>Number of units in issue</b>	3												
Class A		153,870,950.72	162,687,279.69	1,671,547,008.83	1,676,869,356.89	511,371,040.40	514,884,859.70	971,744,495.25	987,871,934.19	335,536,121.21	308,589,343.47	511,259,637.05	539,329,049.10
Class B		804,569,733.87	801,885,679.70	13,647,421,324.08	11,892,012,153.51	2,536,903,341.21	2,398,817,437.00	5,300,591,549.89	4,936,831,336.06	2,009,942,012.05	1,734,561,783.19	2,752,060,100.27	2,658,278,556.95
<b>Net assets attributable to members per unit</b>													
Class A		1.0635	1.0602	1.1737	1.1324	1.3812	1.3108	4.8553	5.8310	0.9110	0.8691	2.0520	1.9651
Class B		<u>1.0686</u>	<u>1.0648</u>	<u>1.1785</u>	<u>1.1370</u>	<u>1.4434</u>	<u>1.3670</u>	<u>5.0736</u>	<u>6.0811</u>	<u>0.9369</u>	<u>0.8920</u>	<u>2.1443</u>	<u>2.0494</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Balanced Fund		Sun Life MPF Growth Fund		Sun Life MPF Asian Equity Fund		Sun Life MPF Multi-Sector Equity Fund		Sun Life MPF Greater China Equity Fund		Sun Life FTSE MPF Hong Kong Index Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>													
Cash at banks		\$ 53,409,039	\$ 395,477,038	\$ 53,368,717	\$ 820,708,222	\$ 26,117,145	\$ 66,997,109	\$ 331,650,258	\$ 244,729,163	\$ 117,239,743	\$ 103,971,657	\$ 10,289,463	\$ 639,266
Amounts receivable on sales of investments		31,891,532	-	52,933,637	-	96,000,000	-	25,587,801	-	150,000,000	-	3,000,000	-
Amounts receivable on subscriptions		4,071,208	4,072,049	8,401,819	9,199,064	4,977,962	8,715,804	63,021,774	47,568,468	6,659,651	20,681,137	11,838,078	20,148,938
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Dividend, interest and other receivables		1,756,348	926,817	3,932,926	1,269,362	539,382	5,947	221,343	424,158	1,250,614	1,592,564	1,444	66
Investments		7,168,084,396	6,019,274,242	11,925,105,144	9,452,595,919	4,830,542,487	4,188,105,209	12,462,621,680	9,096,241,652	5,962,513,627	6,402,858,801	2,019,182,319	1,967,319,850
Derivative financial instruments	5	-	-	-	-	3,769	-	-	-	-	-	-	-
<b>Total assets</b>		<u>\$ 7,259,212,523</u>	<u>\$ 6,419,750,146</u>	<u>\$ 12,043,742,243</u>	<u>\$ 10,283,772,567</u>	<u>\$ 4,958,180,745</u>	<u>\$ 4,263,824,069</u>	<u>\$ 12,883,102,856</u>	<u>\$ 9,388,963,441</u>	<u>\$ 6,237,663,635</u>	<u>\$ 6,529,104,159</u>	<u>\$ 2,044,311,304</u>	<u>\$ 1,988,108,120</u>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ 16,030,124	\$ 10,085,832	\$ 39,718,423	\$ 19,961,700	\$ 22,843,505	\$ 10,104,226	\$ 94,482,157	\$ 56,843,283	\$ 25,061,111	\$ 21,158,606	\$ 23,197,986	\$ 16,111,172
Amounts payable on purchases of investments		8,696,417	-	-	-	9,467,091	-	12,794,858	-	138,000,000	-	-	-
Benefits payable		-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	5	576,575	-	1,145,972	-	132,052	-	1,548,530	3,496,419	58,210	-	-	-
Forfeiture payable		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables	8	10,040,964	9,203,946	16,588,424	14,713,472	7,284,363	6,534,490	16,318,672	11,938,093	9,005,770	9,238,536	1,503,784	1,463,201
<b>Liabilities (excluding net assets attributable to members)</b>		<u>\$ 35,344,080</u>	<u>\$ 19,289,778</u>	<u>\$ 57,452,819</u>	<u>\$ 34,675,172</u>	<u>\$ 39,727,011</u>	<u>\$ 16,638,716</u>	<u>\$ 125,144,217</u>	<u>\$ 72,277,795</u>	<u>\$ 172,125,091</u>	<u>\$ 30,397,142</u>	<u>\$ 24,701,770</u>	<u>\$ 17,574,373</u>
<b>Net assets attributable to members</b>	2(q)	<u>\$ 7,223,868,443</u>	<u>\$ 6,400,460,368</u>	<u>\$ 11,986,289,424</u>	<u>\$ 10,249,097,395</u>	<u>\$ 4,918,453,734</u>	<u>\$ 4,247,185,353</u>	<u>\$ 12,757,958,639</u>	<u>\$ 9,316,685,646</u>	<u>\$ 6,065,538,544</u>	<u>\$ 6,498,707,017</u>	<u>\$ 2,019,609,534</u>	<u>\$ 1,970,533,747</u>
<b>Number of units in issue</b>													
Class A		439,249,069.69	451,140,464.12	616,855,394.65	627,211,285.58	429,718,091.09	427,607,521.88	854,659,470.75	821,945,456.50	786,701,693.55	797,316,537.16	333,127,743.90	301,244,129.60
Class B		<u>2,374,225,977.54</u>	<u>2,153,150,145.07</u>	<u>3,337,781,672.83</u>	<u>2,897,368,589.48</u>	<u>2,712,355,869.15</u>	<u>2,320,300,771.17</u>	<u>5,783,988,734.40</u>	<u>4,952,242,919.98</u>	<u>4,405,686,524.48</u>	<u>4,289,021,439.66</u>	<u>1,902,766,130.71</u>	<u>1,605,024,546.21</u>
<b>Net assets attributable to members per unit</b>													
Class A		2.4737	2.3735	2.9201	2.8089	1.5231	1.5073	1.8693	1.5728	1.1379	1.2469	0.9033	1.0337
Class B		<u>2.5850</u>	<u>2.4753</u>	<u>3.0514</u>	<u>2.9293</u>	<u>1.5720</u>	<u>1.5527</u>	<u>1.9295</u>	<u>1.6203</u>	<u>1.1736</u>	<u>1.2834</u>	<u>0.9033</u>	<u>1.0337</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Sun Life MPF European Equity Fund <sup>(1)</sup>		Sun Life MPF US Equity Fund <sup>(1)</sup>		Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>		Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Assets</b>													
Cash at banks		\$ 2,206,456	\$ 6,356,186	\$ 44,639,793	\$ 25,750,220	\$ 317,019	\$ -	\$ 17,017,582	\$ -	\$ 34,632	\$ -	\$ 5,199,547	\$ -
Amounts receivable on sales of investments		-	-	5,000,000	6,000,000	773,321	-	55,506,683	-	-	-	2,981,170	-
Amounts receivable on subscriptions		26,111,977	15,086,898	27,784,893	14,096,547	16,436,518	-	130,424,868	-	21,738,690	-	6,200,723	-
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Dividend, interest and other receivables		584	587	7,572	2,697	36,910	-	1,244,903	-	5	-	429,619	-
Investments		2,720,451,558	2,150,393,995	10,381,487,123	7,267,166,488	301,868,616	-	2,017,972,313	-	738,935,886	-	251,954,589	-
Derivative financial instruments	5	-	-	-	-	-	-	16,363	-	-	-	-	-
<b>Total assets</b>		<b>\$ 2,748,770,575</b>	<b>\$ 2,171,837,666</b>	<b>\$ 10,458,919,381</b>	<b>\$ 7,313,015,952</b>	<b>\$ 319,432,384</b>	<b>\$ -</b>	<b>\$ 2,222,182,712</b>	<b>\$ -</b>	<b>\$ 760,709,213</b>	<b>\$ -</b>	<b>\$ 266,765,648</b>	<b>\$ -</b>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ 21,559,966	\$ 16,234,058	\$ 57,403,198	\$ 33,179,852	\$ 5,315,033	\$ -	\$ 24,269,588	\$ -	\$ 7,564,143	\$ -	\$ 2,787,789	\$ -
Amounts payable on purchases of investments		-	-	-	-	773,321	-	55,506,683	-	-	-	5,965,554	-
Benefits payable		-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	5	-	-	-	-	173,683	-	343,348	-	-	-	43,392	-
Forfeiture payable		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables	8	1,988,330	1,606,475	7,401,589	5,214,124	1,063,351	-	57,345,727	-	679,636	-	218,008	-
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 23,548,296</b>	<b>\$ 17,840,533</b>	<b>\$ 64,804,787</b>	<b>\$ 38,393,976</b>	<b>\$ 7,325,388</b>	<b>\$ -</b>	<b>\$ 137,465,346</b>	<b>\$ -</b>	<b>\$ 8,243,779</b>	<b>\$ -</b>	<b>\$ 9,014,743</b>	<b>\$ -</b>
<b>Net assets attributable to members</b>	2(q)	<b>\$ 2,725,222,279</b>	<b>\$ 2,153,997,133</b>	<b>\$ 10,394,114,594</b>	<b>\$ 7,274,621,976</b>	<b>\$ 312,106,996</b>	<b>\$ -</b>	<b>\$ 2,084,717,366</b>	<b>\$ -</b>	<b>\$ 752,465,434</b>	<b>\$ -</b>	<b>\$ 257,750,905</b>	<b>\$ -</b>
<b>Number of units in issue</b>													
Class A	3	2,454,876,647.09	2,077,614,802.25	7,417,628,440.05	5,881,026,915.97	301,432,779.17	-	1,915,359,209	-	710,382,107.47	-	250,274,207.55	-
<b>Net assets attributable to members per unit</b>													
Class A		1.1101	1.0368	1.4013	1.2370	1.0354	-	1.0884	-	1.0592	-	1.0299	-

The notes on pages 162 to 220 are an integral part of the financial statements.



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

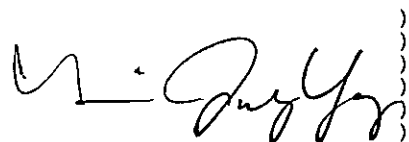
(Expressed in Hong Kong dollars)

	Note	Scheme 2023	2022	Total 2023	2022
<b>Assets</b>					
Cash at banks		\$ 387,499,026	\$ 350,249,396	\$ 17,311,545,393	\$ 18,419,061,003
Amounts receivable on sales of investments		-	-	671,287,480	26,000,000
Amounts receivable on subscriptions		(557,449,077)	(382,393,103)	-	-
Contributions receivable		852,975,821	11,511,797	852,975,821	11,511,797
Dividend, interest and other receivables		-	-	182,687,457	98,263,660
Investments		-	-	108,500,197,341	94,682,906,520
Derivative financial instruments	5	-	-	20,132	-
<b>Total assets</b>		<b>\$ 683,025,770</b>	<b>\$ (20,631,910)</b>	<b>\$ 127,518,713,624</b>	<b>\$ 113,237,742,980</b>
<b>Liabilities</b>					
Amounts payable on redemptions		\$ (702,249,583)	\$ (494,408,383)	\$ -	\$ -
Amounts payable on purchases of investments		-	-	232,610,697	-
Benefits payable		607,130,179	517,290,255	607,130,179	517,290,255
Derivative financial instruments	5	-	-	4,428,643	3,496,419
Forfeiture payable		57,275,971	54,588,402	57,275,971	54,588,402
Accruals and other payables	8	179,686,929	182,578,921	390,303,999	325,747,204
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 141,843,496</b>	<b>\$ 260,049,195</b>	<b>\$ 1,291,749,489</b>	<b>\$ 901,122,280</b>
<b>Net assets attributable to members</b>	2(q)	<b>\$ 541,182,274</b>	<b>\$ (280,681,105)</b>	<b>\$ 126,226,964,135</b>	<b>\$ 112,336,620,700</b>

