



## Sun Life Rainbow MPF Scheme

31 December 2022

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## Scheme report for the year ended 31 December 2022

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 2022.

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 seventeen 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 and Sun Life MPF US 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 2022, there was no material change in the governing rules of 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 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.*

### Financial development of the Scheme

As at 31 December 2022, the net asset value of the Scheme was HK\$112,336.6 million (2021: HK\$120,577.0 million). During the year ended 31 December 2022, total contributions and transfers in received and receivable amounted to HK\$17,967.8 million (2021: HK\$26,173.0 million) while total benefits paid and payable and transfers out to other schemes (exclusive of forfeitures) amounted to HK\$6,290.5 million (2021: HK\$8,487.3 million).

For the year ended 31 December 2022, the Scheme recognised a net loss of HK\$19,472.6 million (2021: net loss of HK\$4,202.2 million) which was attributed to a net realised and unrealised investment loss of HK\$18,235.4 million (2021: investment loss of HK\$2,793.7 million), interest from bank deposits of HK\$217.4 million (2021: HK\$49.9 million), exchange loss of HK\$35.1 million (2021: exchange gain of HK\$5.9 million), dividend income of HK\$66.8 million (2021: HK\$46.6 million), other income of HK\$19.8 million (2021: HK\$19.4 million) and operating expenses of HK\$1,506.2 million (2021: HK\$1,530.3 million).

## Scheme report for the year ended 31 December 2022 (continued)

### 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 2022 (continued)

### Directory of parties (continued)

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

Invesco Hong Kong Limited  
41st Floor, Champion Tower  
3 Garden Road  
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:

Carolyn Ann BUTLER

Nigel Robin HAZELL

LI Tsui Lai Michelle

LEE Mei Fun Cynthia

Judy YANG

John Douglas HAM

KWAN Hon Chung Gregory

Cassandra Shun-meng WHITE

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

## Scheme report for the year ended 31 December 2022 (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:

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

### **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	
Valerie Novenario PAMA	
Jeffrey Todd KOZAN	(resigned with effect from 30 April 2022)
Ashish CHAND	(appointed with effect from 26 August 2022)
Bianca ILIBASIC	(appointed with effect from 26 August 2022)

## Investment report for the year ended 31 December 2022

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 fourteen 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

With effect from 5 June 2023, three new constituent funds were added to the Scheme:

- (15) Sun Life MPF Global Low Carbon Index Fund
- (16) Sun Life MPF European Equity Fund
- (17) Sun Life MPF US Equity Fund

## Investment report for the year ended 31 December 2022 (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.

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%



## Investment report for the year ended 31 December 2022 (continued)

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

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

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.

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.

## Investment report for the year ended 31 December 2022 (continued)

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

(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 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.

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.

## Investment report for the year ended 31 December 2022 (continued)

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

(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.

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.

## Investment report for the year ended 31 December 2022 (continued)

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

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

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.

(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.

## Investment report for the year ended 31 December 2022 (continued)

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

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

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.

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.

## Investment report for the year ended 31 December 2022 (continued)

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

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

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.

(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.

## Investment report for the year ended 31 December 2022 (continued)

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

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

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.

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.

## Investment report for the year ended 31 December 2022 (continued)

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

(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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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 2022 (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.

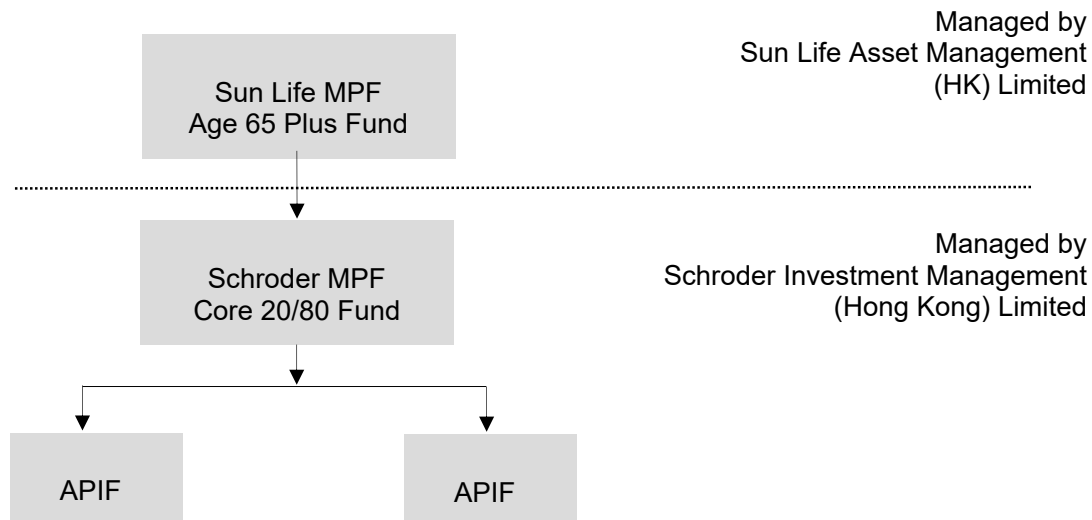
## Investment report for the year ended 31 December 2022 (continued)

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 2022 (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 2022 (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 AIFs may employ a portion of its assets in acquiring futures contracts, options and forward currency transactions for hedging purposes. The underlying AIFs 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 AIFs.

*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.

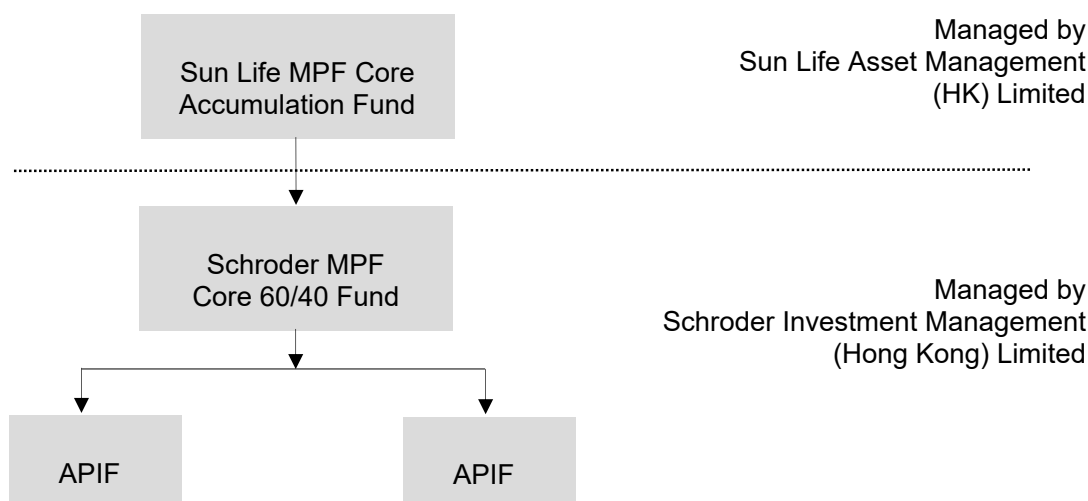
## Investment report for the year ended 31 December 2022 (continued)

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 2022 (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 2022 (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 AIFs may employ a portion of its assets in acquiring futures contracts, options and forward currency transactions for hedging purposes. The underlying AIFs 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 AIFs.

### *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.

## Investment report for the year ended 31 December 2022 (continued)

### Review

Global equity markets declined in 2022. Market correction started at the beginning of the year as US Fed started rate hike cycle in first quarter. Risk assets were further weighed down sharply by the Russia-Ukraine war. The subsequent trade disruption of oil, natural gas and soft commodities resulted in surging energy costs and elevated inflation globally. The high inflation prints enabled Fed and global central banks, except from BOJ and PBOC, to remain hawkish and execute policy normalization. Fed raised target interest rate by 425bps while ECB increased policy rate by 250bps in 2022. Intensifying of recession fear globally added further pressure on equities. In late third quarter, UK's mini budget proposed by Liz Truss's government created volatility in stock markets as investors were concerned about UK's fiscal budget, economic turmoil, and political stability. With the new government led by Rishi Sunak and policy U-turn, the equity markets stabilized in the fourth quarter. For the full year 2022, MSCI AC World Net Total Return Index lost 18.4%, reversing the uptrend in the past 3 years. Among developed markets, Europe was the outperformer partly helped by reopening of China towards end of the year, followed by US and Japan. Growth stocks, which were dominated by information technology, lagged value stocks amid ending of zero interest rate era.

MSCI AC Asia ex Japan Net Total Return Index tumbled 19.7% in 2022, the worst yearly decline since 2008. Chinese equities continued to be the major drags as stringent COVID polices and massive lockdown in Shanghai during the first half of the year disrupted both regional supply chain and domestic consumption. Mounting default incidents from Chinese property developers and continued sporadic policy headwinds on fintech and internet sectors also soured domestic demand. Market loss was only partly recouped in the final quarter after economic reopening measures imposed by the central government. Two major Tech-laden markets, Taiwan and Korea, were also hard hit by sharp deterioration in export tech demand coupled with prior overstocking condition. Longer-than-expected destocking in the tech food chain led to severe margin erosion. India, together with ASEAN led by Indonesia and Thailand, outperformed 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 4.7% in 2022, outperforming most of the Asian equity markets. Amidst China economic soft patch for the better part of the year, sector performance was mixed for Hong Kong equities. Gainers were Macau gaming stocks and Hong Kong retail landlords, which soared mainly in the fourth quarter upon the news of reopening of China economy. Losers were utilities and infrastructure companies, which failed to demonstrate their defensiveness, but rather impeded by weakened overseas earnings arising from foreign exchange loss.

