

Sun Life Rainbow MPF Scheme (the “Scheme”)

Notice to Participating Employers and Scheme Members

This is an important document. You should read it carefully and thoroughly. If there is any query about the content of this document, you should seek independent professional advice. The trustee of the Scheme accepts responsibility for the information contained in this document as being accurate as at the date of this document.

2 May 2023

Dear participating employers and Scheme members,

We, Sun Life Trustee Company Limited, the trustee of the Scheme (the “Trustee” or “we”), write to inform you that certain changes will be made to the Scheme. Capitalised terms not defined in this notice shall have the same meaning as in the MPF scheme brochure of the Scheme dated March 2020, as amended by the First Addendum dated 21 July 2020 and the Second Addendum dated 30 June 2022 (collectively, the “MPF Scheme Brochure”).

This table summarises the changes in respect of the establishment of three new constituent funds and the clarification on the investment objectives and policies of certain existing constituent funds under the Scheme (the “Changes”) which will take effect from 5 June 2023 (the “Effective Date”). The Changes are elaborated in the main body of this notice.

- (a) With effect from the Effective Date, the following Changes will be made to the Scheme:
- (i) Establishment of three new constituent funds

Three new constituent funds, namely (i) Sun Life MPF Global Low Carbon Index Fund, (ii) Sun Life MPF European Equity Fund and (iii) Sun Life MPF US Equity Fund (collectively, the “New CFs”) will be set up under the Scheme.

In light of the establishment of the New CFs, the risk factors associated generally with the constituent funds under the Scheme will be enhanced and the risk factors specific to Sun Life MPF Global Low Carbon Index Fund will be added. However, such enhancements and additions would not result in any changes to the investment objective and policy of the constituent funds under the Scheme.
 - (ii) Clarification on the investment objectives and policies of certain existing constituent funds

The investment objectives and policies of certain existing constituent funds under the Scheme will be amended so that the use of terminology is consistent among the investment objectives and policies of such existing constituent funds and the relevant New CFs under the Scheme.
- (b) The Changes will be effected by the Trustee pursuant to the exercise of its power in the trust deed of the Scheme.
- (c) The Trustee’s board of directors had been informed of the Changes and did not have any objection to the Changes.

- (d) For the reasons set out in this notice, the Trustee is of the view that the Changes would be beneficial and in the interests of the Scheme members and there would not be any adverse impact on the Scheme or the interests of the participating employers and Scheme members.
- (e) All costs and expenses associated with the Changes will be borne by the Trustee and/or the sponsor of the Scheme (the “**Sponsor**”), and will not be borne by the Scheme or the participating employers and Scheme members.
- (f) There will be no impact on the fee structure, investment objective, policy, restrictions, risk profile and dealing arrangement of the constituent funds under the Scheme.
- (g) No particular action is required of the participating employers and Scheme members.
- (h) If the participating employers and Scheme members have any queries in relation to the Changes, they may contact Sun Life Pension Services Hotline on (852) 3183-1888.

1. Establishment of three new constituent funds

- 1.1 With effect from the Effective Date, three New CFs, namely (i) Sun Life MPF Global Low Carbon Index Fund, (ii) Sun Life MPF European Equity Fund and (iii) Sun Life MPF US Equity Fund, will be established under the Scheme with effect from the Effective Date.
- 1.2 As a result of the establishment of the New CFs, the number of constituent funds under the Scheme will be increased from 14 to 17. Further, the fund types under the Scheme will be expanded to include three additional fund types which are not previously available under the Scheme, namely a low carbon index fund, an European equity fund and an US equity fund. Accordingly, the Scheme members will be provided with a wider and more diversified choice of funds in order to meet their own preference and risk profile. As such, the Trustee is of the view that the establishment of the New CFs would be beneficial and in the interests of the Scheme members and there would not be any adverse impact on the Scheme or the interests of the participating employers and Scheme members.
- 1.3 In light of the establishment of the New CFs, we have revisited the risk factors in the MPF Scheme Brochure to ensure that they align with the investment allocation of the constituent funds under the Scheme. As a result, we will enhance the risk factors associated generally with the constituent funds under the Scheme by modifying the existing risk factors on “Political, Economic and Social Risk” and “Counterparty Risk”, and by adding two new risk factors, namely, “Operational Risk” and “Financial Services Industry Risk”. Further, we will add risk factors specific to Sun Life MPF Global Low Carbon Index Fund. These modifications and additions would not result in any changes to the investment objective and policy of the constituent funds under the Scheme.