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

Approved and authorised for issue by the Trustee on **28 JUN 2024**



For and on behalf of  
Sun Life Trustee Company Limited

The notes on pages 162 to 220 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 RMB and HKD Fund		Sun Life MPF Conservative Fund		Sun Life MPF Hong Kong Dollar Bond Fund		Sun Life MPF Hong Kong Equity Fund		Sun Life MPF Global Bond Fund		Sun Life MPF Stable Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>													
Net (loss)/gain on investments	6	\$ (8,312,071)	\$ (13,405,893)	\$ 38,406,468	\$ 3,285,073	\$ 283,415,058	\$ (355,614,018)	\$ (5,676,559,855)	\$ (5,471,686,805)	\$ 124,862,303	\$ (253,753,270)	\$ 390,573,992	\$ (1,247,945,913)
Interest on bank deposits		29,378,655	10,588,470	686,335,979	203,545,366	1,630,624	178,125	10,514,081	907,694	963,411	90,047	4,464,247	240,981
Exchange (loss)/gain		(5,836,222)	(29,961,752)	-	-	-	-	-	-	(138,733)	-	(722,503)	(194,582)
Dividend income		-	-	-	-	-	-	-	-	697,410	-	3,947,455	632,326
Other income		1,361	-	-	-	843,715	1,403,839	-	-	400,764	376,669	2,711,442	1,797,911
<b>Total investment income/(loss)</b>		<u>\$ 15,231,723</u>	<u>\$ (32,779,175)</u>	<u>\$ 724,742,447</u>	<u>\$ 206,830,439</u>	<u>\$ 285,889,397</u>	<u>\$ (354,032,054)</u>	<u>\$ (5,666,045,774)</u>	<u>\$ (5,470,779,111)</u>	<u>\$ 126,785,155</u>	<u>\$ (253,286,554)</u>	<u>\$ 400,974,633</u>	<u>\$ (1,245,469,277)</u>
<b>Expenses</b>													
Administration fees	8(a)	\$ 4,144,894	\$ 4,181,024	\$ 64,589,989	\$ 66,280,901	\$ 21,335,342	\$ 21,132,796	\$ 179,456,865	\$ 179,860,126	\$ 10,059,378	\$ 9,569,339	\$ 34,441,383	\$ 35,453,978
Investment management fees	8(b)	4,144,894	4,181,024	43,598,243	47,361,972	19,066,960	18,030,152	160,175,177	156,584,839	8,376,171	7,378,101	30,014,510	29,354,482
Sponsor fees	8(c)	3,108,671	3,135,768	22,606,496	23,198,315	12,388,893	12,249,970	104,407,476	104,483,215	5,867,145	5,574,244	20,031,057	20,583,937
Trustee fees	8(d)	603,113	611,337	8,073,749	8,285,112	6,055,708	6,024,500	50,687,644	50,997,495	2,823,234	2,694,438	9,736,414	10,067,122
Custodian fees		231,789	234,045	3,608,245	2,965,997	923,501	914,968	7,786,359	7,809,840	437,197	416,445	1,493,212	1,538,372
Auditor's fees		11,912	14,270	179,003	174,203	46,336	56,829	410,414	490,429	21,722	25,966	76,258	96,709
Professional indemnity insurance		14,606	10,617	223,568	131,053	57,468	42,505	496,379	373,604	26,959	19,559	93,595	73,205
Fund price publication expenses		2,692	2,831	41,051	34,557	10,567	11,276	91,745	97,328	4,956	5,153	17,247	19,192
Bank charges		6,622	7,365	9,570	7,470	-	-	-	-	-	-	-	-
Printing and postage expenses		93,232	127,800	1,422,448	1,504,115	366,093	512,962	3,176,241	4,547,773	171,714	236,853	597,329	888,457
Transaction costs		-	-	-	-	-	-	120,089	-	345,750	51,043	2,346,366	913,045
Miscellaneous expenses		4,648	4,686	6,747	6,841	5,084	5,218	9,453	10,575	4,777	4,826	28,658	5,711
<b>Total operating expenses</b>		<u>\$ 12,367,073</u>	<u>\$ 12,510,767</u>	<u>\$ 144,359,109</u>	<u>\$ 149,950,536</u>	<u>\$ 60,255,952</u>	<u>\$ 58,981,176</u>	<u>\$ 506,817,842</u>	<u>\$ 505,255,224</u>	<u>\$ 28,139,003</u>	<u>\$ 25,975,967</u>	<u>\$ 98,876,029</u>	<u>\$ 98,994,210</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 2,864,650</u>	<u>\$ (45,289,942)</u>	<u>\$ 580,383,338</u>	<u>\$ 56,879,903</u>	<u>\$ 225,633,445</u>	<u>\$ (413,013,230)</u>	<u>\$ (6,172,863,616)</u>	<u>\$ (5,976,034,335)</u>	<u>\$ 98,646,152</u>	<u>\$ (279,262,521)</u>	<u>\$ 302,098,604</u>	<u>\$ (1,344,463,487)</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Balanced Fund		Sun Life MPF Growth Fund		Sun Life MPF Asian Equity Fund		Sun Life MPF Multi-Sector Equity Fund		Sun Life MPF Greater China Equity Fund		Sun Life FTSE MPF Hong Kong Index Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>													
Net (loss)/gain on investments	6	\$ 383,825,548	\$ (1,353,959,086)	\$ 595,466,795	\$ (2,380,236,420)	\$ 130,466,235	\$ (1,098,763,224)	\$ 1,993,966,193	\$ (2,108,257,557)	\$ (516,072,051)	\$ (2,320,345,483)	\$ (260,137,532)	\$ (265,112,489)
Interest on bank deposits		4,453,288	317,253	5,548,039	692,123	1,267,771	126,797	5,216,976	469,900	2,118,171	153,402	92,412	9,080
Exchange (loss)/gain		(1,462,514)	(280,431)	(3,368,833)	(1,436,199)	(128,897)	-	(5,573,027)	(3,200,125)	(725,116)	-	-	-
Dividend income		5,537,080	914,908	10,974,396	1,848,419	-	-	57,193,996	63,409,613	15,689,460	-	-	-
Other income		3,338,091	1,849,517	6,182,759	2,668,446	1,781,920	-	518,911	2,438,500	6,891,156	9,298,655	-	-
<b>Total investment income/(loss)</b>		<u>\$ 395,691,493</u>	<u>\$ (1,351,157,839)</u>	<u>\$ 614,803,156</u>	<u>\$ (2,376,463,631)</u>	<u>\$ 133,387,029</u>	<u>\$ (1,098,636,427)</u>	<u>\$ 2,051,323,049</u>	<u>\$ (2,045,139,669)</u>	<u>\$ (492,098,380)</u>	<u>\$ (2,310,893,426)</u>	<u>\$ (260,045,120)</u>	<u>\$ (265,103,409)</u>
<b>Expenses</b>													
Administration fees	8(a)	\$ 34,445,501	\$ 34,429,813	\$ 56,375,339	\$ 54,646,099	\$ 23,156,966	\$ 23,021,733	\$ 55,829,924	\$ 48,172,924	\$ 34,014,323	\$ 35,238,598	\$ 8,281,900	\$ 7,287,667
Investment management fees	8(b)	30,830,877	30,074,066	51,428,818	50,436,902	29,111,925	29,572,690	43,228,627	36,176,324	37,424,561	36,441,449	414,095	364,384
Sponsor fees	8(c)	20,017,945	19,977,328	32,742,692	31,677,409	13,496,921	13,402,349	32,617,500	28,091,178	19,814,744	20,512,092	4,555,045	4,008,217
Trustee fees	8(d)	9,756,701	9,791,108	15,992,686	15,577,295	6,510,764	6,492,169	15,601,674	13,527,138	9,576,139	9,940,351	1,035,238	910,958
Custodian fees		1,491,820	1,493,159	2,439,575	2,367,892	1,005,367	1,002,210	2,427,776	2,099,185	1,477,110	1,535,243	462,952	408,281
Auditor's fees		75,347	93,824	121,728	148,930	50,153	63,120	116,843	128,830	77,072	98,895	23,457	24,948
Professional indemnity insurance		92,857	71,121	150,965	113,139	62,193	48,249	146,948	97,234	93,189	76,090	28,890	18,778
Fund price publication expenses		17,097	18,619	27,759	29,555	11,437	12,748	26,944	25,614	17,225	20,605	5,320	4,951
Bank charges		-	-	-	-	-	-	-	-	-	-	-	-
Printing and postage expenses		592,188	863,741	961,696	1,375,425	396,199	588,237	933,821	1,178,472	596,329	930,461	184,264	227,291
Transaction costs		2,728,752	1,231,070	4,961,562	2,977,935	520,543	-	9,619,573	7,052,383	1,028,450	744,491	-	-
Miscellaneous expenses		17,975	5,679	11,567	6,372	5,122	5,292	6,014	6,185	5,443	5,685	293	320
<b>Total operating expenses</b>		<u>\$ 100,067,060</u>	<u>\$ 98,049,528</u>	<u>\$ 165,214,387</u>	<u>\$ 159,356,953</u>	<u>\$ 74,327,590</u>	<u>\$ 74,208,797</u>	<u>\$ 160,555,644</u>	<u>\$ 136,555,467</u>	<u>\$ 104,124,585</u>	<u>\$ 105,543,960</u>	<u>\$ 14,991,454</u>	<u>\$ 13,255,795</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 295,624,433</u>	<u>\$ (1,449,207,367)</u>	<u>\$ 449,588,769</u>	<u>\$ (2,535,820,584)</u>	<u>\$ 59,059,439</u>	<u>\$ (1,172,845,224)</u>	<u>\$ 1,890,767,405</u>	<u>\$ (2,181,695,136)</u>	<u>\$ (596,222,965)</u>	<u>\$ (2,416,437,386)</u>	<u>\$ (275,036,574)</u>	<u>\$ (278,359,204)</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Sun Life MPF European Equity Fund <sup>(1)</sup>		Sun Life MPF US Equity Fund <sup>(1)</sup>		Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>		Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Income</b>													
Net (loss)/gain on investments	6	\$ 185,827,425	\$ (318,042,935)	\$ 1,153,971,132	\$ (1,051,565,163)	\$ 13,796,461	\$ -	\$ 129,244,638	\$ -	\$ 41,825,636	\$ -	\$ 7,081,367	\$ -
Interest on bank deposits		151,341	11,797	656,044	55,766	10,941	-	49,222	-	2,159	-	3,459	-
Exchange (loss)/gain		-	-	-	-	323,595	-	(1,193,516)	-	-	-	20,765	-
Dividend income		-	-	-	-	896,553	-	2,939,127	-	-	-	429,257	-
Other income		-	-	-	-	45,480	-	368,299	-	-	-	-	-
<b>Total investment income/(loss)</b>		<u>\$ 185,978,766</u>	<u>\$ (318,031,138)</u>	<u>\$ 1,154,627,176</u>	<u>\$ (1,051,509,397)</u>	<u>\$ 15,073,030</u>	<u>\$ -</u>	<u>\$ 131,407,770</u>	<u>\$ -</u>	<u>\$ 41,827,795</u>	<u>\$ -</u>	<u>\$ 7,534,848</u>	<u>\$ -</u>
<b>Expenses</b>													
Administration fees	8(a)	\$ 9,461,539	\$ 8,511,652	\$ 34,192,014	\$ 27,616,378	\$ 351,789	\$ -	\$ 2,033,124	\$ -	\$ 804,790	\$ -	\$ 118,950	\$ -
Investment management fees	8(b)	5,913,462	5,319,782	21,370,009	17,260,236	301,121	-	1,677,750	-	776,514	-	17,302	-
Sponsor fees	8(c)	-	-	-	-	285,234	-	1,648,479	-	652,533	-	44,502	-
Trustee fees	8(d)	1,419,231	1,276,748	5,128,802	4,142,457	123,601	-	714,341	-	108,755	-	32,441	-
Custodian fees		528,665	476,793	1,908,900	1,546,582	20,995	-	121,020	-	47,977	-	4,814	-
Auditor's fees		25,951	29,081	90,466	92,926	436	-	2,369	-	974	-	-	-
Professional indemnity insurance		32,441	21,696	114,794	69,282	594	-	3,226	-	1,327	-	-	-
Fund price publication expenses		5,955	5,770	21,011	18,438	86	-	466	-	192	-	-	-
Bank charges		-	-	-	-	-	-	-	-	-	-	-	-
Printing and postage expenses		206,374	261,538	728,363	834,849	3,079	-	16,730	-	6,882	-	-	-
Transaction costs		-	-	-	-	103,957	-	610,825	-	-	-	4,321	-
Miscellaneous expenses		330	377	1,180	1,233	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>		<u>\$ 17,593,948</u>	<u>\$ 15,903,437</u>	<u>\$ 63,555,539</u>	<u>\$ 51,582,381</u>	<u>\$ 1,190,892</u>	<u>\$ -</u>	<u>\$ 6,828,330</u>	<u>\$ -</u>	<u>\$ 2,399,944</u>	<u>\$ -</u>	<u>\$ 222,330</u>	<u>\$ -</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 168,384,818</u>	<u>\$ (333,934,575)</u>	<u>\$ 1,091,071,637</u>	<u>\$ (1,103,091,778)</u>	<u>\$ 13,882,138</u>	<u>\$ -</u>	<u>\$ 124,579,440</u>	<u>\$ -</u>	<u>\$ 39,427,851</u>	<u>\$ -</u>	<u>\$ 7,312,518</u>	<u>\$ -</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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

(Expressed in Hong Kong dollars)

	Note	Scheme		Total	
		2023	2022	2023	2022
Income					
Net (loss)/gain on investments	6	\$ -	\$ -	\$ (988,352,258)	\$ (18,235,403,183)
Interest on bank deposits		530,772	55,841	753,387,592	217,442,642
Exchange (loss)/gain		-	-	(18,805,001)	(35,073,089)
Dividend income		-	-	98,304,734	66,805,266
Other income		-	-	23,083,898	19,833,537
Total investment income/(loss)		\$ 530,772	\$ 55,841	\$ (132,381,035)	\$ (17,966,394,827)
Expenses					
Administration fees	8(a)	\$ -	\$ -	\$ 573,094,010	\$ 555,403,028
Investment management fees	8(b)	-	-	487,871,016	468,536,403
Sponsor fees	8(c)	-	-	294,285,333	286,894,022
Trustee fees	8(d)	-	-	143,980,235	140,338,228
Custodian fees		-	-	26,417,274	24,809,012
Auditor's fees		-	-	1,330,441	1,538,960
Professional indemnity insurance		-	-	1,639,999	1,166,132
Fund price publication expenses		-	-	301,750	306,637
Bank charges		139,164	119,834	155,356	134,669
Printing and postage expenses		-	-	10,452,982	14,077,974
Transaction costs		-	-	22,390,188	12,969,967
Miscellaneous expenses		-	-	107,291	69,000
Total operating expenses		\$ 139,164	\$ 119,834	\$ 1,562,025,875	\$ 1,506,244,032
Increase/(decrease) in net assets attributable to members					
		\$ 391,608	\$ (63,993)	\$ (1,694,406,910)	\$ (19,472,638,859)