## Investment report for the year ended 31 December 2022 (continued)

### Review (continued)

The year 2022 may best be described by one word: inflation. The economies of the US and the world were influenced by rising inflation, its causes, and the policies aimed at curtailing it. While inflationary pressures began to mount in 2021, they were exacerbated by continuing supply shortages; the ongoing effects of the COVID pandemic, both here and abroad; the Russian invasion of Ukraine; and a global energy crisis.

Early in 2022, US Fed expected inflation to reach 2.6% by the end of the year, not much above their 2.0% target. Fed officials expected supply bottlenecks to ease, economies to re-open after relaxing COVID-related restrictions, and economic activity to return to something close to normal.

Unfortunately, the Fed underestimated how rising wages, federal aid, and expanded savings would lead to increased consumer spending, which continued to outpace supply, and drive prices higher. Most importantly, Fed officials didn't foresee the impact the Russian invasion of Ukraine would have on world trade in energy, food commodities, and resources such as natural gas and crude oil. And inflation was not just felt in the US but throughout world economies as well. In response, the Fed began the most aggressive policy of interest-rate hikes in more than 15 years.

Historically, when stocks are down investors move to bonds. However, for most investors that paradigm did not hold true in 2022, as both stocks and bonds suffered double-digit losses. The Bloomberg Aggregate Bond Index realized the worst return in its history after declining nearly 13.0%. The yield on 10-year Treasuries rose by more than 230 basis points, as bond prices sank. The US Treasury yield curve has been inverted for much of the year. Historically, an inverted yield curve has often signalled a recession. However, other economic indicators seem to indicate that a full-blown recession is unlikely.

Hong Kong's bond market recorded solid growth in 2022 amid relatively loose but steadily tightening monetary conditions. In 2022, total new issuance of HKD debt securities decreased by 3.1% year on year to HK\$901.7 billion. During the year, HKD Government bond issuance increased to HK\$86.8 billion (US\$11.1 billion), including HK\$20 billion (US\$2.6 billion) of retail green bonds. The CNH debt market in Hong Kong continued to expand in 2022. Total new issuance increased 24% year on year to RMB688.0 billion (US\$99.7 billion). The rise was mainly driven by a surge in the issuance of certificates of deposit (CD) (by 255%), which more than offset the reduction in non-CD issuance.

## Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance

	<i>Sun Life MPF RMB and HKD Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net (depreciation)/appreciation of investments-unrealised	\$ (6,957,903)	\$ (6,180,631)	\$ 11,907,934
Net (loss)/return from investments - realised	<u>(6,447,990)</u>	<u>22,819,422</u>	<u>15,038,711</u>

	<i>Sun Life MPF Conservative Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net appreciation/(depreciation) of investments-unrealised	\$ 1,844,860	\$ (9,968,321)	\$ (2,986,764)
Net return from investments-realised	<u>1,440,213</u>	<u>14,361,530</u>	<u>44,455,660</u>

	<i>Sun Life MPF Hong Kong Dollar Bond Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net (depreciation)/appreciation of investments-unrealised	\$ (357,991,604)	\$ (63,119,882)	\$ 196,588,825
Net return from investments-realised	<u>2,377,586</u>	<u>42,167,526</u>	<u>85,942,219</u>

	<i>Sun Life MPF Hong Kong Equity Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2020</i>
Net (depreciation)/appreciation of investments-unrealised	\$ (4,911,467,964)	\$ (4,709,468,820)	\$ 5,016,100,984
Net (loss)/return from investments – realised	<u>(560,218,841)</u>	<u>1,029,264,603</u>	<u>1,252,029,575</u>

## Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance (continued)

	<i>Sun Life MPF Global Bond Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2021</i>
Net (depreciation)/appreciation of investments – unrealised	\$ (233,094,334)	\$ (69,280,967)	\$ 131,035,754
Net (loss)/return from investments-realised	<u>(20,658,936)</u>	<u>21,109,149</u>	<u>19,958,885</u>
	<i>Sun Life MPF Stable Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2021</i>
Net (depreciation)/appreciation of investments-unrealised	\$(1,106,710,788)	\$ (237,385,506)	\$ 549,069,428
Net (loss)/return from investments – realised	<u>(141,235,125)</u>	<u>222,776,427</u>	<u>356,781,239</u>
	<i>Sun Life MPF Balanced Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2021</i>
Net (depreciation)/appreciation of investments – unrealised	\$(1,194,803,827)	\$ (57,048,413)	\$ 420,267,202
Net (loss)/return from investments-realised	<u>(159,155,259)</u>	<u>194,766,357</u>	<u>496,684,392</u>
	<i>Sun Life MPF Growth Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2021</i>
Net (depreciation)/appreciation of investments-unrealised	\$(1,972,406,478)	\$ (236,684,237)	\$ 738,541,304
Net (loss)/return from investments-realised	<u>(407,829,942)</u>	<u>655,025,628</u>	<u>853,645,798</u>
	<i>Sun Life MPF Asian Equity Fund</i>		
	<i>2022</i>	<i>2021</i>	<i>2021</i>
Net (depreciation)/appreciation of investments-unrealised	\$ (948,057,231)	\$ (405,863,102)	\$ 902,811,365
Net (loss)/return from investments-realised	<u>(150,705,993)</u>	<u>22,534,353</u>	<u>13,443,884</u>

## Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

### Investment income and performance (continued)

	<i>Sun Life MPF Multi-Sector Equity Fund</i>		
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$(1,914,775,770)	\$ 498,974,917	\$ 699,632,995
Net (loss)/return from investments-realised	<u>(193,481,787)</u>	<u>882,117,144</u>	<u>187,400,393</u>
	<i>Sun Life MPF Greater China Equity Fund</i>		
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$(1,736,081,137)	\$ (927,969,996)	\$ 1,350,207,610
Net (loss)/return from investments-realised	<u>(584,264,346)</u>	<u>28,539,639</u>	<u>69,264,879</u>
	<i>Sun Life FTSE MPF Hong Kong Index Fund</i>		
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (248,974,966)	\$ (328,709,222)	\$ 160,702,853
Net (loss)/return from investments-realised	<u>(16,137,523)</u>	<u>28,528,154</u>	<u>11,112,465</u>
	<i>Sun Life MPF Age 65 Plus Fund</i>		
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$ (317,570,469)	\$ 34,019,748	\$ 122,081,946
Net (loss)/return from investments-realised	<u>(472,466)</u>	<u>4,666,729</u>	<u>3,576,718</u>
	<i>Sun Life MPF Core Accumulation Fund</i>		
	<u>2022</u>	<u>2021</u>	<u>2021</u>
Net (depreciation)/appreciation of investments-unrealised	\$(1,058,655,987)	\$ 547,740,764	\$ 539,190,259
Net return from investments-realised	<u>7,090,824</u>	<u>8,529,528</u>	<u>9,762,790</u>

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF RMB and HKD Fund

### Investment portfolio

	<i>Nominal value</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments</b>			
<b>Bonds</b>			
<i>Denominated in Renminbi</i>			
Bank of China Hong Kong Ltd 2.8% 09/07/2023	15,000,000	\$ 17,136,934	1.67
Bank of China Ltd (Hong Kong Branch) 2.8% 14/01/2023	27,950,000	31,937,177	3.11
BPCE Sa 4.8% 22/06/2023	20,000,000	23,300,764	2.27
China Construction Bank Corp (Singapore Branch) 2.85% 22/04/2023	20,000,000	22,686,485	2.21
China, People's Republic of (Government) 2.09% 22/02/2023	20,000,000	22,566,823	2.20
Export Import Bank of Korea 2.9% 02/03/2023	20,000,000	23,086,161	2.25
Export Import Bank of Korea 3.28% 21/03/2023	20,000,000	23,129,478	2.26
Hong Kong Mortgage Corp Ltd 2.545% 10/02/2023	30,000,000	34,605,048	3.37
International Bank for Reconstruction and Development 2.55% 19/07/2023	20,000,000	22,784,456	2.22
KFW 2.39% 09/02/2023	15,000,000	17,272,918	1.68
National Australia Bank Ltd 4.74% 30/05/2023	20,000,000	23,330,085	2.27
National Australia Bank Ltd 4.75% 06/06/2023	20,000,000	23,353,012	2.28
		<u>\$ 285,189,341</u>	<u>27.79</u>
<i>Denominated in Hong Kong Dollar</i>			
Australia and New Zealand Banking Group Ltd 4.1% 26/09/2023	8,000,000	\$ 8,038,615	0.78
Hong Kong Mortgage Corp Ser EMTN (Br) 0% 29/03/2023	10,000,000	9,909,260	0.97
		<u>\$ 17,947,875</u>	<u>1.75</u>