1.4 Below are the key features of the New CFs:

Fund Name	Type of Fund	Investment Objective	Investment Policies	Management Fees
(i) Sun Life MPF Global Low Carbon Index Fund	Low carbon index fund	To achieve 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	<p>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 (the “Index”).</p> <p>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, a sub-fund of the Sun Life Asset Management Funds. The Sun Life AM Global Low Carbon Index Fund is an approved ITCIS and managed by Sun Life Asset Management (HK) Limited.</p> <p>To achieve the investment objective of the Sun Life AM Global Low Carbon Index Fund, Sun Life Asset Management (HK) Limited intends to invest primarily in securities included in the Index using a full replication strategy.</p>	Up to 1.10% of NAV per annum

Fund Name	Type of Fund	Investment Objective	Investment Policies	Management Fees
(ii) Sun Life MPF European Equity Fund	European equity fund	To achieve long-term capital growth by investing primarily in equities and equity-related securities listed in the European markets	<p>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 equities and equity-related securities listed in the European markets.</p> <p>The Sun Life MPF European Equity Fund achieves this objective through investing in a portfolio of APIFs and/or approved ITCISs, which in turn will invest primarily in equities and equity-related securities listed in the European markets.</p>	Up to 1.305% of NAV per annum
(iii) Sun Life MPF US Equity Fund	US equity fund	To achieve long-term capital growth by investing primarily in equities and equity-related securities listed in the US market	<p>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 listed in the US market.</p> <p>The Sun Life MPF US Equity Fund achieves this objective through investing in a portfolio of APIFs and/or approved ITCISs, which in turn will invest primarily in equities and equity-related securities listed in the US market.</p>	Up to 1.285% of NAV per annum

1.5 The New CFs, together with two other existing constituent funds under the Scheme, namely Sun Life MPF Core Accumulation Fund and Sun Life MPF Age 65 Plus Fund, do not have any class of unit. For details of the features of the New CFs, please refer to the MPF Scheme Brochure.

2. Clarification on the investment objectives and policies of certain existing constituent funds

With effect from the Effective Date, the investment objectives and policies of the following existing constituent funds under the Scheme, namely Sun Life MPF Stable Fund, Sun Life MPF Balanced Fund, Sun Life MPF Growth Fund, Sun Life MPF Multi-Sector Equity Fund, Sun Life MPF Asian Equity Fund, Sun Life MPF Greater China Equity Fund, Sun Life MPF Hong Kong Equity Fund and Sun Life MPF Core Accumulation Fund, will be amended so that all references to the term “capital appreciation” in the English version or “增值” in the Chinese version (as the case may be) will be changed to the term “capital growth” in the English version or “增長” in the Chinese version (as the case may be) for sake of consistency in the use of terminology among the investment objectives and policies of the existing constituent funds and the relevant New CFs under the Scheme.

3. Impact of the Changes

- 3.1 For the reasons set out above, we are of the view that the Changes would be beneficial and in the interests of the Scheme members and there would not be any adverse impact on the Scheme or the interests of the participating employers and Scheme members.
- 3.2 The costs of the Changes will be borne by the Trustee and/or the Sponsor, and will not be borne by the Scheme or participating employers and Scheme members.
- 3.3 There will be no impact on the fee structure, investment objective, policy, restrictions, risk profile and dealing arrangement of the constituent funds under the Scheme.

4. Actions required of participating employers and Scheme members

- 4.1 No particular action is required of participating employers and Scheme members.
- 4.2 Participating employers, self-employed persons, personal account members and TVC members who do not wish to be involved in the Changes and wish to opt out from the Scheme as a result of the Changes may submit valid and completed transfer-out instruction. For employee members, they may consider to transfer out the accrued benefits of their employee mandatory contribution under the Employee Choice Arrangement which could be made once per calendar year. There will be no fees and charges applied to such transfers by Scheme participants. Scheme participants should review the constituent funds and all the terms of the Scheme before making any decision.

The MPF Scheme Brochure will be amended by way of the third addendum to reflect the Changes and their related amendments with effect from the Effective Date. For details, please refer to the latest MPF Scheme Brochure (including the third addendum) which is available at our website www.sunlife.com.hk or request for a copy of it by contacting our Sun Life Pension Services Hotline on (852) 3183-1888. A copy of this notice is also available at our website www.sunlife.com.hk.

No amendment is required to be made to the trust deed of the Scheme in respect of the Changes. However, copy of the trust deed of the Scheme can be inspected free of charge at the Customer Service Centre of the Scheme during the service hours (Monday to Friday from 9:00 a.m. to 5:45 p.m., except public holidays). The Customer Service Centre of the Scheme is located at 10/F, One Harbourfront, 18 Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

If you have any enquiries about the Changes, you may also contact our Sun Life Pension Services Hotline on (852) 3183-1888.

Yours faithfully,

Sun Life Trustee Company Limited

This is a computer generated printout and no signature is required.