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

The notes on pages 162 to 220 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 RMB and HKD Fund		Sun Life MPF Conservative Fund		Sun Life MPF Hong Kong Dollar Bond Fund		Sun Life MPF Hong Kong Equity Fund		Sun Life MPF Global Bond Fund		Sun Life MPF Stable Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at the beginning of the year</b>		\$ 1,026,313,880	\$ 969,603,430	\$ 15,420,464,462	\$ 11,590,600,718	\$ 3,954,182,886	\$ 4,421,616,748	\$ 35,781,862,643	\$ 38,765,034,027	\$ 1,815,386,301	\$ 2,109,146,994	\$ 6,507,802,998	\$ 7,908,229,369
Proceeds on subscriptions of units	12	\$ 386,075,763	\$ 825,633,564	\$ 9,948,830,764	\$ 11,756,804,725	\$ 1,823,033,995	\$ 1,790,788,949	\$ 8,827,206,059	\$ 9,436,868,065	\$ 905,226,824	\$ 796,683,233	\$ 1,252,203,965	\$ 1,450,740,565
Payments on redemptions of units	13	(391,816,829)	(723,633,172)	(7,904,115,159)	(7,983,820,884)	(1,634,741,111)	(1,845,209,581)	(6,824,842,483)	(6,444,005,114)	(630,466,315)	(811,181,405)	(1,111,685,247)	(1,506,703,449)
<b>Net (redemptions)/subscriptions</b>		<u>\$ (5,741,066)</u>	<u>\$ 102,000,392</u>	<u>\$ 2,044,715,605</u>	<u>\$ 3,772,983,841</u>	<u>\$ 188,292,884</u>	<u>\$ (54,420,632)</u>	<u>\$ 2,002,363,576</u>	<u>\$ 2,992,862,951</u>	<u>\$ 274,760,509</u>	<u>\$ (14,498,172)</u>	<u>\$ 140,518,718</u>	<u>\$ (55,962,884)</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 2,864,650</u>	<u>\$ (45,289,942)</u>	<u>\$ 580,383,338</u>	<u>\$ 56,879,903</u>	<u>\$ 225,633,445</u>	<u>\$ (413,013,230)</u>	<u>\$ (6,172,863,616)</u>	<u>\$ (5,976,034,335)</u>	<u>\$ 98,646,152</u>	<u>\$ (279,262,521)</u>	<u>\$ 302,098,604</u>	<u>\$ (1,344,463,487)</u>
<b>Balance at the end of the year</b>		<u>\$ 1,023,437,464</u>	<u>\$ 1,026,313,880</u>	<u>\$ 18,045,563,405</u>	<u>\$ 15,420,464,462</u>	<u>\$ 4,368,109,215</u>	<u>\$ 3,954,182,886</u>	<u>\$ 31,611,362,603</u>	<u>\$ 35,781,862,643</u>	<u>\$ 2,188,792,962</u>	<u>\$ 1,815,386,301</u>	<u>\$ 6,950,420,320</u>	<u>\$ 6,507,802,998</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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 Balanced Fund		Sun Life MPF Growth Fund		Sun Life MPF Asian Equity Fund		Sun Life MPF Multi-Sector Equity Fund		Sun Life MPF Greater China Equity Fund		Sun Life FTSE MPF Hong Kong Index Fund	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at the beginning of the year</b>		\$ 6,400,460,368	\$ 7,720,752,769	\$ 10,249,097,395	\$ 12,340,283,640	\$ 4,247,185,353	\$ 5,260,157,339	\$ 9,316,685,646	\$ 10,279,650,561	\$ 6,498,707,017	\$ 8,602,315,432	\$ 1,970,533,747	\$ 1,743,157,016
Proceeds on subscriptions of units	12	\$ 1,480,177,126	\$ 1,282,734,770	\$ 2,868,539,691	\$ 2,206,934,617	\$ 1,461,100,460	\$ 1,119,658,511	\$ 4,963,970,028	\$ 4,869,906,901	\$ 1,720,696,711	\$ 2,181,945,826	\$ 1,395,220,877	\$ 1,554,965,628
Payments on redemptions of units	13	(952,393,484)	(1,153,819,804)	(1,580,936,431)	(1,762,300,278)	(848,891,518)	(959,785,273)	(3,413,464,440)	(3,651,176,680)	(1,557,642,219)	(1,869,116,855)	(1,071,108,516)	(1,049,229,693)
<b>Net (redemptions)/subscriptions</b>		<u>\$ 527,783,642</u>	<u>\$ 128,914,966</u>	<u>\$ 1,287,603,260</u>	<u>\$ 444,634,339</u>	<u>\$ 612,208,942</u>	<u>\$ 159,873,238</u>	<u>\$ 1,550,505,588</u>	<u>\$ 1,218,730,221</u>	<u>\$ 163,054,492</u>	<u>\$ 312,828,971</u>	<u>\$ 324,112,361</u>	<u>\$ 505,735,935</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 295,624,433</u>	<u>\$ (1,449,207,367)</u>	<u>\$ 449,588,769</u>	<u>\$ (2,535,820,584)</u>	<u>\$ 59,059,439</u>	<u>\$ (1,172,845,224)</u>	<u>\$ 1,890,767,405</u>	<u>\$ (2,181,695,136)</u>	<u>\$ (596,222,965)</u>	<u>\$ (2,416,437,386)</u>	<u>\$ (275,036,574)</u>	<u>\$ (278,359,204)</u>
<b>Balance at the end of the year</b>		<u>\$ 7,223,868,443</u>	<u>\$ 6,400,460,368</u>	<u>\$ 11,986,289,424</u>	<u>\$ 10,249,097,395</u>	<u>\$ 4,918,453,734</u>	<u>\$ 4,247,185,353</u>	<u>\$ 12,757,958,639</u>	<u>\$ 9,316,685,646</u>	<u>\$ 6,065,538,544</u>	<u>\$ 6,498,707,017</u>	<u>\$ 2,019,609,534</u>	<u>\$ 1,970,533,747</u>

The notes on pages 162 to 220 are an integral part of the financial statements.

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 Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Sun Life MPF European Equity Fund <sup>(1)</sup>		Sun Life MPF US Equity Fund <sup>(1)</sup>		Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>		Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Balance at the beginning of the year</b>		\$ 2,153,997,133	\$ 2,195,585,744	\$ 7,274,621,976	\$ 6,936,737,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds on subscriptions of units	12	\$ 1,335,022,256	\$ 1,251,649,363	\$ 3,911,481,013	\$ 3,378,392,836	\$ 371,272,947	\$ -	\$ 2,364,086,679	\$ -	\$ 813,807,898	\$ -	\$ 263,174,411	\$ -
Payments on redemptions of units	13	(932,181,928)	(959,303,399)	(1,883,060,032)	(1,937,416,328)	(73,048,089)	-	(403,948,753)	-	(100,770,315)	-	(12,736,024)	-
<b>Net (redemptions)/subscriptions</b>		<u>\$ 402,840,328</u>	<u>\$ 292,345,964</u>	<u>\$ 2,028,420,981</u>	<u>\$ 1,440,976,508</u>	<u>\$ 298,224,858</u>	<u>\$ -</u>	<u>\$ 1,960,137,926</u>	<u>\$ -</u>	<u>\$ 713,037,583</u>	<u>\$ -</u>	<u>\$ 250,438,387</u>	<u>\$ -</u>
<b>Increase/(decrease) in net assets attributable to members</b>		<u>\$ 168,384,818</u>	<u>\$ (333,934,575)</u>	<u>\$ 1,091,071,637</u>	<u>\$ (1,103,091,778)</u>	<u>\$ 13,882,138</u>	<u>\$ -</u>	<u>\$ 124,579,440</u>	<u>\$ -</u>	<u>\$ 39,427,851</u>	<u>\$ -</u>	<u>\$ 7,312,518</u>	<u>\$ -</u>
<b>Balance at the end of the year</b>		<u>\$ 2,725,222,279</u>	<u>\$ 2,153,997,133</u>	<u>\$ 10,394,114,594</u>	<u>\$ 7,274,621,976</u>	<u>\$ 312,106,996</u>	<u>\$ -</u>	<u>\$ 2,084,717,366</u>	<u>\$ -</u>	<u>\$ 752,465,434</u>	<u>\$ -</u>	<u>\$ 257,750,905</u>	<u>\$ -</u>

The notes on pages 162 to 220 are an integral part of the financial statements.



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

	Note	Scheme 2023	2022	Total 2023	2022
<b>Balance at the beginning of the year</b>		\$ (280,681,105)	\$ (265,895,886)	\$ 112,336,620,700	\$ 120,576,975,147
Proceeds on subscriptions of units	12	\$ (21,967,731,412)	\$ (25,935,882,441)	\$ 24,123,396,055	\$ 17,967,825,112
Payments on redemptions of units	13	22,789,203,183	25,921,161,215	(8,538,645,710)	(6,735,540,700)
<b>Net (redemptions)/subscriptions</b>		\$ 821,471,771	\$ (14,721,226)	\$ 15,584,750,345	\$ 11,232,284,412
<b>Increase/(decrease) in net assets attributable to members</b>		\$ 391,608	\$ (63,993)	\$ (1,694,406,910)	\$ (19,472,638,859)
<b>Balance at the end of the year</b>		\$ 541,182,274	\$ (280,681,105)	\$ 126,226,964,135	\$ 112,336,620,700

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

The notes on pages 162 to 220 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		\$ (1,694,406,910)	\$(19,472,638,859)
Adjustments for:			
Net (increase)/decrease in investments		(13,817,290,821)	12,010,673,738
Net (increase)/decrease in bank deposits with original maturity over 3 months		(2,578,541,025)	1,748,545,464
Change in amounts receivable/payable on sales/purchases of investments		(412,676,783)	(46,354,126)
Net increase in dividend, interest and other receivables		(84,423,797)	(83,677,002)
Increase in accruals and other payables		64,556,795	5,623,875
Increase in derivative financial instruments		912,092	3,496,419
<b>Net cash outflow from operating activities</b>		<u>\$ (18,521,870,449)</u>	<u>\$ (5,834,330,491)</u>
<b>Cash flows from financing activities</b>			
Contributions and transfers in received		\$ 23,281,932,031	\$ 18,660,186,136
Benefits and transfers out paid	9	(8,007,981,451)	(6,997,879,872)
Forfeitures paid	9	(438,136,766)	(435,005,016)
<b>Net cash inflow from financing activities</b>		<u>\$ 14,835,813,814</u>	<u>\$ 11,227,301,248</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		\$ (3,686,056,635)	\$ 5,392,970,757
<b>Cash and cash equivalents at the beginning of the year</b>		<u>11,168,603,640</u>	<u>5,775,632,883</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>\$ 7,482,547,005</u>	<u>\$ 11,168,603,640</u>

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

*(Expressed in Hong Kong dollars)*

	Note	2023	2022
<b>Analysis of balance of cash and cash equivalents:</b>			
Cash at bank		\$ 17,311,545,393	\$ 18,419,061,003
Less: Bank deposits with original maturity over 3 months		<u>(9,828,998,388)</u>	<u>(7,250,457,363)</u>
		<u>\$ 7,482,547,005</u>	<u>\$ 11,168,603,640</u>
 (1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.			
(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.			

The notes on pages 162 to 220 are an integral part of the financial statements.

# Notes to the financial statements

(Expressed in Hong Kong dollars)

## 1 The Scheme

Sun Life Rainbow MPF 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 Hong Kong 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 Hong Kong Mandatory Provident Fund Schemes Authority (the “Authority”).

The Scheme consists of eighteen 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 constituent funds operating during the year are:

- (1) Sun Life MPF RMB and HKD Fund
- (2) Sun Life MPF Conservative Fund
- (3) Sun Life MPF Hong Kong Dollar Bond Fund
- (4) Sun Life MPF Hong Kong Equity Fund
- (5) Sun Life MPF Global Bond Fund
- (6) Sun Life MPF Stable Fund
- (7) Sun Life MPF Balanced Fund
- (8) Sun Life MPF Growth Fund
- (9) Sun Life MPF Asian Equity Fund
- (10) Sun Life MPF Multi-Sector Equity Fund
- (11) Sun Life MPF Greater China Equity Fund
- (12) Sun Life FTSE MPF Hong Kong Index Fund
- (13) Sun Life MPF Age 65 Plus Fund
- (14) Sun Life MPF Core Accumulation Fund

## **1 The Scheme (continued)**

(15) Sun Life MPF Global Low Carbon Index Fund<sup>(a)</sup>

(16) Sun Life MPF European Equity Fund<sup>(a)</sup>

(17) Sun Life MPF US Equity Fund<sup>(a)</sup>

(18) Sun Life MPF US & Hong Kong Equity Fund<sup>(b)</sup>

(a) With effect from 5 June 2023, three new constituent funds were added to the Scheme.

(b) With effect from 29 November 2023, a new constituent fund was added to the Scheme.

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, 3 MPF schemes were merged into the Scheme. With effect from 30 August 2023, Sun Life MPF Master Trust (“Sun Life Master”) has been merged into the Scheme. Subsequently, scheme members’ accrued benefits under Sun Life Master were transferred and fully re-invested into constituent funds in the Scheme. With effect from 29 November 2023, Sun Life MPF Basic Scheme (“Sun Life Basic”) and Sun Life MPF Comprehensive Scheme (“Sun Life Comprehensive”) have been merged into the Scheme. Subsequently, scheme members’ accrued benefits under Sun Life Basic and Sun Life Comprehensive were transferred and fully re-invested into constituent funds in the Scheme.

As at 31 December 2023, the Sun Life MPF RMB and HKD Fund and the Sun Life MPF Conservative Fund hold investments directly. The Sun Life FTSE MPF Hong Kong Index Fund, the Sun Life MPF Core Accumulation Fund, the Sun Life MPF Age 65 Plus Fund and the Sun Life MPF Global Low Carbon Index Fund are feeder funds each investing in a corresponding index-tracking collective investment scheme or approved pooled investment fund (as the case may be). The other constituent funds are portfolio management funds that invest into a range of underlying funds. These portfolio management funds are multi-manager funds and their assets are invested in multiple underlying funds managed by various investment managers selected by Sun Life Asset Management (HK) Limited (the “Investment Manager”). The underlying funds in which the constituent funds invest shall be referred to as the “Investment Funds”.