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Investment portfolio (continued)**

	<i>Nominal value</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<b>Certificates of deposit</b>			
<i>Denominated in Hong Kong Dollar</i>			
Canadian Imperial Bank of Commerce (Hong Kong Branch) 0% 12/04/2023	12,000,000	\$ 11,829,228	1.15
China Development Bank (Hong Kong Branch) 0% 02/05/2023	13,000,000	12,804,090	1.25
Hang Seng Bank Ltd 2.83% 02/03/2023	6,000,000	6,056,764	0.59
Hang Seng Bank Ltd 5% 01/03/2023	10,000,000	10,076,866	0.98
Industrial and Commercial Bank of China Ltd (Sydney Branch) 5.33% 15/06/2023	10,000,000	10,079,574	0.98
		<u>\$ 50,846,522</u>	<u>4.95</u>



Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Investment portfolio (continued)**

	<i>Nominal value</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<b>Certificates of deposit (continued)</b>			
<i>Denominated in Renminbi</i>			
Bank of Communications Co Ltd (Macau Branch) 2.7% 21/02/2023	20,000,000	\$ 23,060,792	2.25
Canadian Imperial Bank of Commerce (Hong Kong Branch) 0% 06/07/2023	20,000,000	22,233,817	2.16
China Construction Bank Corporation (Macau Branch) 2.5% 11/01/2023	30,000,000	34,656,949	3.38
Cooperative Rabobank UA (Hong Kong Branch) 3.33% 15/03/2023	20,000,000	23,176,658	2.26
Industrial and Commercial Bank of China Ltd (Luxembourg Branch) 2.85% 11/04/2023	40,000,000	45,442,139	4.43
Industrial and Commercial Bank of China Ltd (Sydney Branch) 0% 06/02/2023	20,000,000	22,515,992	2.19
		<u>\$ 171,086,347</u>	<u>16.67</u>
<b>Total quoted investments *</b>		<b>\$ 525,070,085</b>	<b>51.16</b>
<b>Other net assets</b>		<u>501,243,795</u>	<u>48.84</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><u>\$1,026,313,880</u></u>	<u><u>100.00</u></u>
<b>Total investments at cost *</b>		<u><u>\$ 522,346,462</u></u>	

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

# Investment report for the year ended 31 December 2022 (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
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<b>Bonds</b>				
<i>Denominated in Renminbi</i>				
Agricultural Development Bank China (Reg) (Regs) 3.23% 29/05/2022	-	30,100,000	30,100,000	-
Bank of China Hong Kong Ltd 2.8% 09/07/2023	-	15,000,000	-	15,000,000
Bank of China Ltd (Hong Kong Branch) 2.8% 14/01/2023	-	27,950,000	-	27,950,000
Bank of China Ltd (Macau Branch) 3.3% 17/04/2022	20,000,000	20,000,000	40,000,000	-
Bank of China/Macau Ser EMTN (Reg) (Reg S) 3.15% 21/09/2022	-	30,000,000	30,000,000	-
Bank of Communications Co Ltd (Hong Kong Branch) 3.15% 22/01/2022	15,000,000	-	15,000,000	-
BPCE Sa 4.8% 22/06/2023	-	20,000,000	-	20,000,000
China Construction Bank Corp (Singapore Branch) 2.85% 22/04/2023	-	20,000,000	-	20,000,000
China, People's Republic of (Government) 2.09% 22/02/2023	-	20,000,000	-	20,000,000
Export Development Canada 2.5% 24/06/2022	20,000,000	-	20,000,000	-
Export Import Bank 2.8% 13/08/2022	-	4,000,000	4,000,000	-
Export Import Bank Korea Ser EMTN (Reg S) 2.88% 15/09/2022	-	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
Hong Kong Mortgage Corp Ltd (Reg S) 2.9% 13/09/2022	-	30,000,000	30,000,000	-
Hong Kong Mortgage Corp Ltd (Reg S) 2.9% 20/09/2022	-	13,000,000	13,000,000	-
Hong Kong Mortgage Corp Ltd 2.545% 10/02/2023	-	30,000,000	-	30,000,000
Hong Kong Mortgage Corp Ltd 2.75% 17/02/2022	10,000,000	-	10,000,000	-
Hong Kong Mortgage Corp Ltd 2.8% 17/03/2022	10,000,000	-	10,000,000	-
Hong Kong Mortgage Corp Ltd 2.8% 29/03/2022	25,000,000	-	25,000,000	-
Industrial and Commercial Bank of China Ltd (Sydney Branch) 0% 23/03/2022	25,000,000	-	25,000,000	-
International Bank for Reconstruction and Development 2.55% 19/07/2023	-	20,000,000	-	20,000,000

# Investment report for the year ended 31 December 2022 (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
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Renminbi</i>				
KFW 2.39% 09/02/2023	-	15,000,000	-	15,000,000
KFW Ser EMTN (Br) 2.75% 20/09/2022	-	30,000,000	30,000,000	-
Kookmin Bank 3% 08/06/2022	20,000,000	-	20,000,000	-
Kookmin Bank 3.05% 19/04/2022	10,000,000	-	10,000,000	-
Korea Dev Bank/Singapore Ser GMTN (Reg) (Reg S) 2.66% 15/07/2022	-	20,000,000	20,000,000	-
Malayan Banking Bhd 3.1% 25/03/2022	20,000,000	-	20,000,000	-
Mercedes-Benz International Finance BV 3.78% 22/03/2022	7,000,000	-	7,000,000	-
Mercedes-Benz International Finance Ser EMTN (Br) (Reg S) 3.45% 27/09/2022	-	8,000,000	8,000,000	-
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
People's Bank of China (Reg S) (Br) 1.9% 23/11/2022	-	40,000,000	40,000,000	-
People's Bank of China (Reg S) (Br) 2.49% 24/08/2022	-	20,000,000	20,000,000	-
QNB Finance Ltd 4.35% 29/01/2022	25,440,000	-	25,440,000	-
Swedish Export Credit Corp 2.4% 23/06/2022	20,000,000	-	20,000,000	-
Vanke Real Estate Hong Kong Co Ltd 3.85% 13/06/2022	21,000,000	-	21,000,000	-

Investment report  
for the year ended 31 December 2022 (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
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments (continued)</b>				
<b>Bonds (continued)</b>				
<i>Denominated in Hong Kong Dollar</i>				
Australia and New Zealand Banking Group Ltd 4.1% 26/09/2023	-	8,000,000	-	8,000,000
China Construction Bank Corp (Tokyo Branch) 0% 26/05/2022	5,000,000	-	5,000,000	-
Hong Kong Mortgage Corp Ser EMTN (Br) 0% 29/03/2023	-	10,000,000	-	10,000,000
Hong Kong Mortgage Corp Ser EMTN (Br) 1.15% 30/12/2022	-	20,000,000	20,000,000	-
Hong Kong Treasury Bills Ser 91 (Reg) 0% 09/03/2022	-	15,000,000	15,000,000	-
Hong Kong Treasury Bills Ser 91 (Reg) 0% 30/03/2022	-	20,000,000	20,000,000	-
Hong Kong Treasury Bills Ser 91 0% 06/08/2022	-	20,000,000	20,000,000	-
Hong Kong Treasury Bills Ser 91 0% 09/02/2022	-	15,000,000	15,000,000	-

# Investment report for the year ended 31 December 2022 (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
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments (continued)</b>				
<b>Certificates of deposits</b>				
<i>Denominated in Renminbi</i>				
Bank of China/Singapore Ser Cd (Reg S) 0% Cd 29/12/2022	-	40,000,000	40,000,000	-
Bank of Communications Co Ltd (Macau Branch) 2.7% 21/02/2023	-	20,000,000	-	20,000,000
Bank of Communications Co Ltd (Sydney Branch) 2.95% 04/03/2022	19,000,000	-	19,000,000	-
Canadian Imperial Bank of Commerce (Hong Kong Branch) 0% 06/07/2023	-	20,000,000	-	20,000,000
China Construction Bank Corporation (Macau Branch) 2.5% 11/01/2023	-	30,000,000	-	30,000,000
China Construction Bank Corporation (Macau Branch) 3% 22/03/2022	8,000,000	-	8,000,000	-
China Development Bank (Hong Kong Branch) 2.8% 23/03/2022	10,000,000	-	10,000,000	-
China Development BK/HK Ser FXCD (Reg S) (Br) 3% Cd 12/07/2022	-	40,000,000	40,000,000	-
Cooperative Rabobank UA (Hong Kong Branch) 3.33% 15/03/2023	-	20,000,000	-	20,000,000
Industrial and Commercial Bank China/Lux Ser Cd (Reg S) 0% Cd 12/08/2022	-	35,000,000	35,000,000	-
Industrial and Commercial Bank China /Sydney Ser Cd 0% Cd 24/10/2022	-	20,000,000	20,000,000	-
Industrial and Commercial Bank China /Sydney Ser FXCD (Reg S) (Br) 3.2% Cd 06/06/2022	-	40,000,000	40,000,000	-
Industrial and Commercial Bank China /Sydney Ser FXCD (Reg S) 2.5% Cd 31/05/2022	-	4,000,000	4,000,000	-
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
Industrial and Commercial Bank China/Lux Ser Cd (Reg S) 0% Cd 06/08/2022	-	20,000,000	20,000,000	-

Investment report  
for the year ended 31 December 2022 (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
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments (continued)</b>				
<b>Certificates of deposits (continued)</b>				
<i>Denominated in Hong Kong Dollar</i>				
Canadian Imperial Bank of Commerce (Hong Kong Branch) 0% 12/04/2023	-	12,000,000	-	12,000,000
Canadian Imperial Bank of Commerce (Hong Kong Branch) 0% 22/12/2022	-	10,000,000	10,000,000	-
China Construction Bank Corporation (Macau Branch) 0.35% 14/06/2022	10,000,000	-	10,000,000	-
China Development Bank (Hong Kong Branch) 0% 02/05/2023	-	13,000,000	-	13,000,000
DBS Bank Hong Kong Ltd Ser Cd (Reg S) 0% Cd 02/12/2022	-	15,000,000	15,000,000	-
DBS Bank Hong Kong Ltd Ser Cd (Reg S) 0% Cd 05/09/2022	-	15,000,000	15,000,000	-
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
Industrial and Commercial Bank of China Ltd (Sydney Branch) 0.36% 28/01/2022	8,000,000	-	8,000,000	-
Industrial and Commercial Bank of China Ltd (Sydney Branch) 5.33% 15/06/2023	-	10,000,000	-	10,000,000

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments (continued)</b>				
<b>Treasury Bills</b>				
<i>Denominated in Hong Kong Dollar</i>				
Hong Kong Treasury Bills 0% 19/01/2022	13,000,000	-	13,000,000	-
Hong Kong Treasury Bills 0% 26/01/2022	10,000,000	-	10,000,000	-

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Conservative Fund

### Investment portfolio

	<i>Nominal value</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<b>Certificates of deposit (continued)</b>			
<i>Denominated in Hong Kong Dollar</i>			
DBS Bank Hong Kong Ltd 1.07% 16/03/2023	200,000,000	\$ 200,364,137	1.30
Hang Seng Bank Ltd 2.51% 08/02/2023	100,000,000	100,793,000	0.65
Hang Seng Bank Ltd 4.85% 23/02/2023	100,000,000	100,503,219	0.65
		<u>\$ 401,660,356</u>	<u>2.60</u>
<b>Total quoted investments *</b>		<b>\$ 401,660,356</b>	<b>2.60</b>
<b>Other net assets</b>		<u>15,018,804,106</u>	<u>97.40</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><u>\$15,420,464,462</u></u>	<u><u>100.00</u></u>
<b>Total investments at cost *</b>		<u><u>\$ 399,920,414</u></u>	

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



Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Conservative Fund (continued)**

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments</b>				
<b>Certificates of deposit</b>				
<i>Denominated in Hong Kong Dollar</i>				
DBS Bank Hong Kong Ltd 1.07% 16/03/2023	-	200,000,000	-	200,000,000
Hang Seng Bank Ltd 0.11% 03/05/2022	100,000,000	-	100,000,000	-
Hang Seng Bank Ltd 0.3% 18/07/2022	-	100,000,000	100,000,000	-
Hang Seng Bank Ltd 0.35% 28/07/2022	-	100,000,000	100,000,000	-
Hang Seng Bank Ltd 1.99% 28/12/2022	-	100,000,000	100,000,000	-
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

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Hong Kong Dollar Bond Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
BEA Union Investment Management Ltd - BEA Union Investment Hong Kong Dollar HKD Bd I (2)	1,998,203	\$ 205,095,580	5.19
First Sentier MPF Umbrella Fund - First Sentier MPF Hong Kong Bond Fund	63,939,510	997,456,354	25.23
Invesco Pooled Investment Fund - HK\$ Bond Fund Class B	44,963,406	858,922,462	21.72
JPMorgan SAR Funds - JPMorgan SAR HK\$ Bond Fund Class C	77,993,740	777,597,584	19.66
Principal Life Style Fund - Principal Hong Kong Bond Fund Pension Class	86,094,626	1,038,654,182	26.27
<b>Total quoted investments *</b>		<u>\$ 3,877,726,162</u>	<u>98.07</u>
<b>Other net assets</b>		<u>76,456,724</u>	<u>1.93</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u>\$ 3,954,182,886</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 3,935,648,883</u>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
BEA Union Investment Management Ltd - BEA Union Investment Hong Kong Dollar HKD Bd I (2)	-	1,998,203	-	1,998,203
First Sentier MPF Umbrella Fund - First Sentier MPF Hong Kong Bond Fund	76,710,926	2,795,614	15,567,030	63,939,510
Invesco Pooled Investment Fund - HK\$ Bond Fund Class B	45,697,888	2,293,318	3,027,800	44,963,406
JPMorgan SAR Funds - JPMorgan SAR HK\$ Bond Fund Class C	89,835,140	1,498,502	13,339,902	77,993,740
Principal Life Style Fund - Principal Hong Kong Bond Fund Pension Class	88,940,974	2,811,041	5,657,389	86,094,626

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Hong Kong Equity Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 15,692,011,572	43.86
Invesco Pooled Investment Fund - Hong Kong and China Fund Class B	25,769,058	1,067,738,352	2.98
Principal Life Style Fund - Principal Hong Kong Equity Fund Pension Class	93,556,179	3,377,490,320	9.44
Allianz Global Investors Choice Fund - Allianz Choice Hong Kong Ordinary I (HKD)	70,779,761	3,672,761,798	10.26
Schroder Institutional Pooled Fund - Hong Kong Equity Fund Class B	114,467,067	8,509,516,090	23.78
Templeton MPF Investment Funds - Franklin MPF Hong Kong Equity Fund Class X	15,922,020	127,216,938	0.36
		<u>\$ 32,446,735,070</u>	<u>90.68</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	328,512,817	\$ 2,864,631,763	8.01
		<u>\$ 2,864,631,763</u>	<u>8.01</u>
<b>Total quoted investments *</b>		<b>\$ 35,311,366,833</b>	<b>98.69</b>
<b>Other net assets</b>		<b>470,495,810</b>	<b>1.31</b>
<b>Net assets attributable to the members at 31 December 2022</b>		<b><u>\$ 35,781,862,643</u></b>	<b><u>100.00</u></b>
<b>Total investment at cost *</b>		<b><u>\$ 34,029,336,357</u></b>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
First Sentier Investors MPF Umbrella Fund - FSSA MPF Hong Kong Equity Fund	331,804,264	13,887,688	18,638,772	327,053,180
Invesco Pooled Investment Fund - Hong Kong and China Fund Class B	25,279,176	1,213,934	724,052	25,769,058
Principal Life Style Fund - Principal Hong Kong Equity Fund Pension Class	91,814,475	8,317,219	6,575,515	93,556,179
Allianz Global Investors Choice Fund - Allianz Choice Hong Kong Ordinary I (HKD)	-	70,779,761	-	70,779,761
Schroder Institutional Pooled Fund - Hong Kong Equity Fund Class B	105,695,657	10,170,927	1,399,517	114,467,067
Templeton MPF Investment Funds - Franklin MPF Hong Kong Equity Fund Class X	15,922,020	-	-	15,922,020
<i>Approved index-tracking collective investment scheme</i>				
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index Fund Class A	539,099,012	228,334,039	438,920,234	328,512,817

# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Sun Life MPF Global Bond Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 607,665,391	33.48
- First Sentier MPF Global Bond Fund	20,301,248	356,083,883	19.61
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	29,481,146	656,344,655	36.15
JPMorgan SAR Funds			
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	10,457,919	87,323,620	4.81
Templeton MPF Investment Funds			
- Templeton Global Bond A (ACC) HKD	3,741,515	67,160,202	3.70
<b>Total quoted investments *</b>		<u>\$ 1,774,577,751</u>	<u>97.75</u>
<b>Other net assets</b>		<u>40,808,550</u>	<u>2.25</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><u>\$ 1,815,386,301</u></u>	<u><u>100.00</u></u>
<b>Total investment at cost *</b>		<u><u>\$ 1,900,638,967</u></u>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	25,193,531	1,944,854	2,416,441	24,721,944
- First Sentier MPF Global Bond Fund	24,752,396	476,443	4,927,591	20,301,248
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	28,408,826	4,788,396	3,716,076	29,481,146
JPMorgan SAR Funds				
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	16,596,728	2,579,900	8,718,709	10,457,919
Templeton MPF Investment Funds				
- Templeton Global Bond A (ACC) HKD	-	4,263,254	521,739	3,741,515

# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Sun Life MPF Stable Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 210,822,883	3.24
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	50,434,587	1,239,682,146	19.05
- First Sentier MPF Global Bond Fund	63,721,599	1,117,676,844	17.17
- FSSA MPF Hong Kong Equity Fund	4,138,087	198,545,420	3.05
- FSSA MPF Asia Region Equity Fund	2,956,005	254,778,077	3.92
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	63,880,422	1,422,182,620	21.85
JPMorgan SAR Funds			
- JPMorgan SAR Greater China Fund Class C	11,756,138	142,014,149	2.18
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	14,362,205	119,924,409	1.84
Principal Life Style Fund			
- Principal European Equity Fund Pension Class	13,299,551	260,748,341	4.01
- Principal Hong Kong Equity Fund Pension Class	1,928,559	69,623,298	1.07
Schroder MPF Umbrella Fund			
- Schroder MPF International Fund Class B	14,238,155	373,893,941	5.75
Templeton MPF Investment Funds			
- Franklin MPF US Opportunities Fund Class X	5,470,495	41,411,647	0.64
- Templeton Global Bond A (ACC) HKD	22,462,973	403,210,368	6.20
		<u>\$ 5,854,514,143</u>	<u>89.96</u>



Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Stable Fund**

**Investment portfolio**

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	3,200,000	\$ 46,976,000	0.72
- China AMC MSCI Japan Hedged to USD ETF	5,600,000	72,744,000	1.12
Sun Life Asset Management (HK) Ltd			
- Sun Life AM Global Low Carbon Index Class A	13,171,583	129,344,946	1.99
- Sun Life AM Hong Kong ESG Index Fund Class A	16,625,010	144,970,088	2.23
		<u>\$ 394,035,034</u>	<u>6.06</u>
<b>Total quoted investments *</b>		<u>\$ 6,248,549,177</u>	<u>96.02</u>
<b>Other net assets</b>		<u>259,253,821</u>	<u>3.98</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u>\$ 6,507,802,998</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 6,452,597,333</u>	

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

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Stable Fund (continued)

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2022
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	5,432,142	-	1,243,331	4,188,811
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	51,651,457	512,215	1,729,085	50,434,587
- First Sentier MPF Global Bond Fund	64,554,220	2,279,999	3,112,620	63,721,599
- FSSA MPF Hong Kong Equity Fund	-	4,138,087	-	4,138,087
- FSSA MPF Asia Region Equity Fund	5,835,219	456,412	3,335,626	2,956,005
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	65,163,707	2,202,284	3,485,569	63,880,422
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund Class C	10,177,608	18,424,391	16,845,861	11,756,138
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	12,000,000	2,362,205	-	14,362,205
Principal Life Style Fund				
- Principal Europe Equity Fund Pension Class	18,275,696	3,142,972	8,119,117	13,299,551
- Principal Hong Kong Equity Fund Pension Class	2,966,068	2,824,503	3,862,012	1,928,559
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund Class B	16,793,854	1,214,286	3,769,985	14,238,155
Templeton MPF Investment Funds				
- Franklin MPF US Opportunities Fund Class X	48,400,514	-	42,930,019	5,470,495
- Templeton Global Bond A (ACC) HKD	-	26,057,176	3,594,203	22,462,973
<i>Approved index-tracking collective investment scheme</i>				
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	-	4,500,000	1,300,000	3,200,000
- China AMC MSCI Japan Hedged to USD ETF	-	11,000,000	5,400,000	5,600,000
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Global Low Carbon Index Class A	-	13,171,583	-	13,171,583
- Sun Life AM Hong Kong ESG Index Fund Class A	10,870,314	26,870,374	21,115,678	16,625,010

# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Sun Life MPF Balanced Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 313,047,621	4.89
First Sentier Investors MPF Umbrella Fund			
- First Sentier MPF Asia Region Bond Fund	34,717,484	853,355,758	13.33
- First Sentier MPF Global Bond Fund	32,513,096	570,279,695	8.91
- FSSA MPF Hong Kong Equity Fund	3,069,342	147,267,052	2.30
- FSSA MPF Asia Region Equity Fund	4,571,438	394,012,235	6.16
Invesco Pooled Investment Fund			
- MPF Bond Fund Class B	43,871,976	976,730,577	15.26
JPMorgan SAR Funds			
- JPMorgan SAR Greater China Fund-Class C	20,355,390	245,893,116	3.84
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	17,774,578	148,417,728	2.32
Principal Life Style Fund			
- Principal Europe Equity Fund Pension Class	21,966,790	430,676,498	6.73
- Principal Hong Kong Equity Fund Pension Class	5,509,923	198,914,831	3.11
Schroder MPF Umbrella Fund			
- Schroder MPF International Fund Class B	25,927,527	680,856,861	10.64
Templeton MPF Investment Funds			
- Franklin MPF US Opportunities Fund Class X	5,065,711	38,347,435	0.60
- Templeton Global Bond A (ACC) HKD	17,557,709	315,160,870	4.91
		\$ 5,312,960,277	83.00

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Balanced Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	3,100,000	\$ 45,508,000	0.71
- China AMC MSCI Japan Hedged to USD ETF	5,900,000	76,641,000	1.20
Sun Life Asset Management (HK) Ltd			
- Sun Life AM Global Low Carbon Index Class A	19,198,033	188,524,688	2.95
- Sun Life AM Hong Kong ESG Index Fund Class A	45,371,591	395,640,277	6.18
		<u>\$ 706,313,965</u>	<u>11.04</u>
<b>Total quoted investments *</b>		<b>\$ 6,019,274,242</b>	<b>94.04</b>
<b>Other net assets</b>		<u>381,186,126</u>	<u>5.96</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><u>\$ 6,400,460,368</u></u>	<u><u>100.00</u></u>
<b>Total investments at cost *</b>		<u><u>\$ 6,141,188,693</u></u>	

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

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Balanced Fund (continued)

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2022
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	8,361,036	-	2,141,135	6,219,901
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	34,087,066	630,418	-	34,717,484
- First Sentier MPF Global Bond Fund	35,739,227	2,227,907	5,454,038	32,513,096
- FSSA MPF Hong Kong Equity Fund	-	3,884,117	814,775	3,069,342
- FSSA MPF Asia Region Equity Fund	8,873,829	-	4,302,391	4,571,438
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	41,773,857	2,549,112	450,993	43,871,976
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund Class C	15,420,753	27,342,294	22,407,657	20,355,390
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	14,400,000	3,374,578	-	17,774,578
Principal Life Style Fund				
- Principal Europe Equity Fund Pension Class	31,124,738	2,419,334	11,577,282	21,966,790
- Principal Hong Kong Equity Fund Pension Class	2,495,542	6,026,261	3,011,880	5,509,923
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund Class B	28,651,003	1,428,571	4,152,047	25,927,527
Templeton MPF Investment Funds				
- Franklin MPF US Opportunities Fund Class X	67,606,947	-	62,541,236	5,065,711
- Templeton Global Bond A (ACC) HKD	-	20,108,433	2,550,724	17,557,709
<i>Approved index-tracking collective investment scheme</i>				
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	-	5,000,000	1,900,000	3,100,000
- China AMC MSCI Japan Hedged to USD ETF	-	15,000,000	9,100,000	5,900,000
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Hong Kong ESG Index Fund Class A	15,883,564	47,658,621	18,170,594	45,371,591
- Sun Life AM Global Low Carbon Index Class A	-	19,198,033	-	19,198,033

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Growth Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments</b>			
<i>Approved pooled investment funds</i>			
Allianz Global Investors Choice Fund - Allianz Choice Asian Fund Ordinary Class	14,057,816	\$ 707,529,856	6.90
First Sentier Investors MPF Umbrella Fund - First Sentier MPF Asia Region Bond Fund	31,190,666	766,666,566	7.48
- First Sentier MPF Global Bond Fund	15,784,913	276,867,373	2.70
- FSSA MPF Hong Kong Equity Fund	10,177,440	488,313,555	4.77
- FSSA MPF Asia Region Equity Fund	11,582,927	998,332,444	9.74
Invesco Pooled Investment Fund - MPF Bond Fund Class B	32,714,354	728,326,204	7.11
JPMorgan SAR Funds - JPMorgan SAR Greater China Fund Class C	29,210,894	352,867,597	3.44
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	13,186,727	110,109,168	1.08
Amundi US Treasury Bond - Amundi US Treasury 1-3Y (DR) UCITS ETF- MHGD HKD A	100,000	94,609,200	0.92
Principal Life Style Fund - Principal European Equity Fund Pension Class	53,561,635	1,050,118,708	10.25
- Principal Hong Kong Equity Fund Pension Class	15,491,092	559,247,026	5.46
Schroder MPF Umbrella Fund - Schroder MPF International Fund Class B	60,303,292	1,583,564,444	15.45
Templeton MPF Investment Funds - Templeton Global Bond A (ACC) HKD	20,365,447	365,559,765	3.57
- Franklin MPF US Opportunities Fund Class X	7,764,662	58,778,492	0.57
		<u>\$ 8,140,890,398</u>	<u>79.44</u>

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Growth Fund**

**Investment portfolio**

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<b>Quoted investments (continued)</b>			
<i>Approved index-tracking collective investment scheme</i>			
BMO Global Asset Management Asia Ltd			
- China AMC MSCI Europe Quality Hedged to USD ETF	8,900,000	\$ 130,652,000	1.27
- China AMC MSCI Japan Hedged to USD ETF	13,500,000	175,365,000	1.71
Sun Life Asset Management (HK) Ltd			
- Sun Life AM Global Low Carbon Index Class A	41,244,543	405,021,410	3.95
- Sun Life AM Hong Kong ESG Index Fund Class A	68,883,843	600,667,111	5.86
		<u>\$ 1,311,705,521</u>	<u>12.79</u>
<b>Total quoted investments *</b>		<b>\$ 9,452,595,919</b>	<b>92.23</b>
<b>Other net assets</b>		<u>796,501,476</u>	<u>7.77</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u>\$ 10,249,097,395</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 9,624,714,261</u>	