## **1 The Scheme (continued)**

All the Investment Funds are set up as pooled investment funds in accordance with Part IV of Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation (the “Regulation”), and have been approved by the Authority and the SFC as APIFs or as ITCISs approved by the Authority pursuant to the Regulation (“Approved ITCISs”).

## **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 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 26). 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 banks, amounts receivable on sales of investments, amounts receivable on subscriptions, contributions receivable, dividend, interest and other receivables.
- Other: this includes investments and derivative financial instruments 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.

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.



## 2 Material accounting policies (continued)

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

#### (iii) Measurement (continued)

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 (loss)/gain 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.

#### (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.

## 2 Material accounting policies (continued)

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

#### (vi) Impairment (continued)

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.

#### (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.

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

### **(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.

### **(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.

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

### **(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) Derivative financial instruments**

The Scheme hold derivative financial instruments to manage its foreign currency and interest rate risk exposures. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Derivatives are initially measured at fair value. Subsequently, they are measured at fair value with changes therein recognised in statement of comprehensive income.

### **(l) Contributions**

Contributions are accounted for on an accrual basis.

### **(m) Benefits**

Benefits are accounted for on an accrual basis.

### **(n) Transfer values**

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

### **(o) 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)

### (p) 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)

### (q) 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.

### (r) Segment reporting

An operating segment is a component of the Scheme that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Scheme's other components, whose operating results are reviewed regularly by the chief operating decision maker (the "CODM") to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer of the trustee acting as the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3 Number of units in issue

	2023		2022	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF RMB and HKD Fund</b>				
Balance at the beginning of the year	162,687,279.69	801,885,679.70	156,096,859.54	719,704,198.14
Units issued	53,628,299.48	309,354,445.06	104,267,482.80	653,831,904.13
Units redeemed	(62,444,628.45)	(306,670,390.89)	(97,677,062.65)	(571,650,422.57)
Balance at the end of the year	<u>153,870,950.72</u>	<u>804,569,733.87</u>	<u>162,687,279.69</u>	<u>801,885,679.70</u>
<b>Sun Life MPF Conservative Fund</b>				
Balance at the beginning of the year	1,676,869,356.89	11,892,012,153.51	1,496,446,057.57	8,741,830,678.21
Units issued	934,682,068.09	7,658,271,381.14	1,116,124,624.16	9,264,026,688.27
Units redeemed	(940,004,416.15)	(5,902,862,210.57)	(935,701,324.84)	(6,113,845,212.97)
Balance at the end of the year	<u>1,671,547,008.83</u>	<u>13,647,421,324.08</u>	<u>1,676,869,356.89</u>	<u>11,892,012,153.51</u>
<b>Sun Life MPF Hong Kong Dollar Bond Fund</b>				
Balance at the beginning of the year	514,884,859.70	2,398,817,437.00	542,984,359.93	2,410,010,195.98
Units issued	245,761,556.19	1,071,350,751.22	250,615,149.91	1,028,919,505.31
Units redeemed	(249,275,375.48)	(933,264,847.01)	(278,714,650.14)	(1,040,112,264.29)
Balance at the end of the year	<u>511,371,040.40</u>	<u>2,536,903,341.21</u>	<u>514,884,859.70</u>	<u>2,398,817,437.00</u>
<b>Sun Life MPF Hong Kong Equity Fund</b>				
Balance at the beginning of the year	987,871,934.19	4,936,831,336.06	941,889,208.59	4,504,291,647.71
Units issued	224,415,731.01	1,330,397,289.53	260,255,898.84	1,291,124,022.07
Units redeemed	(240,543,169.95)	(966,637,075.70)	(214,273,173.24)	(858,584,333.72)
Balance at the end of the year	<u>971,744,495.25</u>	<u>5,300,591,549.89</u>	<u>987,871,934.19</u>	<u>4,936,831,336.06</u>

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

	2023		2022	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF Global Bond Fund</b>				
Balance at the beginning of the year	308,589,343.47	1,734,561,783.19	317,931,922.72	1,734,233,774.90
Units issued	146,220,545.27	857,848,525.23	137,678,750.05	719,155,216.10
Units redeemed	(119,273,767.53)	(582,468,296.37)	(147,021,329.30)	(718,827,207.81)
Balance at the end of the year	<u>335,536,121.21</u>	<u>2,009,942,012.05</u>	<u>308,589,343.47</u>	<u>1,734,561,783.19</u>
<b>Sun Life MPF Stable Fund</b>				
Balance at the beginning of the year	539,329,049.10	2,658,278,556.95	570,127,236.89	2,656,773,614.64
Units issued	95,511,789.40	510,076,528.42	112,053,710.15	565,057,927.68
Units redeemed	(123,581,201.45)	(416,294,985.10)	(142,851,897.94)	(563,552,985.37)
Balance at the end of the year	<u>511,259,637.05</u>	<u>2,752,060,100.27</u>	<u>539,329,049.10</u>	<u>2,658,278,556.95</u>
<b>Sun Life MPF Balanced Fund</b>				
Balance at the beginning of the year	451,140,464.12	2,153,150,145.07	456,788,395.53	2,102,153,130.80
Units issued	77,510,220.63	513,985,485.30	88,212,551.50	407,745,783.05
Units redeemed	(89,401,615.06)	(292,909,652.83)	(93,860,482.91)	(356,748,768.78)
Balance at the end of the year	<u>439,249,069.69</u>	<u>2,374,225,977.54</u>	<u>451,140,464.12</u>	<u>2,153,150,145.07</u>
<b>Sun Life MPF Growth Fund</b>				
Balance at the beginning of the year	627,211,285.58	2,897,368,589.48	622,791,377.34	2,763,188,808.10
Units issued	117,685,356.87	848,008,354.62	131,713,652.34	587,098,472.02
Units redeemed	(128,041,247.80)	(407,595,271.27)	(127,293,744.10)	(452,918,690.64)
Balance at the end of the year	<u>616,855,394.65</u>	<u>3,337,781,672.83</u>	<u>627,211,285.58</u>	<u>2,897,368,589.48</u>
<b>Sun Life MPF Asian Equity Fund</b>				
Balance at the beginning of the year	427,607,521.88	2,320,300,771.17	415,994,163.42	2,241,319,042.81
Units issued	109,562,259.50	831,840,937.44	119,862,513.56	551,321,625.84
Units redeemed	(107,451,690.29)	(439,785,839.46)	(108,249,155.10)	(472,339,897.48)
Balance at the end of the year	<u>429,718,091.09</u>	<u>2,712,355,869.15</u>	<u>427,607,521.88</u>	<u>2,320,300,771.17</u>



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

	2023		2022	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF Multi-Sector Equity Fund</b>				
Balance at the beginning of the year	821,945,456.50	4,952,242,919.98	781,597,623.48	4,309,525,652.55
Units issued	384,696,856.32	2,410,217,147.10	427,498,951.78	2,387,625,142.48
Units redeemed	(351,982,842.08)	(1,578,471,332.68)	(387,151,118.76)	(1,744,907,875.05)
Balance at the end of the year	<u>854,659,470.75</u>	<u>5,783,988,734.40</u>	<u>821,945,456.50</u>	<u>4,952,242,919.98</u>
<b>Sun Life MPF Greater China Equity Fund</b>				
Balance at the beginning of the year	797,316,537.16	4,289,021,439.66	758,716,546.07	4,108,256,355.29
Units issued	209,167,554.80	1,135,225,324.07	256,751,931.13	1,306,229,923.07
Units redeemed	(219,782,398.41)	(1,018,560,239.25)	(218,151,940.04)	(1,125,464,838.70)
Balance at the end of the year	<u>786,701,693.55</u>	<u>4,405,686,524.48</u>	<u>797,316,537.16</u>	<u>4,289,021,439.66</u>
<b>Sun Life FTSE MPF Hong Kong Index Fund</b>				
Balance at the beginning of the year	301,244,129.60	1,605,024,546.21	263,623,513.47	1,168,501,128.82
Units issued	194,267,748.90	1,198,922,816.69	205,509,589.14	1,264,771,547.39
Units redeemed	(162,384,134.60)	(901,181,232.19)	(167,888,973.01)	(828,248,130.00)
Balance at the end of the year	<u>333,127,743.90</u>	<u>1,902,766,130.71</u>	<u>301,244,129.60</u>	<u>1,605,024,546.21</u>
<b>Sun Life MPF Age 65 Plus Fund</b>				
	<i>Number of units</i>		<i>Number of units</i>	
Balance at the beginning of the year	2,077,614,802.25		1,810,560,860.44	
Units issued	1,253,769,073.12		1,143,502,467.33	
Units redeemed	(876,507,227.67)		(876,448,525.52)	
Balance at the end of the year	<u>2,454,876,647.69</u>		<u>2,077,614,802.25</u>	

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

	2023 Number of units	2022 Number of units
<b>Sun Life MPF Core Accumulation Fund</b>		
Balance at the beginning of the year	5,881,026,915.97	4,774,067,821.64
Units issued	2,972,078,488.60	2,607,506,470.76
Units redeemed	(1,435,476,964.52)	(1,500,547,376.43)
Balance at the end of the year	<u>7,417,628,440.05</u>	<u>5,881,026,915.97</u>
<b>Sun Life MPF European Equity Fund<sup>(1)</sup></b>		
Balance at the beginning of the year	-	
Units issued	376,082,718.38	
Units redeemed	(74,649,939.21)	
Balance at the end of the year	<u>301,432,779.17</u>	
<b>Sun Life MPF US Equity Fund<sup>(1)</sup></b>		
Balance at the beginning of the year	-	
Units issued	2,315,002,778.54	
Units redeemed	(399,643,569.20)	
Balance at the end of the year	<u>1,915,359,209.34</u>	
<b>Sun Life MPF Global Low Carbon Index Fund<sup>(1)</sup></b>		
Balance at the beginning of the year	-	
Units issued	811,359,518.46	
Units redeemed	(100,977,410.99)	
Balance at the end of the year	<u>710,382,107.47</u>	
<b>Sun Life MPF US &amp; Hong Kong Equity Fund<sup>(2)</sup></b>		
Balance at the beginning of the year	-	
Units issued	262,969,834.39	
Units redeemed	(12,695,626.84)	
Balance at the end of the year	<u>250,274,207.55</u>	

(1) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## **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 with 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. Below is a description of the principal risks inherent in the Scheme's activities along with the actions it has taken to manage these risks.

As at 31 December 2023 and 2022, the Scheme's financial instruments mainly included investments in debt securities (only held by the Sun Life MPF RMB and HKD Fund and Sun Life MPF Conservative Fund) and sub-funds of umbrella unit trusts (the "Sub-Funds") which in turn invested in instruments including equity and debt securities. These are held in accordance with the Scheme's investment objectives and policies.

The Sun Life MPF RMB and HKD Fund, the Sun Life MPF Conservative Fund and the Sub-Funds buy, sell or hold financial assets and liabilities in order to take advantage of changes in market prices or rates.

The risks arising from the Scheme's operations are market risk comprising equity price risk, foreign currency risk, interest rate risk and also credit risk and liquidity risk. The Trustee reviews the policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the year to which these financial statements relate. The Trustee actively monitors market and economic data in their ongoing consideration of risk on a regular basis. A summary of the Scheme's investment policies is set out in the investment report.

### **(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.

The Scheme is exposed to other price risk arising from changes in net assets of the underlying sub-funds.

The Sub-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 Sub-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 the reporting date, the investments in sub-funds held by each constituent fund were as follows. A 5% (2022: 5%) increase in prices of the investments held by each constituent fund at the reporting date, 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% (2022: 5%) decrease in prices would have an equal but opposite effect. Sun Life MPF RMB and HKD Fund and Sun Life MPF Conservative Fund do not have exposure to price risk as they do not hold equity investments. The analysis is performed on the same basis for 2022.