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

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Growth Fund (continued)

### Statement of movements in investment portfolio

	Portfolio Holdings			As at 31 December 2022
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund				
- Allianz Choice Asian Fund Ordinary Class I	18,179,994	-	4,122,178	14,057,816
First Sentier Investors MPF Umbrella Fund				
- First Sentier MPF Asia Region Bond Fund	29,220,611	1,970,055	-	31,190,666
- First Sentier MPF Global Bond Fund	16,559,834	4,884,389	5,659,310	15,784,913
- FSSA MPF Hong Kong Equity Fund	-	10,177,440	-	10,177,440
- FSSA MPF Asia Region Equity Fund	14,313,611	1,141,032	3,871,716	11,582,927
Invesco Pooled Investment Fund				
- MPF Bond Fund Class B	28,523,324	4,191,030	-	32,714,354
JPMorgan SAR Funds				
- JPMorgan SAR Greater China Fund Class C	31,389,199	51,119,339	53,297,644	29,210,894
- JPMorgan SAR Investment Grade Corporate Bond Fund Class C	7,000,000	6,186,727	-	13,186,727
Amundi US Treasury Bond				
- Amundi US Treasury 1-3Y (DR) UCITS ETF-MHGD HKD A	-	1,119,000	1,019,000	100,000
Principal Life Style Fund				
- Principal European Equity Fund Pension Class	69,317,926	10,052,128	25,808,419	53,561,635
- Principal Hong Kong Equity Fund Pension Class	10,172,322	11,140,327	5,821,557	15,491,092
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund Class B	76,993,285	2,714,286	19,404,279	60,303,292
Templeton MPF Investment Funds				
- Templeton Global Bond A (ACC) HKD	-	23,032,113	2,666,666	20,365,447
- Franklin MPF US Opportunities Fund Class X	143,122,474	-	135,357,812	7,764,662
<i>Approved index-tracking collective investment scheme</i>				
BMO Global Asset Management Asia Ltd				
- China AMC MSCI Europe Quality Hedged to USD ETF	-	13,000,000	4,100,000	8,900,000
- China AMC MSCI Japan Hedged to USD ETF	-	32,000,000	18,500,000	13,500,000
Sun Life Asset Management (HK) Ltd				
- Sun Life AM Global Low Carbon Index Class A	-	41,244,543	-	41,244,543
- Sun Life AM Hong Kong ESG Index Fund Class A	33,839,759	94,626,286	59,582,202	68,883,843



# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Sun Life MPF Asian Equity Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 2,702,938,908	63.64
Schroder MPF Umbrella Fund - Schroder MPF Asian Fund Class B	26,708,535	1,480,454,084	34.86
		<u>\$ 4,183,392,992</u>	<u>98.50</u>
<i>Approved index-tracking collective investment scheme</i>			
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index A	540,392	\$ 4,712,217	0.11
		<u>\$ 4,712,217</u>	<u>0.11</u>
<b>Total quoted investments *</b>		\$ 4,188,105,209	98.61
<b>Other net assets</b>		<u>59,080,144</u>	<u>1.39</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u>\$ 4,247,185,353</u>	<u>100.00</u>
<b>Total investments at cost *</b>		<u>\$ 4,338,688,052</u>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	Portfolio Holdings			As at 31 December 2022
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund - Allianz Choice Asian Fund Ordinary Class I	50,169,140	6,333,613	2,798,423	53,704,330
Schroder Institutional Pooled Funds - Hong Kong Equity Fund Class B	4,136,649	180,955	4,317,604	-
Schroder MPF Umbrella Fund - Schroder MPF Asian Fund Class B	23,792,708	6,060,453	3,144,626	26,708,535
Approved index-tracking collective investment scheme				
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index A	-	26,181,521	25,641,129	540,392

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Multi-Sector Equity Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</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	\$ 1,298,599,032	13.94
Schroder MPF Umbrella Fund - Schroder MPF International Fund Class B	126,069,097	3,310,574,496	35.53
		<u>\$ 4,609,173,528</u>	<u>49.47</u>
<i>Approved index-tracking collective investment scheme</i>			
China Asset Management (Hong Kong) Limited - China AMC NASDAQ 100 ETF HKD	12,500,000	\$ 275,250,000	2.95
SPDR S&P 500 ETF Trust	80,000	238,787,762	2.56
- iShares Core MSCI Asia ex Japan ETF HKD	4,300,000	208,550,000	2.24
- iShares Global Comm Services ETF	750,000	318,676,109	3.42
- iShares Global Consumer Discretionary ETF	500,000	491,750,875	5.28
- iShares Global Consumer Staples ETF	1,000,000	464,706,723	4.99
- iShares Global Energy ETF	750,000	227,943,565	2.44
- iShares Global Financials ETF	1,350,000	740,307,312	7.95
- iShares Global Healthcare ETF	450,000	298,117,870	3.20
- iShares Global Industrials ETF	650,000	541,058,646	5.81
- iShares Global Tech ETF	1,370,000	479,357,395	5.15
- iShares US Utilities ETF	300,000	202,561,867	2.17
		<u>\$ 4,487,068,124</u>	<u>48.16</u>
<b>Total quoted investments *</b>		<b>\$ 9,096,241,652</b>	<b>97.63</b>
<b>Other net assets</b>		<u>220,443,994</u>	<u>2.37</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><u>\$ 9,316,685,646</u></u>	<u><u>100.00</u></u>
<b>Total investment at cost *</b>		<u><u>\$ 9,305,110,698</u></u>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	Portfolio Holdings			As at 31 December 2022
	As at 31 December 2021	Additions	Deductions	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Asia Pacific Ltd - Allianz Choice Global Equity Ordinary I (HKD)	198,071,691	8,374,892	57,353,698	149,092,885
Schroder MPF Umbrella Fund - Schroder MPF International Fund Class B	73,483,804	53,939,277	1,353,984	126,069,097
<i>Approved index-tracking collective investment scheme</i>				
China Asset Management (Hong Kong) Limited - China AMC NASDAQ 100 ETF HKD	51,600,000	4,600,000	43,700,000	12,500,000
SPDR S&P 500 ETF Trust	-	80,000	-	80,000
- iShares Core MSCI Asia ex Japan ETF HKD	4,920,000	5,980,000	6,600,000	4,300,000
- iShares Global Comm Services ETF	300,000	750,000	300,000	750,000
- iShares Global Consumer Discretionary ETF	300,000	700,000	500,000	500,000
- iShares Global Consumer Staples ETF	-	1,350,000	350,000	1,000,000
- iShares Global Energy ETF	1,650,000	450,000	1,350,000	750,000
- iShares Global Financials ETF	1,400,000	900,000	950,000	1,350,000
- iShares Global Healthcare ETF	250,000	1,450,000	1,250,000	450,000
- iShares Global Industrials ETF	-	1,350,000	700,000	650,000
- iShares Global Tech ETF	1,370,000	1,250,000	1,250,000	1,370,000
- iShares US Basic Materials ETF	700,000	-	700,000	-
- iShares US Utilities ETF	-	750,000	450,000	300,000

# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Sun Life MPF Greater China Equity Fund

### Investment portfolio

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</i>
<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	\$ 1,671,837,127	25.73
BEA Union Investment Management Ltd/Hong Kong - BEA Union Investment Greater China Growth I (2)	9,283,902	913,814,468	14.06
JPMorgan SAR Funds - JPMorgan SAR Greater China Fund-Class C	287,275,184	3,470,284,221	53.40
		<u>\$ 6,055,935,816</u>	<u>93.19</u>
<i>Approved index-tracking collective investment scheme</i>			
State Street Global Advisors Asia Ltd/Hong Kong - SPDR FTSE Greater China ETF	8,400,000	\$ 326,928,000	5.03
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index A	2,293,003	19,994,985	0.31
		<u>\$ 346,922,985</u>	<u>5.34</u>
<b>Total quoted investments *</b>		<b>\$ 6,402,858,801</b>	<b>98.53</b>
<b>Other net assets</b>		<u>95,848,216</u>	<u>1.47</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u><b>\$ 6,498,707,017</b></u>	<u><b>100.00</b></u>
<b>Total investment at cost *</b>		<u><b>\$ 7,377,531,462</b></u>	

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

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

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

**Statement of movements in investment portfolio**

	<i>Portfolio Holdings</i>			<i>As at 31 December 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investments</b>				
<i>Approved pooled investment funds</i>				
Allianz Global Investors Choice Fund - Allianz Choice Greater China Fund Class I	70,446,140	24,833,503	3,167,405	92,112,238
BEA Union Investment Management Ltd/Hong Kong - BEA Union Investment Greater China Growth I (2)	-	9,283,902	-	9,283,902
JPMorgan SAR Funds - JPMorgan SAR Greater China Fund-Class C	407,576,155	9,767,843	130,068,814	287,275,184
<i>Approved index-tracking collective investment scheme</i>				
State Street Global Advisors Asia Ltd/Hong Kong - SPDR FTSE Greater China ETF	-	21,800,000	13,400,000	8,400,000
Sun Life Asset Management (HK) Ltd - Sun Life AM Hong Kong ESG Index A	-	72,202,928	69,909,925	2,293,003