As at 31 December 2023						
	Sun Life MPF Hong Kong Dollar Bond Fund	Sun Life MPF Hong Kong Equity Fund	Sun Life MPF Global Bond Fund	Sun Life MPF Stable Fund	Sun Life MPF Balanced Fund	Sun Life MPF Growth Fund
Investments	\$ 4,347,741,220	\$ 30,997,541,241	\$ 2,164,124,637	\$ 6,917,377,987	\$ 7,168,084,396	\$ 11,925,105,144
Increase in net assets and changes in net assets attributable to members	217,387,061	1,549,877,062	108,206,232	345,868,899	358,404,220	596,255,257
Percentage change in net assets	4.98%	4.90%	4.94%	4.98%	4.96%	4.97%

As at 31 December 2023						
	Sun Life MPF Asian Equity Fund	Sun Life MPF Multi-Sector Equity Fund	Sun Life MPF Greater China Equity Fund	Sun Life FTSE MPF Hong Kong Index Fund	Sun Life MPF Age 65 Plus Fund	Sun Life MPF Core Accumulation Fund
Investments	\$ 4,830,542,487	\$ 12,462,621,680	\$ 5,962,455,417	\$ 2,019,182,319	\$ 2,720,451,558	\$ 10,381,487,123
Increase in net assets and changes in net assets attributable to members	241,527,124	623,131,084	298,122,771	100,959,116	136,022,578	519,074,356
Percentage change in net assets	4.91%	4.88%	4.92%	5.00%	4.99%	4.99%

As at 31 December 2023				
	Sun Life MPF European Equity Fund <sup>(1)</sup>	Sun Life MPF US Equity Fund <sup>(1)</sup>	Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>
Investments	\$ 301,868,616	\$ 2,017,972,313	\$ 738,935,886	\$ 251,954,589
Increase in net assets and changes in net assets attributable to members	15,093,431	100,898,616	36,946,794	12,597,729
Percentage change in net assets	4.84%	4.84%	4.91%	4.89%

(1) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

#### 4 Financial risk management (continued)

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

As at 31 December 2022						
	Sun Life MPF Hong Kong Dollar Bond Fund	Sun Life MPF Hong Kong Equity Fund	Sun Life MPF Global Bond Fund	Sun Life MPF Stable Fund	Sun Life MPF Balanced Fund	Sun Life MPF Growth Fund
Investments	\$ 3,877,726,162	\$ 35,311,366,833	\$ 1,774,577,751	\$ 6,248,549,177	\$ 6,019,274,242	\$ 9,452,595,919
Increase in net assets and changes in net assets attributable to members	193,886,308	1,765,568,342	88,728,888	312,427,459	300,963,712	472,629,796
Percentage change in net assets	4.90%	4.93%	4.89%	4.80%	4.70%	4.61%

As at 31 December 2022						
	Sun Life MPF Asian Equity Fund	Sun Life MPF Multi- Sector Equity Fund	Sun Life MPF Greater China Equity Fund	Sun Life FTSE MPF Hong Kong Index Fund	Sun Life MPF Age 65 Plus Fund	Sun Life MPF Core Accumulation Fund
Investments	\$ 4,188,105,209	\$ 9,096,241,652	\$ 6,402,858,801	\$ 1,967,319,850	\$ 2,150,393,995	\$ 7,267,166,488
Increase in net assets and changes in net assets attributable to members	209,405,260	454,812,083	320,142,940	98,365,993	107,519,700	363,358,324
Percentage change in net assets	4.93%	4.88%	4.93%	4.99%	4.99%	4.99%

## 4 Financial risk management (continued)

### (c) 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 and 2022, the Sun Life MPF Conservative Fund neither directly nor indirectly held any assets in currencies other than HKD. As a result, there was no currency risk exposure for this constituent fund.

As at 31 December 2023 and 2022, the Sun Life MPF RMB and HKD Fund directly held assets in currencies other than the HKD. For all other constituent funds, the underlying sub-funds may directly or indirectly invest in a variety of financial instruments denominated in currencies other than Hong Kong dollar, which may expose the Scheme's investments to indirect currency risk. The investment manager of the underlying sub-funds has policies and procedures to manage portfolios effectively and mitigate the currency risk. Details are provided in the financial statements of the underlying sub-funds.

The following table summarises the foreign currency positions of the Sun Life MPF RMB and HKD Fund via its investment holdings as at 31 December 2023 and 2022 and shows the estimated percentage changes in values of the positions assuming 15% (2022: 15%) change in the underlying exchange rates occur immediately and uniformly across all currencies. The changes in value do not necessarily reflect the best or worst case scenarios and actual results may differ, but the reasonable possible change of the foreign currency position. Since the HKD is pegged to the United States dollars ("USD"), it is not considered to have significant currency risk and is not reported in the table below:

*(All amounts stated in HKD equivalent)*

	2023	2022
Sun Life MPF RMB and HKD Fund		
- Non HKD/USD currency position	\$ 668,806,747	\$ 674,592,650
- Estimated possible change in exchange rate	15%	15%
- Estimated change in NAV	\$ 100,321,012	\$ 101,188,898

## 4 Financial risk management (continued)

### (d) Interest rate risk

The Scheme held the Sub-Funds or debt securities as investments at 31 December 2023 and 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 RMB and HKD Fund, the Sun Life MPF Conservative Fund or the Sub-Funds is to acquire fixed income securities that are attractively priced in relation to the perceived credit risk. The Investment Managers recognise and accept that losses may occur. The Sub-Funds may utilise derivative products to manage interest rate risks on a limited basis.

The fair values of the fixed income investments of the Sun Life MPF RMB and HKD Fund, the Sun Life MPF Conservative Fund or the Sub-Funds 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 respectively. 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 Managers 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 RMB and HKD Fund, the Sun Life MPF Conservative Fund or the Sub-Funds to interest rate risk and makes decisions accordingly about the composition of the portfolio of fixed income securities of the Sun Life MPF RMB and HKD Fund, the Sun Life MPF Conservative Fund or the Sub-Funds 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)

As at 31 December 2023 and 2022, the interest rate exposures of the Sun Life MPF RMB and HKD Fund and the Sun Life MPF Conservative Fund were as follows:

#### Sun Life MPF RMB and HKD Fund

	2023			2022		
	Up to 1 year	Non-interest bearing	Total	Up to 1 year	Non-interest bearing	Total
<b>Assets</b>						
Investments	\$ 654,302,515	\$ -	\$ 654,302,515	\$ 525,070,085	\$ -	\$ 525,070,085
Cash at banks	370,723,359	-	370,723,359	502,837,525	-	502,837,525
Amounts receivable on subscriptions	-	2,859,774	2,859,774	-	5,504,954	5,504,954
Other assets	-	2,750,915	2,750,915	-	2,007,931	2,007,931
<b>Total assets</b>	<b>\$ 1,025,025,874</b>	<b>\$ 5,610,689</b>	<b>\$ 1,030,636,563</b>	<b>\$ 1,027,907,610</b>	<b>\$ 7,512,885</b>	<b>\$ 1,035,420,495</b>
<b>Liabilities</b>						
Liabilities (excluding net assets attributable to the members)	\$ -	\$ 7,199,099	\$ 7,199,099	\$ -	\$ 9,106,615	\$ 9,106,615
<b>Total interest sensitivity gap</b>	<b>\$ 1,025,025,874</b>			<b>\$ 1,027,907,610</b>		

#### Sun Life MPF Conservative Fund

	2023			2022		
	Up to 1 year	Non-interest bearing	Total	Up to 1 year	Non-interest bearing	Total
<b>Assets</b>						
Investments	\$ 2,638,390,003	\$ -	\$ 2,638,390,003	\$ 401,660,356	\$ -	\$ 401,660,356
Cash at banks	15,271,430,212	-	15,271,430,212	14,968,968,781	-	14,968,968,781
Amounts receivable on subscriptions	-	111,068,907	111,068,907	-	105,837,445	105,837,445
Other assets	-	169,261,326	169,261,326	-	90,557,948	90,557,948
<b>Total assets</b>	<b>\$ 17,909,820,215</b>	<b>\$ 280,330,233</b>	<b>\$ 18,190,150,448</b>	<b>\$ 15,370,629,137</b>	<b>\$ 196,395,393</b>	<b>\$ 15,567,024,530</b>
<b>Liabilities</b>						
Liabilities (excluding net assets attributable to the members)	\$ -	\$ 144,587,043	\$ 144,587,043	\$ -	\$ 146,560,068	\$ 146,560,068
<b>Total interest sensitivity gap</b>	<b>\$ 17,909,820,215</b>			<b>\$ 15,370,629,137</b>		



## 4 Financial risk management (continued)

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

The Scheme is exposed to interest rate risk via its holding of fixed income securities or the Sub-Funds. The following table summarises the estimated effects of hypothetical 100 basis points (“bps”) change in interest rates on NAV of the fixed income securities or the Sub-Funds of the Scheme 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 best or 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.

Assuming a 100bps (2022: 100bps) decrease in market interest rate, the estimated percentage increase in NAV of the Sub-Funds and the constituent funds are as follows:

#### The Sub-Funds:

<i>As at 31 December 2023</i>	<i>% increase in NAV</i>
BEA Union Investment Hong Kong Dollar HKD Bd I (2)	3.76%
First Sentier MPF Asia Region Bond Fund	5.31%
First Sentier MPF Global Bond Fund	9.05%
First Sentier MPF Hong Kong Bond Fund	5.31%
Invesco Pooled Investment Fund - HK\$ Bond Fund	3.57%
Invesco Pooled Investment Fund - MPF Bond Fund	6.05%
Principal Life Style Fund - Principal Hong Kong Bond Fund	3.56%
JPMorgan SAR HK\$ Bond Fund	3.79%
Schroder MPF Core 20/80 Fund	4.15%
Schroder MPF Core 60/40 Fund	0.96%
Sun Life IF Global Bond Fund	6.75%

#### 4 Financial risk management (continued)

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

<i>As at 31 December 2022</i>	<i>% increase in NAV</i>
First Sentier MPF Asia Region Bond Fund	5.06%
First Sentier MPF Global Bond Fund	6.27%
First Sentier MPF Hong Kong Bond Fund	3.73%
Invesco Pooled Investment Fund - HK\$ Bond Fund	3.32%
Invesco Pooled Investment Fund - MPF Bond Fund	5.92%
Principal Life Style Fund - Principal Hong Kong Bond Fund	3.68%
JPMorgan SAR HK\$ Bond Fund	3.65%
JPMorgan SAR Investment Grade Corporate Bond Fund	6.29%
Schroder MPF Core 20/80 Fund	5.98%
Schroder MPF Core 60/40 Fund	2.87%
BEA Union Investment Hong Kong Dollar HKD Bd I (2)	3.48%
Templeton Global Bond A (ACC) HKD	5.74%

#### 4 Financial risk management (continued)

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

	2023	2022
<b>The constituent funds:</b>		
Sun Life MPF RMB and HKD Fund	0.12%	0.13%
Sun Life MPF Conservative Fund	0.06%	0.00%
Sun Life MPF Hong Kong Dollar Bond Fund	3.86%	3.53%
Sun Life MPF Global Bond Fund	4.41%	5.36%
Sun Life MPF Stable Fund	3.71%	3.45%
Sun Life MPF Balanced Fund	2.53%	2.28%
Sun Life MPF Growth Fund	1.98%	1.04%
Sun Life MPF Age 65 Plus Fund	4.14%	5.95%
Sun Life MPF Core Accumulation Fund	0.96%	2.86%

The same percentage increase in market interest rate would have an equal but opposite effect.

Sun Life MPF Hong Kong Equity Fund, Sun Life MPF Asian Equity Fund, Sun Life MPF Multi-Sector Equity Fund, Sun Life MPF Greater China Equity Fund, Sun Life FTSE MPF Hong Kong Index Fund, Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund, Sun Life MPF Global Low Carbon Index Fund and Sun Life MPF US & Hong Kong Equity Fund invested in Sub-Funds which invested primarily in equity financial instruments. Thus, they were not exposed to significant interest rate risk and were not included in the table above.

## 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 Sub-Funds of umbrella unit trusts. The Sub-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 Sub-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 and 2022, the Sun Life MPF RMB and HKD Fund and the Sun Life MPF Conservative Fund invested in debt securities and held bank deposits with the following credit quality:

#### Sun Life MPF RMB and HKD Fund

	2023	2022
Debt securities:		
AAA <sup>(1)</sup> or Aaa <sup>(2)</sup>	\$ 29,053,067	\$ 40,057,374
AA+ <sup>(1)</sup> or Aa1 <sup>(2)</sup>	-	44,514,308
AA <sup>(1)</sup> or Aa2 <sup>(2)</sup>	39,230,974	-
AA- <sup>(1)</sup> or Aa3 <sup>(2)</sup>	99,972,180	118,074,285
A+ <sup>(1)</sup> or A1 <sup>(2)</sup>	44,929,553	77,924,425
A <sup>(1)</sup> or A2 <sup>(2)</sup>	22,225,876	-
A- <sup>(1)</sup> or A3 <sup>(2)</sup>	11,263,443	-
Not rated	107,868,172	22,566,823
Certificate of deposits:		
- issued by authorised financial institutions in Hong Kong	299,759,250	221,932,870
	\$ 654,302,515	\$ 525,070,085
Bank deposits with:		
- authorised financial institutions in Hong Kong	339,120,842	425,502,433
- Custodian of the Scheme	31,602,517	77,335,092
	<u>\$ 1,025,025,874</u>	<u>\$ 1,027,907,610</u>

#### 4 Financial risk management (continued)

##### (e) Credit risk (continued)

###### Sun Life MPF Conservative Fund

	2023	2022
Certificate of deposits:		
- issued by authorised financial institutions in Hong Kong	\$ 2,638,390,003	\$ 401,660,356
	<u>\$ 2,638,390,003</u>	<u>\$ 401,660,356</u>
Bank deposits with:		
- authorised financial institutions in Hong Kong	15,134,360,845	14,553,144,015
- Custodian of the Scheme	137,069,367	415,824,766
	<u>\$17,909,820,215</u>	<u>\$15,370,629,137</u>

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

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

The Sun Life MPF RMB and HKD Fund and the Sun Life MPF Conservative Fund's investments exposed to credit risks were concentrated in the following industries:

###### Sun Life MPF RMB and HKD Fund

	2023	2022
Banking and finance	\$ 654,302,515	\$ 525,070,085
	<u>\$ 654,302,515</u>	<u>\$ 525,070,085</u>

###### Sun Life MPF Conservative Fund

	2023	2022
Banking and finance	\$ 2,638,390,003	\$ 401,660,356
	<u>\$ 2,638,390,003</u>	<u>\$ 401,660,356</u>

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 A3 (Moody's) or BBB+ (Standard & Poor's), or with higher credit ratings. The corporate credit quality grade of the Custodian, The Hongkong and Shanghai Banking Corporation Limited is AA- (Standard & Poor's).

## **4 Financial risk management (continued)**

### **(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 Sun Life MPF RMB and HKD Fund, the Sun Life MPF Conservative Fund and the Sub-Funds 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.

As at 31 December 2023 and 2022, the Funds' financial liabilities would be classified as within three months or repayable on demand.

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 and 2022, the only financial investments of the Scheme carried at fair value were investments and derivative financial instruments.

The major method and assumptions used in estimating the fair values are stated in note 2(d)(iii) and 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 Derivative financial instruments

The Scheme currently does not undertake any derivative transactions, except for limiting the Funds' exposure to non-Hong Kong dollar currencies. Derivative financial instruments represent outstanding forward foreign exchange contract, as at the year end date as follows:

### Sun Life MPF Global Bond Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	67,108,245	USD	8,606,573	31 January 2024	\$ (47,999)
					<u>\$ (47,999)</u>

### Sun Life MPF Stable Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	380,125,791	USD	48,750,795	31 January 2024	\$ (271,883)
HKD	6,329,744	EUR	743,522	31 January 2024	(86,999)
					<hr/>
					\$ (358,882)

### Sun Life MPF Balanced Fund

At 31 December 2023

<i>Contract to deliver</i>			<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>						
HKD	16,707,581	EUR	1,962,551	31 January 2024	\$	(229,636)
HKD	485,062,513	USD	62,208,836	31 January 2024		(346,939)
						<hr/>
					\$	(576,575)

## 5 Derivative financial instruments

### Sun Life MPF Growth Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	36,064,823	EUR	4,236,344	31 January 2024	\$ (495,691)
HKD	909,172,409	USD	116,600,553	31 January 2024	(650,281)
					<u>(1,145,972)</u>
					\$ (1,145,972)

### Sun Life MPF Asian Equity Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	27,307,349	USD	3,499,157	31 January 2024	\$ 3,769
					<u>\$ 3,769</u>
					<u><u>\$ 3,769</u></u>
HKD	184,624,367	USD	23,677,910	31 January 2024	\$ (132,052)
					<u>\$ (132,052)</u>
					<u><u>\$ (132,052)</u></u>



## 5 Derivative financial instruments (continued)

### Sun Life MPF Multi-Sector Equity Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	2,165,033,840	USD	277,663,665	31 January 2024	\$ (1,548,530)
					<u>\$ (1,548,530)</u>

At 31 December 2022

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	1,481,423,778	USD	190,374,555	31 January 2023	\$ (3,496,419)
					<u>\$ (3,496,419)</u>

### Sun Life MPF Greater China Equity Fund

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	81384112	USD	10,437,440	31 January 2024	\$ (58,210)
					<u>\$ (58,210)</u>

### Sun Life MPF European Equity Fund<sup>(1)</sup>

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	9,314,237	EUR	1,094,094	31 January 2024	\$ (128,019)
HKD	39,219,677	USD	5,029,889	31 January 2024	(28,052)
HKD	2,348,157	EUR	274,127	31 January 2024	(17,612)
					<hr/>
					\$ (173,683)

## 5 Derivative financial instruments

### Sun Life MPF US Equity Fund<sup>(1)</sup>

At 31 December 2023

Contract to deliver		In exchange for		Settlement date	Market value
Forward foreign exchange contract					
HKD	73,863,536	USD	9,464,065	31 January 2024	<u>\$ 16,363</u>
					<u><u>\$ 16,363</u></u>
HKD	480,042,433	USD	61,565,015	31 January 2024	<u>\$ (343,348)</u>
					<u><u>\$ (343,348)</u></u>

### Sun Life MPF US & Hong Kong Equity Fund<sup>(2)</sup>

At 31 December 2023

<i>Contract to deliver</i>		<i>In exchange for</i>		<i>Settlement date</i>	<i>Market value</i>
<b>Forward foreign exchange contract</b>					
HKD	60,667,055	USD	7,780,496	31 January 2024	<u>\$ (43,392)</u>
					\$ (43,392)

(1) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## 6 Net (loss)/gain on investments

	2023	2022
<b>Sun Life MPF RMB and HKD Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 11,901,048	\$ (6,957,903)
Realised (loss)/gain on sale of investments	<u>(20,213,119)</u>	<u>(6,447,990)</u>
	<u>\$ (8,312,071)</u>	<u>\$ (13,405,893)</u>
<b>Sun Life MPF Conservative Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 22,392,087	\$ 1,844,860
Realised gain on sale of investments	<u>16,014,381</u>	<u>1,440,213</u>
	<u>\$ 38,406,468</u>	<u>\$ 3,285,073</u>
<b>Sun Life MPF Hong Kong Dollar Bond Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 268,188,817	\$ (357,991,604)
Realised gain on sale of investments	<u>15,226,241</u>	<u>2,377,586</u>
	<u>\$ 283,415,058</u>	<u>\$ (355,614,018)</u>
<b>Sun Life MPF Hong Kong Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$(5,162,722,242)	\$(4,911,467,964)
Realised loss on sale of investments	<u>(513,837,613)</u>	<u>(560,218,841)</u>
	<u>\$(5,676,559,855)</u>	<u>\$(5,471,686,805)</u>
<b>Sun Life MPF Global Bond Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 171,720,887	\$ (233,094,334)
Realised loss on sale of investments	<u>(46,858,584)</u>	<u>(20,658,936)</u>
	<u>\$ 124,862,303</u>	<u>\$ (253,753,270)</u>
<b>Sun Life MPF Stable Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 381,085,525	\$(1,106,710,788)
Realised gain/(loss) on sale of investments	<u>9,488,467</u>	<u>(141,235,125)</u>
	<u>\$ 390,573,992</u>	<u>\$(1,247,945,913)</u>

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

	2023	2022
<b>Sun Life MPF Balanced Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 290,605,330	\$(1,194,803,827)
Realised gain/(loss) on sale of investments	93,220,218	(159,155,259)
	<u>\$ 383,825,548</u>	<u>\$(1,353,959,086)</u>
<b>Sun Life MPF Growth Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 464,990,561	\$(1,972,406,478)
Realised gain/(loss) on sale of investments	130,476,234	(407,829,942)
	<u>\$ 595,466,795</u>	<u>\$(2,380,236,420)</u>
<b>Sun Life MPF Asian Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 190,861,878	\$ (948,057,231)
Realised loss on sale of investments	(60,395,643)	(150,705,993)
	<u>\$ 130,466,235</u>	<u>\$(1,098,763,224)</u>
<b>Sun Life MPF Multi-Sector Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 1,683,031,617	\$(1,914,775,770)
Realised gain/(loss) on sale of investments	310,934,576	(193,481,787)
	<u>\$ 1,993,966,193</u>	<u>\$(2,108,257,557)</u>
<b>Sun Life MPF Greater China Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (86,472,281)	\$(1,736,081,137)
Realised loss on sale of investments	(429,599,770)	(584,264,346)
	<u>\$ (516,072,051)</u>	<u>\$(2,320,345,483)</u>
<b>Sun Life FTSE MPF Hong Kong Index Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (231,526,378)	\$ (248,974,966)
Realised loss on sale of investments	(28,611,154)	(16,137,523)
	<u>\$ (260,137,532)</u>	<u>\$(265,112,489)</u>

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

	2023	2022
<b>Sun Life MPF Age 65 Plus Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 187,008,094	\$ (317,570,469)
Realised loss on sale of investments	<u>(1,180,669)</u>	<u>(472,466)</u>
	<u>\$ 185,827,425</u>	<u>\$ (318,042,935)</u>
<b>Sun Life MPF Core Accumulation Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 1,146,434,927	\$(1,058,655,987)
Realised gain on sale of investments	<u>7,536,205</u>	<u>7,090,824</u>
	<u>\$ 1,153,971,132</u>	<u>\$(1,051,565,163)</u>
<b>Sun Life MPF European Equity Fund<sup>(1)</sup></b>		
Change in unrealised gain or loss in value of investments	\$ 17,084,418	
Realised loss on sale of investments	<u>(3,287,957)</u>	
	<u>\$ 13,796,461</u>	
<b>Sun Life MPF US Equity Fund<sup>(1)</sup></b>		
Change in unrealised gain or loss in value of investments	\$ 132,341,093	
Realised loss on sale of investments	<u>(3,096,455)</u>	
	<u>\$ 129,244,638</u>	
<b>Sun Life MPF Global Low Carbon Index Fund<sup>(1)</sup></b>		
Change in unrealised gain or loss in value of investments	\$ 41,825,636	
Realised gain on sale of investments	<u>-</u>	
	<u>\$ 41,825,636</u>	
<b>Sun Life MPF US &amp; Hong Kong Equity Fund<sup>(2)</sup></b>		
Change in unrealised gain or loss in value of investments	\$ 7,081,367	
Realised gain on sale of investments	<u>-</u>	
	<u>\$ 7,081,367</u>	

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

- (1) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.
- (2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## 7 Involvement with unconsolidated structured entities

The Scheme has concluded that the Approved Pooled Investment Funds (“APIFs”) and an approved ITCIS in which its constituent funds (except Sun Life MPF RMB and HKD Fund and Sun Life MPF Conservative Fund) invest, but that they do not consolidate, meet the definition of structured entities because:

- the voting rights in the APIFs and the ITCIS 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 an approved index-tracking collective investment scheme.	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 APIFs and the ITCIS.

## 7 Involvement with unconsolidated structured entities (continued)

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

**31 December 2023**

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Hong Kong Dollar Bond Fund			
- Approved pooled investment funds	5	\$ 9,543,814,602	\$ 4,347,741,220
Sun Life MPF Hong Kong Equity Fund			
- Approved pooled investment funds	5	\$ 69,483,147,325	\$ 27,512,824,014
- Approved index-tracking collective investment schemes	1	4,723,569,727	3,484,717,227
		<u>\$ 74,206,717,052</u>	<u>\$ 30,997,541,241</u>
Sun Life MPF Global Bond Fund			
- Approved pooled investment funds	4	\$ 15,501,614,903	\$ 1,907,904,335
- Approved index-tracking collective investment schemes	2	52,592,464,294	256,220,302
		<u>\$ 68,094,079,197</u>	<u>\$ 2,164,124,637</u>

## 7 Involvement with unconsolidated structured entities (continued)

### 31 December 2023 (continued)

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Stable Fund			
- Approved pooled investment funds	15	\$ 56,649,373,794	\$ 5,361,652,109
- Approved index-tracking collective investment schemes	11	<u>1,346,622,297,758</u>	<u>1,555,725,878</u>
		<u>\$1,403,271,671,552</u>	<u>\$ 6,917,377,987</u>
Sun Life MPF Balanced Fund			
- Approved pooled investment funds	15	\$ 56,649,373,794	\$ 5,092,907,870
- Approved index-tracking collective investment schemes	11	<u>1,346,622,297,758</u>	<u>2,075,176,526</u>
		<u>\$1,403,271,671,552</u>	<u>\$ 7,168,084,396</u>
Sun Life MPF Growth Fund			
- Approved pooled investment funds	16	\$ 60,308,407,577	\$ 7,954,112,352
- Approved index-tracking collective investment schemes	11	<u>1,346,622,297,758</u>	<u>3,970,992,792</u>
		<u>\$1,406,930,705,334</u>	<u>\$ 11,925,105,144</u>
Sun Life MPF Asian Equity Fund			
- Approved pooled investment funds	4	\$ 7,250,364,292	\$ 4,727,142,487
- Approved index-tracking collective investment schemes	1	<u>638,926,056</u>	<u>103,400,000</u>
		<u>\$ 7,889,290,347</u>	<u>\$ 4,830,542,487</u>
Sun Life MPF Multi-Sector Equity Fund			
- Approved pooled investment funds	3	\$ 10,055,265,164	\$ 6,516,514,530
- Approved index-tracking collective investment schemes	11	<u>522,162,726,702</u>	<u>5,946,107,150</u>
		<u>\$ 532,217,991,866</u>	<u>\$ 12,462,621,680</u>



## 7 Involvement with unconsolidated structured entities (continued)

### 31 December 2023 (continued)

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Greater China Equity Fund			
- Approved pooled investment funds	3	\$ 16,058,627,999	\$ 5,746,857,093
- Approved index-tracking collective investment scheme	1	3,753,706,611	215,656,534
		<u>\$ 19,812,334,611</u>	<u>\$ 5,962,513,627</u>
Sun Life FTSE MPF Hong Kong Index Fund			
- Approved index-tracking collective investment scheme	1	<u>\$ 2,137,841,183</u>	<u>\$ 2,019,182,319</u>
Sun Life MPF Age 65 Plus Fund			
- Approved pooled investment fund	1	<u>\$ 3,028,990,000</u>	<u>\$ 2,720,451,558</u>
Sun Life MPF Core Accumulation Fund			
- Approved pooled investment fund	1	<u>\$ 11,055,950,000</u>	<u>\$ 10,381,487,123</u>
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>			
- Approved index-tracking collective investment scheme	1	<u>\$ 1,287,592,025</u>	<u>\$ 738,935,886</u>
Sun Life MPF European Equity Fund <sup>(1)</sup>			
- Approved pooled investment fund	3	\$ 3,659,628,319	\$ 259,239,866
- Approved index-tracking collective investment schemes	3	50,519,082,343	42,628,750
		<u>\$ 54,178,710,662</u>	<u>\$ 301,868,616</u>
Sun Life MPF US Equity Fund <sup>(1)</sup>			
- Approved pooled investment fund	2	\$ 1,682,659,175	\$ 1,231,901,461
- Approved index-tracking collective investment schemes	7	24,204,966,923	786,070,852
		<u>\$ 25,887,626,098</u>	<u>\$ 2,017,972,313</u>
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>			
- Approved pooled investment fund	2	<u>\$625,773,792,547</u>	<u>\$ 251,954,589</u>

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## 7 Involvement with unconsolidated structured entities (continued)