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life FTSE MPF Hong Kong Index Fund**

***Investment portfolio***

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</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	\$ 1,967,319,850	99.84
<b>Total quoted investment *</b>		\$ 1,967,319,850	99.84
<b>Other net assets</b>		3,213,897	0.16
<b>Net assets attributable to the members at 31 December 2022</b>		\$ 1,970,533,747	100.00
<b>Total investment at cost *</b>		\$ 2,307,268,160	

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

Investment report  
for the year ended 31 December 2022 (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 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investment</b>				
<i>Approved index-tracking collective investment scheme</i>				
BlackRock Premier Funds				
- iShares Hong Kong Equity Index Fund Class I2	11,852,405	4,626,402	720,872	15,757,935



Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Age 65 Plus Fund**

**Investment portfolio**

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</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	\$ 2,150,393,995	99.83
<b>Total quoted investment *</b>		\$ 2,150,393,995	99.83
<b>Other net assets</b>		3,603,138	0.17
<b>Net assets attributable to the members at 31 December 2022</b>		\$ 2,153,997,133	100.00
<b>Total investment at cost *</b>		\$ 2,260,996,997	

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

Investment report  
for the year ended 31 December 2022 (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 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Umbrella Fund - Schroder MPF Core 20/80 Fund Class B	171,801,020	27,161,912	2,040,405	196,922,527

Investment report  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

**Sun Life MPF Core Accumulation Fund**

***Investment portfolio***

	<i>Holdings</i>	<i>Market value HKD</i>	<i>% of net assets</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	\$ 7,267,166,488	99.90
<b>Total quoted investment *</b>		<u>\$ 7,267,166,488</u>	<u>99.90</u>
<b>Other net assets</b>		<u>7,455,488</u>	<u>0.10</u>
<b>Net assets attributable to the members at 31 December 2022</b>		<u>\$ 7,274,621,976</u>	<u>100.00</u>
<b>Total investment at cost *</b>		<u>\$ 7,028,165,867</u>	

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

Investment report  
for the year ended 31 December 2022 (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 2022</i>
	<i>As at 31 December 2021</i>	<i>Additions</i>	<i>Deductions</i>	
<b>Quoted investment</b>				
<i>Approved pooled investment fund</i>				
Schroder MPF Umbrella Fund - Schroder MPF Core 60/40 Fund Class B	451,030,908	111,793,534	7,230,674	555,593,768

# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table

		2022							
		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	1,026,313,880	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 2022 (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 2022 (continued) (Expressed in Hong Kong dollars)

## Performance table (continued)

		2020							
		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	802,009,527	1.0795	1.0831	N/A	1.28	1.23	N/A	-
(2)	Sun Life MPF Conservative Fund	12,487,580,936	1.1288	1.1326	N/A	0.80	0.79	N/A	-
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	4,532,618,532	1.4787	1.5360	N/A	1.80	1.59	N/A	-
(4)	Sun Life MPF Hong Kong Equity Fund	38,511,427,099	7.6579	7.9545	N/A	1.78	1.58	N/A	-
(5)	Sun Life MPF Global Bond Fund	2,180,444,734	1.0453	1.0686	N/A	1.77	1.57	N/A	-
(6)	Sun Life MPF Stable Fund	7,696,567,959	2.4129	2.5063	N/A	1.79	1.58	N/A	55,084
(7)	Sun Life MPF Balanced Fund	6,987,058,319	2.9078	3.0204	N/A	1.79	1.59	N/A	85,636
(8)	Sun Life MPF Growth Fund	10,504,717,720	3.4449	3.5782	N/A	1.81	1.61	N/A	153,194
(9)	Sun Life MPF Asian Equity Fund	3,851,125,679	2.0787	2.1327	N/A	1.93	1.71	N/A	-
(10)	Sun Life MPF Multi-Sector Equity Fund	6,257,711,476	1.6626	1.7059	N/A	1.81	1.60	N/A	2,833,175
(11)	Sun Life MPF Greater China Equity Fund	5,604,169,388	1.8808	1.9283	N/A	2.10	1.88	N/A	-
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1,571,574,502	1.4583	1.4583	N/A	1.01	1.01	N/A	-
(13)	Sun Life MPF Age 65 Plus Fund	1,673,025,412	N/A	N/A	1.1995	N/A	N/A	0.78	-
(14)	Sun Life MPF Core Accumulation Fund	4,606,071,102	N/A	N/A	1.3243	N/A	N/A	0.80	-

# Investment report for the year ended 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2022								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2021								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2020								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2019								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2018								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (continued)

(Expressed in Hong Kong dollars)

## Performance table (continued)

		2017								
		Highest issue price			Lowest redemption price			Net investment return (note)		
		Class A	Class B	Unit price	Class A	Class B	Unit price	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 2022 (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 1)	N/A	N/A	N/A	N/A	N/A	N/A
(14)	Sun Life RCM MPF Stable Growth Fund (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A
(15)	Sun Life RCM MPF Balanced Fund (Note 1)	N/A	N/A	N/A	N/A	N/A	N/A

Note 1: 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 2022 (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 2022 (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)



# Investment report for the year ended 31 December 2022 (continued) (Expressed in Hong Kong dollars)

## Performance table (continued)

		2013					
		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	\$ 1.0407	\$ 1.0405	\$ 1.0144	\$ 1.0138	2.44	2.48
(2)	Sun Life MPF Conservative Fund	1.1012	1.1050	1.1011	1.1049	0.01	0.01
(3)	Sun Life MPF Hong Kong Dollar Bond Fund	1.3578	1.3889	1.2829	1.3133	(4.14)	(3.95)
(4)	Sun Life MPF Hong Kong Equity Fund	4.5003	4.6089	3.8205	3.9093	9.75	9.97
(5)	Sun Life MPF Global Bond Fund	1.0129	1.0190	0.9596	0.9664	(4.18)	(3.99)
(6)	Sun Life MPF Stable Fund	1.8100	1.8533	1.7008	1.7403	2.43	2.64
(7)	Sun Life MPF Balanced Fund	1.9968	2.0449	1.8300	1.8725	6.28	6.50
(8)	Sun Life MPF Growth Fund	2.1704	2.2231	1.9337	1.9786	10.23	10.45
(9)	Sun Life MPF Asian Equity Fund	1.2211	1.2354	0.9918	1.0024	11.34	11.57
(10)	Sun Life MPF Multi-Sector Equity Fund	1.1345	1.1478	0.9589	0.9692	16.99	17.23
(11)	Sun Life MPF Greater China Equity Fund	1.0598	1.0713	0.8775	0.8862	6.17	6.39
(12)	Sun Life FTSE MPF Hong Kong Index Fund	1.0000	1.0000	0.9864	0.9865	(0.28)	(0.27)
(13)	Sun Life RCM MPF Capital Stable Fund	1.0925	1.1048	1.0222	1.0327	2.62	2.83
(14)	Sun Life RCM MPF Stable Growth Fund	1.1077	1.1207	0.9979	1.0086	6.63	6.84
(15)	Sun Life RCM MPF Balanced Fund	1.1320	1.1453	0.9810	0.9915	11.13	11.36

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 2022 (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
Sun Life MPF Conservative Fund <i>Launch date: 01/12/2000</i>	Class A	0.32%	0.55%	0.28%	0.56%
	Class B	0.39%	0.57%	0.29%	0.58%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Conservative Fund category median)</i>		0.32%	0.52%	0.29%	0.61%
<b>Deviation from the benchmark/performance target</b>		In Line (Class A) Above (Class B)	Above	Below (Class A) In Line (Class B)	Below
<b>Trustee's commentary</b>		The performance was in line with benchmark for the past year. HKD money market rates and short-dated HIBOR shot up for the year due to aggressive rate hike from the US Federal Reserve. Although fund underperformance continued to improve as 5-year performance outperformed while 10-year and since launch performance took time to reflect, it might take longer time to narrow performance gap since launch. The investment manager expected interest rates to remain high in 2023 though central banks might decide to pause rate hikes.			

Investment report  
for the year ended 31 December 2022 (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 Dollar Bond Fund <i>Launch date: 01/12/2000</i>	Class A	-9.54%	-0.91%	-0.34%	1.23%
	Class B	-9.36%	-0.71%	-0.14%	1.43%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Hong Kong Dollar Bond Fund category median)</i>		-9.36%	-0.19%	0.37%	1.43%
<b>Deviation from the benchmark/performance target</b>		Below (Class A) In Line (Class B)	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 for the past year. Fund performance continued to improve on a 5-year and 10-year perspective. Hong Kong dollar bond markets were affected by the challenging rate hike environment in the US. With the expectation of ending interest rate hike cycle, the fund would position into longer duration vehicles to capture rebound.			