31 December 2022

<i>Investment in investment funds</i>	<i>Number of investee funds</i>	<i>Total net assets</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Hong Kong Dollar Bond Fund			
- Approved pooled investment funds	5	<u>\$ 12,044,890,208</u>	<u>\$ 3,877,726,162</u>
Sun Life MPF Hong Kong Equity Fund			
- Approved pooled investment funds	6	<u>\$ 51,578,043,724</u>	<u>\$ 32,446,735,070</u>
- Approved index-tracking collective investment schemes	1	<u>4,030,073,719</u>	<u>2,864,631,763</u>
		<u>\$ 60,815,086,207</u>	<u>\$ 35,311,366,833</u>
Sun Life MPF Global Bond Fund			
- Approved pooled investment funds	5	<u>\$ 15,766,969,779</u>	<u>\$ 1,774,577,751</u>
Sun Life MPF Stable Fund			
- Approved pooled investment funds	13	<u>\$ 74,243,449,921</u>	<u>\$ 5,854,514,143</u>
- Approved index-tracking collective investment schemes	4	<u>5,382,355,252</u>	<u>394,035,034</u>
		<u>\$ 79,625,805,173</u>	<u>\$ 6,248,549,177</u>

## 7 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</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Balanced Fund			
- Approved pooled investment funds	13	\$ 74,243,449,921	\$ 5,312,960,277
- Approved index-tracking collective investment schemes	4	5,382,355,252	706,313,965
		<u>\$ 79,625,805,173</u>	<u>\$ 6,019,274,242</u>
Sun Life MPF Growth Fund			
- Approved pooled investment funds	14	\$ 74,781,340,427	\$ 8,140,890,398
- Approved index-tracking collective investment schemes	4	5,382,355,252	1,311,705,521
		<u>\$ 80,163,695,679</u>	<u>\$ 9,452,595,919</u>
Sun Life MPF Asian Equity Fund			
- Approved pooled investment funds	2	\$ 7,659,367,856	\$ 4,183,392,992
- Approved index-tracking collective investment schemes	1	4,030,073,719	4,712,217
		<u>\$ 14,115,293,719</u>	<u>\$ 4,188,105,209</u>
Sun Life MPF Multi-Sector Equity Fund			
- Approved pooled investment funds	2	\$ 8,912,060,000	\$ 4,609,173,528
- Approved index-tracking collective investment schemes	12	17,422,856,862	4,487,068,124
		<u>\$ 26,334,916,862</u>	<u>\$ 9,096,241,652</u>

## 7 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</i>	<i>Carrying amount included in financial assets at fair value through profit or loss</i>
Sun Life MPF Greater China Equity Fund			
- Approved pooled investment funds	3	\$ 17,335,209,513	\$ 6,055,935,816
- Approved index-tracking collective investment schemes	2	5,557,443,719	346,922,985
		<u>\$ 22,892,653,232</u>	<u>\$ 6,402,858,801</u>
Sun Life FTSE MPF Hong Kong Index Fund			
- Approved index-tracking collective investment scheme	1	<u>\$ 24,010,200,000</u>	<u>\$ 1,967,319,850</u>
Sun Life MPF Age 65 Plus Fund			
- Approved pooled investment fund	1	<u>\$ 2,518,360,000</u>	<u>\$ 2,150,393,995</u>
Sun Life MPF Core Accumulation Fund			
- Approved index-tracking collective investment scheme	1	<u>\$ 8,193,080,000</u>	<u>\$ 7,267,166,488</u>

During the year, 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.

## 8 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 Investment Manager or their associates or delegates during the year.

### (a) Administration fees

The Administrator, BestServe Financial Limited, is entitled to receive administration fees based on the NAV of the constituent funds.

	Class A	Class B	Unit class
Sun Life MPF RMB and HKD Fund	0.4%	0.4%	N/A
Sun Life MPF Conservative Fund	0.4%	0.4%	N/A
Sun Life FTSE MPF Hong Kong Index Fund	0.4%	0.4%	N/A
Sun Life MPF Age 65 Plus Fund	N/A	N/A	0.4%
Sun Life MPF Core Accumulation Fund	N/A	N/A	0.4%
Sun Life MPF European Equity Fund <sup>(1)</sup>	N/A	N/A	0.37%
Sun Life MPF US Equity Fund <sup>(1)</sup>	N/A	N/A	0.37%
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	N/A	N/A	0.37%
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	N/A	N/A	0.55%
All other constituent funds	0.6%	0.5%	N/A

The administration fees are calculated and accrued on each valuation day and paid monthly in arrears. The fees earned during the year are disclosed in the statement of comprehensive income.

## 8 Transactions with associates (continued)

### (a) Administration fees (continued)

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

	2023	2022
Sun Life MPF RMB and HKD Fund	\$ 359,035	\$ 357,136
Sun Life MPF Conservative Fund	\$ 6,108,902	\$ 5,201,267
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 1,952,700	\$ 1,790,641
Sun Life MPF Hong Kong Equity Fund	\$ 14,022,633	\$ 15,903,740
Sun Life MPF Global Bond Fund	\$ 955,803	\$ 821,108
Sun Life MPF Stable Fund	\$ 3,089,890	\$ 2,960,447
Sun Life MPF Balanced Fund	\$ 3,207,128	\$ 2,907,709
Sun Life MPF Growth Fund	\$ 5,316,959	\$ 4,655,412
Sun Life MPF Asian Equity Fund	\$ 2,150,930	\$ 1,920,170
Sun Life MPF Multi-Sector Equity Fund	\$ 5,629,657	\$ 4,231,475
Sun Life MPF Greater China Equity Fund	\$ 2,681,883	\$ 2,920,365
Sun Life FTSE MPF Hong Kong Index Fund	\$ 694,028	\$ 678,384
Sun Life MPF Age 65 Plus Fund	\$ 938,269	\$ 762,308
Sun Life MPF Core Accumulation Fund	\$ 3,570,493	\$ 2,566,134

## 8 Transactions with associates (continued)

### (a) Administration fees (continued)

	2023	2022
Sun Life MPF European Equity Fund <sup>(1)</sup>	\$ 92,184	\$ -
Sun Life MPF US Equity Fund <sup>(1)</sup>	\$ 586,387	\$ -
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	\$ 225,624	\$ -
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	\$ 118,950	\$ -

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

### (b) Investment management fees

The Investment Manager, Sun Life Asset Management (HK) Limited, is entitled to receive investment management fees as a percentage of the NAV of the constituent funds.

The fees incurred during the year are disclosed in the statement of comprehensive income.

	Class A	Class B	Unit class
Sun Life MPF RMB and HKD Fund	0.40%	0.40%	N/A
Sun Life MPF Conservative Fund	0.27%	0.27%	N/A
Sun Life MPF Asian Equity Fund	0.74%	0.74%	N/A
Sun Life MPF Multi-Sector Equity Fund	0.625%	0.625%	N/A
Sun Life MPF Greater China Equity Fund	0.79%	0.79%	N/A
Sun Life FTSE MPF Hong Kong Index Fund	0.27%	0.27%	N/A
Sun Life MPF Age 65 Plus Fund	N/A	N/A	0.25%
Sun Life MPF Core Accumulation Fund	N/A	N/A	0.25%
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	N/A	N/A	0.357%
Sun Life MPF European Equity Fund <sup>(1)</sup>	N/A	N/A	0.482%
Sun Life MPF US Equity Fund <sup>(1)</sup>	N/A	N/A	0.462%
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	N/A	N/A	0.08%
All other constituent funds	0.595%	0.595%	N/A

The investment management fees paid to Sun Life Asset Management (HK) Limited are calculated and accrued on each valuation day and paid monthly in arrears.

## 8 Transactions with associates (continued)

### (b) Investment management fees (continued)

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

	2023	2022
Sun Life MPF RMB and HKD Fund	\$ 359,035	\$ 357,136
Sun Life MPF Conservative Fund	\$ 1,527,225	\$ 1,302,567
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 2,250,955	\$ 1,522,375
Sun Life MPF Hong Kong Equity Fund	\$ 16,202,821	\$ 13,783,657
Sun Life MPF Global Bond Fund	\$ 1,106,430	\$ 631,547
Sun Life MPF Stable Fund	\$ 3,568,961	\$ 2,380,388
Sun Life MPF Balanced Fund	\$ 3,704,877	\$ 2,505,906
Sun Life MPF Growth Fund	\$ 6,142,403	\$ 4,208,111
Sun Life MPF Asian Equity Fund	\$ 3,100,735	\$ 2,461,321
Sun Life MPF Multi-Sector Equity Fund	\$ 6,865,227	\$ 3,131,414



## 8 Transactions with associates (continued)

### (b) Investment management fees (continued)

	2023	2022
Sun Life MPF Greater China Equity Fund	\$ 4,115,931	\$ 3,110,899
Sun Life FTSE MPF Hong Kong Index Fund	\$ 34,701	\$ 33,919
Sun Life MPF Age 65 Plus Fund	\$ 586,418	\$ 476,442
Sun Life MPF Core Accumulation Fund	\$ 2,231,558	\$ 1,603,834
Sun Life MPF European Equity Fund <sup>(1)</sup>	\$ 120,089	\$ -
Sun Life MPF US Equity Fund <sup>(1)</sup>	\$ 732,191	\$ -
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	\$ 217,697	\$ -
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	\$ 17,302	\$ -

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## 8 Transactions with associates (continued)

### (c) Sponsor fees

The Sponsor, Sun Life Hong Kong Limited, is entitled to receive sponsor fees from the constituent funds other than the Sun Life MPF Age 65 Plus Fund and Sun Life MPF Core Accumulation Fund, the fee rate was as follows:

	<i>Class A</i>	<i>Class B</i>	<i>Unit class</i>
Sun Life MPF Conservative Fund	0.14%	0.14%	N/A
Sun Life FTSE MPF Hong Kong Index Fund	0.22%	0.22%	N/A
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	N/A	N/A	0.30%
Sun Life MPF European Equity Fund <sup>(1)</sup>	N/A	N/A	0.30%
Sun Life MPF US Equity Fund <sup>(1)</sup>	N/A	N/A	0.30%
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	N/A	N/A	0-0.30%
All other constituent funds	0.30%	0.30%	N/A

The sponsor fees are calculated and accrued on each valuation day and paid monthly in arrears. Sponsor fees paid and payable for the year are disclosed in the statement of comprehensive income.

## 8 Transactions with associates (continued)

### (c) Sponsor fees (continued)

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

	2023	2022
Sun Life MPF RMB and HKD Fund	\$ 269,276	\$ 267,852
Sun Life MPF Conservative Fund	\$ 2,138,116	\$ 1,823,595
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 1,134,935	\$ 1,038,776
Sun Life MPF Hong Kong Equity Fund	\$ 8,169,489	\$ 9,244,077
Sun Life MPF Global Bond Fund	\$ 557,864	\$ 478,439
Sun Life MPF Stable Fund	\$ 1,799,476	\$ 1,720,127
Sun Life MPF Balanced Fund	\$ 1,868,005	\$ 1,688,057
Sun Life MPF Growth Fund	\$ 3,097,010	\$ 2,700,161
Sun Life MPF Asian Equity Fund	\$ 1,257,055	\$ 1,118,067
Sun Life MPF Multi-Sector Equity Fund	\$ 3,295,309	\$ 2,470,244
Sun Life MPF Greater China Equity Fund	\$ 1,563,012	\$ 1,699,857
Sun Life FTSE MPF Hong Kong Index Fund	\$ 381,716	\$ 373,111
Sun Life MPF European Equity Fund <sup>(1)</sup>	\$ 74,744	\$ -
Sun Life MPF US Equity Fund <sup>(1)</sup>	\$ 475,448	\$ -

## 8 Transactions with associates (continued)

### (c) Sponsor fees (continued)

The sponsor fees payable as at 31 December were as follows: (continued)

	2023	2022
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	\$ 182,938	\$ -
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	\$ 64,882	\$ -

(1) Sun Life MPF Global Low Carbon Index Fund, Sun Life MPF European Equity Fund and Sun Life MPF US Equity Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

### (d) Trustee fees

The Trustee, Sun Life Trustee Company Limited, is entitled to receive trustee fees based on the NAV of the constituent funds.

	Class A	Class B	Unit class
Sun Life MPF RMB and HKD Fund	0.10%	0.05%	N/A
Sun Life MPF Conservative Fund	0.05%	0.05%	N/A
Sun Life FTSE MPF Hong Kong Index Fund	0.05%	0.05%	N/A
Sun Life MPF Age 65 Plus Fund	N/A	N/A	0.06%
Sun Life MPF Core Accumulation Fund	N/A	N/A	0.06%
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	N/A	N/A	0.05%
Sun Life MPF European Equity Fund <sup>(1)</sup>	N/A	N/A	0.13%
Sun Life MPF US Equity Fund <sup>(1)</sup>	N/A	N/A	0.13%
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	N/A	N/A	0.15%
All other constituent funds	0.23%	0.13%	N/A

The trustee fees are calculated and accrued on each valuation day and paid monthly in arrears. The fees earned during the year are disclosed in the statement of comprehensive income.

## 8 Transactions with associates (continued)

### (d) Trustee fees (continued)

	2023	2022
Sun Life MPF RMB and HKD Fund	\$ 52,070	\$ 52,159
Sun Life MPF Conservative Fund	\$ 763,613	\$ 651,283
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 552,946	\$ 509,484
Sun Life MPF Hong Kong Equity Fund	\$ 3,946,930	\$ 4,502,712
Sun Life MPF Global Bond Fund	\$ 267,771	\$ 231,032
Sun Life MPF Stable Fund	\$ 870,536	\$ 838,956
Sun Life MPF Balanced Fund	\$ 903,255	\$ 825,772
Sun Life MPF Growth Fund	\$ 1,497,313	\$ 1,325,214
Sun Life MPF Asian Equity Fund	\$ 600,563	\$ 541,221
Sun Life MPF Multi-Sector Equity Fund	\$ 1,565,443	\$ 1,184,841
Sun Life MPF Greater China Equity Fund	\$ 754,169	\$ 823,874
Sun Life FTSE MPF Hong Kong Index Fund	\$ 86,753	\$ 84,798
Sun Life MPF Age 65 Plus Fund	\$ 140,740	\$ 114,346
Sun Life MPF Core Accumulation Fund	\$ 535,574	\$ 384,920

## 8 Transactions with associates (continued)

### (d) Trustee fees (continued)

	2023	2022
Sun Life MPF European Equity Fund <sup>(1)</sup>	\$ 32,389	\$ -
Sun Life MPF US Equity Fund <sup>(1)</sup>	\$ 206,028	\$ -
Sun Life MPF Global Low Carbon Index Fund <sup>(1)</sup>	\$ 30,490	\$ -
Sun Life MPF US & Hong Kong Equity Fund <sup>(2)</sup>	\$ 32,441	\$ -

(1) Sun Life MPF European Equity Fund, Sun Life MPF US Equity Fund and Sun Life MPF Global Low Carbon Index Fund were added to the Scheme on 5 June 2023.

(2) Sun Life MPF US & Hong Kong Equity Fund was added to the Scheme on 29 November 2023.

## 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>	\$ 517,290,255	\$ 54,588,402	\$ 571,878,657
<b>Changes from financing cash flows:</b>			
Benefits and transfers out	8,097,821,375	-	8,097,821,375
Benefits and transfers out paid	(8,007,981,451)	-	(8,007,981,451)
Forfeitures	-	440,824,335	440,824,335
Forfeitures paid	-	(438,136,766)	(438,136,766)
<b>At 31 December 2023</b>	<u>\$ 607,130,179</u>	<u>\$ 57,275,971</u>	<u>\$ 664,406,150</u>
	<i>Benefits payable</i>	<i>Forfeitures payable</i>	<i>Total</i>
<b>At 1 January 2022</b>	\$ 1,224,651,384	\$ 44,571,461	\$ 1,269,222,845
<b>Changes from financing cash flows:</b>			
Benefits and transfers out	6,290,518,743	-	6,290,518,743
Benefits and transfers out paid	(6,997,879,872)	-	(6,997,879,872)
Forfeitures	-	445,021,957	445,021,957
Forfeitures paid	-	(435,005,016)	(435,005,016)
<b>At 31 December 2022</b>	<u>\$ 517,290,255</u>	<u>\$ 54,588,402</u>	<u>\$ 571,878,657</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.

The Special Private Contributions has been launched by the Scheme on 29 April 2011 that members can make their additional voluntary contributions to the Scheme on a regular basis (in an amount not lower than \$300 per month) or in lump sum (in an amount not lower than \$3,000 per payment).

The tax-deductible voluntary contributions ("TVC") has been launched by the Scheme on 2 October 2019 that eligible persons can set up a TVC account and pay TVC into such account on a lump sum payment or on a monthly basis. Currently, there is no upper limit on the amount of TVC. TVC paid into the account will be eligible for tax deduction in accordance with the Hong Kong Inland Revenue Ordinance.

## **11 Benefits**

Members will become entitled to benefits in respect of mandatory contributions or TVC 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.

Benefits whether due to mandatory or voluntary contributions payable to an employee member, self-employed person or TVC member 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	\$ 3,413,891,554	\$ 2,750,860,447
- Voluntary	3,169,559,752	2,256,825,117
From employees and self-employed persons		
- Mandatory	3,379,404,102	2,722,945,665
- Voluntary	164,807,607	134,918,443
Special private contributions and tax deductible voluntary contributions (Note)	226,193,209	289,533,200
Contribution received and receivable	\$10,353,856,224	\$ 8,155,082,872
Group transfers in from other schemes	6,518,358,132	1,767,801,064
Individual transfers in from other schemes	7,013,481,545	7,857,151,330
Bonus unit rebate	237,700,154	187,789,846
	<u>\$24,123,396,055</u>	<u>\$17,967,825,112</u>

## 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	\$ 1,370,619,580	\$ 1,487,165,896
Refund of additional voluntary contributions to leavers	233,711,557	166,892,746
Death	92,855,404	45,091,354
Retirement	1,077,569,304	612,407,861
Early retirement	385,988,669	263,723,259
Total incapacity	25,487,928	25,312,067
Terminal illness	18,923,432	14,246,894
Small balance	11,284	3,585
Benefits paid and payable	\$ 3,205,167,158	\$ 2,614,843,662
Group transfers out to other schemes	702,852,036	710,812,283
Individual transfers out to other schemes	4,189,802,181	2,964,862,798
Forfeitures	440,824,335	445,021,957
	<u>\$ 8,538,645,710</u>	<u>\$ 6,735,540,700</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.

For capital management purpose, the Trustee performs the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units of the constituent funds of the Scheme in accordance with the Trust Deed and the rules of the Scheme.

## **15 Accrued benefits**

The total accrued benefits vested in the members' accounts amounted to \$125,849,922,716 as at 31 December 2023 (2022: \$112,025,632,144).

## **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 ended 31 December 2023 and 2022.

## **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 Mandatory Provident Fund ("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 Conservative Fund which have not been deducted in the respective months may be deducted in the following twelve months. No deferred administrative expenses was recognised during the year. As at 31 December 2023 and 2022, there were no deferred administrative expenses, or no deferred administrative expenses (2022: \$30,074,372) was forfeited and utilised.

## **24 Segment information**

The CODM of the Scheme makes strategic resource allocations on behalf of the Scheme. The operating segments were determined based on the reports reviewed by the CODM, which are used to make strategic decisions. The CODM is responsible for the Scheme's entire portfolio and considers the business as a single operating segment. The asset allocation decisions are based on a single, integrated investment strategy, and the Scheme's performance is evaluated on an overall basis.

The internal reporting provided to the CODM for the Scheme's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRSs.

The Scheme is established and domiciled in Hong Kong. During the year ended 31 December 2023 and 2022, the revenue of the Scheme was derived from investment funds established and domiciled in Hong Kong and bank deposits placed with authorised financial institutions in Hong Kong.

The segment information provided to the CODM is the same as that disclosed in the statement of comprehensive income.

The Scheme has a diversified population of members. No individual member holds more than 10% of the net assets of the Scheme. The Scheme has no assets classified as non-current assets as at 31 December 2023 and 2022.

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

Sun Life MPF Age 65 Plus Fund and Sun Life MPF Core Accumulation Fund 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.

**During the year ended 31 December 2023**

	<i>Sun Life MPF Age 65 Plus Fund</i>	<i>Sun Life MPF Core Accumulation Fund</i>
<b>a) Payments for services</b>		
- Administration fees	\$ 9,461,539	\$ 34,192,014
- Custodian fees	528,665	1,908,900
- Investment management fees	5,913,462	21,370,009
- Trustee fees	1,419,231	5,128,802
	<hr/>	<hr/>
<b>Total payments for services</b>	\$ 17,322,897	\$ 62,599,725
	<hr/>	<hr/>
<b>b) Out-of-pocket expenses</b>		
- Auditor's fees	\$ 25,951	\$ 90,466
- Printing and postage expenses	206,374	728,363
- Fund price publication expenses	5,955	21,011
- Professional indemnity insurance	32,441	114,794
- Miscellaneous expenses	330	1,180
	<hr/>	<hr/>
<b>Total out-of-pocket expenses</b>	\$ 271,051	\$ 955,814
	<hr/>	<hr/>
<b>c) Payments other than (a) and (b) above</b>	\$ -	\$ -
	<hr/>	<hr/>
<b>Total payments</b>	\$ 17,593,948	\$ 63,555,539
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.011%	0.011%
	<hr/>	<hr/>

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 2023.

**25 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 Age 65 Plus Fund</i>	<i>Sun Life MPF Core Accumulation Fund</i>
<b>d) Payments for services</b>		
- Administration fees	\$ 8,511,652	\$ 27,616,378
- Custodian fees	476,793	1,546,582
- Investment management fees	5,319,782	17,260,236
- Trustee fees	1,276,748	4,142,457
	<hr/>	<hr/>
<b>Total payments for services</b>	<b>\$ 15,584,975</b>	<b>\$ 50,565,653</b>
	<hr/>	<hr/>
<b>e) Out-of-pocket expenses</b>		
- Auditor's fees	\$ 29,081	\$ 92,926
- Printing and postage expenses	261,538	834,849
- Fund price publication expenses	5,770	18,438
- Professional indemnity insurance	21,696	69,282
- Miscellaneous expenses	377	1,233
	<hr/>	<hr/>
<b>Total out-of-pocket expenses</b>	<b>\$ 318,462</b>	<b>\$ 1,016,728</b>
	<hr/>	<hr/>
<b>f) Payments other than (a) and (b) above</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/>	<hr/>
<b>Total payments</b>	<b>\$ 15,903,437</b>	<b>\$ 51,582,381</b>
	<hr/>	<hr/>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	<hr/> <b>0.015%</b> <hr/>	<hr/> <b>0.015%</b> <hr/>

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.

## 26 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 number of amendments and a new standard 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.

*Effective for  
accounting periods  
beginning on or after*

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 Rainbow MPF Scheme

## Governance Report

For the year ended 31 December 2023

# Contents

This Governance Report is intended for scheme members of Sun Life Rainbow MPF 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 CAD1.4 trillion<sup>1</sup> in assets under management (“AUM”) as at December 31, 2023. Sun Life Trustee Company 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 Rainbow MPF 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.

## 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 Board formally reviews the performance of the CEO on an annual basis. In addition, 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 on 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") being managed by different investment managers ("multi-manager approach").

Sun Life Asset Management (HK) Limited ("SLAMHK") is the current investment manager of the Scheme. SLAMHK manages the CFs available under the Scheme predominantly by a multi-manager approach. The Company evaluates the services of SLAMHK. This evaluation includes but is not limited to asset allocation strategies under the multi-manager approach, the overall investment performance of the CFs, and sustainable investments.

A set of key performance indicators ("KPIs") have been set as benchmarks to evaluate SLAMHK's performance. The Company meets quarterly to discuss their operational and investment performance by assessing the achievement of KPIs as well as the performance of each CF. The Board also meets with SLAMHK on a quarterly basis to assess performance through assessing the achievement of KPIs as well as the performance of each CF; provide direction about the performance of SLAMHK; and discuss any issues identified and action plans suggested by SLAMHK.

SLAMHK evaluates each CF's underlying investments by considering both qualitative and quantitative factors, not just limited to fund performance. These include a review of the firm (ownership, turnover of key personnel, assets under management, regulation and compliance, and/or ESG practice) and the investment fund (turnover of key investment professionals, investment process including ESG integration, investment policies, fund assets, and performance vs. benchmark and peers). Any issues of concern are monitored until the Board is satisfied that they have been adequately addressed. In cases where serious concerns persist, the Company will define a course of action to rectify the fund performance issue.

In maintaining a meaningful measurement of performance of SLAMHK, the Board, on an annual basis, reviews the KPIs to determine whether they remain appropriate. In order to monitor closely that SLAMHK is working towards the KPIs which are set to measure longer term performance, the Board will also be tracking the rolling 1-year performance of CFs as a supplemental monitoring.

#### **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 the performance of the investment manager in allocating assets of CFs to underlying investments and ascertaining their added value
- Monitoring performance of CFs when compared to their benchmarks or to funds with similar investment objectives and investments

#### **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:

- consolidated the assets of Sun Life MPF Master Trust, Sun Life MPF Basic Scheme and Sun Life MPF Comprehensive Scheme to the Scheme, with an aim to achieve better economies of scale which is beneficial to all Scheme participants;
- introduced 4 new CFs, namely Sun Life MPF US Equity Fund, Sun Life MPF European Equity Fund, Sun Life MPF Global Low Carbon Index Fund and Sun Life MPF US and Hong Kong Equity Fund, to provide wider spectrum of fund choices to members;
- enhanced the digital experience of Scheme participants and promoted paperless processing through electronic services; and
- provided investment education session on ESG/sustainable investing.

## **(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 to 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. Day-to-day ESG integration and stewardship activities are delegated to SLAMHK. SLAMHK manages its funds predominantly by a multi-manager approach, via underlying investments which are being managed by selected managers ("underlying managers"). This approach allows SLAMHK, based on various factors, such as investment styles of underlying managers and market conditions, to actively allocate assets towards performing investments. Consequently, SLAMHK is required to include ESG considerations when evaluating and monitoring underlying managers.

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

Given the distinct multi-manager approach and investment delegation, SLAMHK seeks to ensure the underlying managers account for material ESG risks and opportunities in their investment process. SLAMHK collects information covering sustainable investing practices (including among others: policies, governance, resourcing, and reporting) from underlying managers on an annual basis. SLAMHK, on a regular basis, reviews and evaluates if there is any update of the information last collected during this annual exercise to ensure that ESG policies, integration and/or practices are considered by the underlying managers. The Company, in turn, monitors SLAMHK through regular reviews, to ensure that ESG policies, integration and/or practices of its underlying managers, are considered to the extent that they are material and have a long-term economic impact on MPF members' portfolio values.

### **4. Engagement**

As a fund of funds manager, SLAMHK is required to be aware of the engagement and proxy voting activities of its selected underlying managers and to communicate its expectation to the underlying managers that they 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 the Board, has discussions with SLAMHK to determine if their practices are in line with the Company's objective to act in the best interest of the members. To facilitate this, SLAMHK reports on an annual basis whether there are any significant findings with its selected underlying managers, including material changes to the underlying managers' ESG policies, integration and/or practices and if any, what SLAMHK'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.