Investment report  
for the year ended 31 December 2022 (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 RMB and HKD Fund <i>Launch date: 30/06/2012</i>	Class A	-3.93%	0.22%	0.43%	0.56%
	Class B	-3.89%	0.27%	0.48%	0.60%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF RMB and HKD Money Market Fund category median)</i>		-4.15%	0.27%	0.56%	0.64%
<b>Deviation from the benchmark/performance target</b>		Above	Below (Class A) In Line (Class B)	Below	Below
<b>Trustee's commentary</b>		Fund performance was above benchmark for the past year and in line with benchmark on a 5-year perspective. Chinese onshore fixed income markets were less affected by rapid increase in US bond yields. In fact, monetary policy in China remained accommodative. The investment manager favored HKD deposits over RMB deposits for higher carry but preferred short-dated RMB bonds over HKD bonds for an easing bias in monetary policy.			

Investment report  
for the year ended 31 December 2022 (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 Global Bond Fund <i>Launch date: 01/01/2010</i>	Class A	-13.70%	-1.98%	-1.55%	-1.07%
	Class B	-13.53%	-1.78%	-1.35%	-0.88%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Global Bond Fund category median)</i>		-16.04%	-2.60%	-1.48%	-0.21%
<b>Deviation from the benchmark /performance target</b>		Above	Above	Below (Class A) Above (Class B)	Below
<b>Trustee's commentary</b>		Year 2022 was a very challenging year for global fixed income markets as central banks accelerated their rate hike pace rapidly, targeting to curb inflation. Still, fund performance stayed above the benchmark in the past year and on a 5-year perspective. Our investment manager had been cautious and defensive by focusing on quality issuers and short duration last year. Such defensiveness contributed to outperformance. As interest rate hike cycle is expected to approach an end, the fund would shift focus to longer-duration opportunities.			

Investment report  
for the year ended 31 December 2022 (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>	-14.50%	0.24%	N/A	0.63%
<b>Benchmark/Performance Target</b> <i>(HKIFA Reference Portfolios for Constituent Funds under the Default Investment Strategy)</i>	-14.94%	0.01%	N/A	0.64%
<b>Deviation from the benchmark/performance target</b>	Above	Above	N/A	Below
<b>Trustee's commentary</b>	The performance was above its respective Reference Portfolio for the past year; albeit below the benchmark since launch. Global bond markets tumbled for the past year as central bank rapidly increased interest rate to curb inflation. The fund outperformed due to exposure in value sleeve for equity part. The investment manager was of the view that growth names would benefit from a more stable interest rate environment in 2023, together with a more attractive valuation after earlier pullback.			

Investment report  
for the year ended 31 December 2022 (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 Stable Fund <i>Launch date: 01/12/2000</i>	Class A	-17.12%	-1.21%	1.10%	3.11%
	Class B	-16.95%	-1.02%	1.30%	3.30%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;20-40% Equity) Fund category median)</i>		-15.84%	-1.29%	0.69%	2.47%
<b>Deviation from the benchmark /performance target</b>		Below	Above	Above	Below
<b>Trustee's commentary</b>		The performance was below benchmark for the past year. Most of the underperformance occurred in first half of the year when the war in Ukraine sparked concerns over potential gas shortages in Europe. Fund performance was dragged by European exposure. Moreover, sharp increase in treasury yields also hurt performance of growth exposure, including Taiwan and Korea. Defensive stance for the fixed income allocation helped to limit some losses. For 2023, the investment manager would favor credit segment of fixed income given the turnaround in market condition and recovery from the distressed valuation.			

Investment report  
for the year ended 31 December 2022 (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>	-14.87%	2.77%	N/A	3.77%
<b>Benchmark/Performance Target</b> <i>(HKIFA Reference Portfolios for Constituent Funds under the Default Investment Strategy)</i>	-16.32%	2.50%	N/A	3.83%
<b>Deviation from the benchmark /performance target</b>	Above	Above	N/A	Below
<b>Trustee's commentary</b>	The performance was above its respective Reference Portfolio for the past year; albeit below the benchmark since launch. 60/40 Strategy suffered for the past year as both global equities and global bonds registered negative returns, the first time in decades. The fund increased exposure in value sleeve for equity part which was more defensive. The fund would increase growth exposure with more stable interest rate environment.			



Investment report  
for the year ended 31 December 2022 (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 Balanced Fund <i>Launch date: 01/12/2000</i>	Class A	-18.70%	-0.64%	2.37%	3.99%
	Class B	-18.53%	-0.44%	2.57%	4.19%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;40-60% Equity) Fund category median)</i>		-16.72%	-0.84%	1.77%	3.01%
<b>Deviation from the benchmark/performance target</b>		Below	Above	Above	Above
<b>Trustee's commentary</b>		The performance was below benchmark for the past year. Most of the underperformance occurred in first half of the year when the war in Ukraine sparked concerns over potential gas shortages in Europe. Fund performance was dragged by European exposure. Moreover, sharp increase in treasury yields also hurt performance of growth exposure, including Taiwan and Korea. Fund performance caught up in the second half of year as investment manager actively generate alphas in different areas and asset classes.			

Investment report  
for the year ended 31 December 2022 (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 Growth Fund <i>Launch date: 01/12/2000</i>	Class A	-20.36%	-0.18%	3.62%	4.79%
	Class B	-20.20%	0.02%	3.82%	4.99%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Lifestyle (&gt;60-80% Equity) Fund category median)</i>		-16.49%	0.02%	2.92%	3.53%
<b>Deviation from the benchmark/performance target</b>		Below	Below (Class A) In Line (Class B)	Above	Above
<b>Trustee's commentary</b>		The performance was below benchmark for the past year. Most of the underperformance occurred in first half of the year when the war in Ukraine sparked concerns over potential gas shortages in Europe. Fund performance was dragged by European exposure. Moreover, sharp increase in treasury yields also hurt performance of growth exposure, including Taiwan and Korea. Fund performance caught up in the second half of year as investment manager actively generate alphas in different areas and asset classes.			

Investment report  
for the year ended 31 December 2022 (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 Multi-Sector Equity Fund <i>Launch date: 03/03/2008</i>	Class A	-20.26%	2.76%	4.96%	3.10%
	Class B	-20.09%	2.96%	5.17%	3.31%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Global Equity Fund category median)</i>		-20.25%	2.70%	5.91%	3.33%
<b>Deviation from the benchmark/performance target</b>		In Line (Class A) Above (Class B)	Above	Below	Below
<b>Trustee's commentary</b>		The performance was below benchmark since launch; as well as for the period of 10 years. 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. 5-year performance was above benchmark after restructure. For the past year, the fund performance was in line with benchmark as the investment manager kept a balanced and neutral stance upon rapid changing investment environment.			

Investment report  
for the year ended 31 December 2022 (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 Asian Equity Fund <i>Launch date: 03/03/2008</i>	Class A	-22.06%	-1.33%	3.23%	2.81%
	Class B	-21.90%	-1.14%	3.44%	3.01%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Asia ex Japan Equity Fund category median)</i>		-22.67%	-1.31%	2.90%	2.83%
<b>Deviation from the benchmark/performance target</b>		Above	Below (Class A) Above (Class B)	Above	Below (Class A) Above (Class B)
<b>Trustee's commentary</b>		The performance was above benchmark for most of the specified periods (Class B). Asian markets had been quite volatile during the period as rapid interest rate hike pace in the US triggered selloff of growth stocks. Korea and Taiwan underperformed in the region as markets worried about exports growth of their tech-related products. The fund maintained tactical overweight in Hong Kong and the strategy paid off, especially in the fourth quarter when China reopened the economy.			

Investment report  
for the year ended 31 December 2022 (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 Greater China Equity Fund <i>Launch date: 03/03/2008</i>	Class A	-27.83%	-1.64%	2.39%	1.50%
	Class B	-27.69%	-1.45%	2.59%	1.70%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Greater China Equity Fund category median)</i>		-26.83%	-1.13%	3.64%	1.50%
<b>Deviation from the benchmark/performance target</b>		Below	Below	Below	In Line (Class A) Above (Class B)
<b>Trustee's commentary</b>		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. Exposure to Taiwan market, which contributed to most gains in previous years, fell more than Hong Kong and China and dragged performance of the fund. China market posted a sharp rebound starting from early November, mainly fuelled by incrementally positive developments on epidemic control and real estate sector. The investment manager upgraded China to overweight and maintained neutral on Taiwan due to better recovery outlook of China.			

Investment report  
for the year ended 31 December 2022 (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 FTSE MPF Hong Kong Index Fund <i>Launch date: 10/12/2013</i>	Class A	-15.08%	-5.20%	N/A	0.37%
	Class B	-15.08%	-5.20%	N/A	0.37%
<b>Benchmark</b> <i>(FTSE MPF Hong Kong Index)</i>		-15.94%	-4.34%	N/A	1.54%
<b>Performance Target</b> <i>(Lipper MPF Hong Kong Equity (Index Tracking) Fund category median)</i>		-13.24%	-5.70%	N/A	0.36%
<b>Deviation from the performance target</b>		Below	Above	N/A	Above
<b>Trustee's commentary</b>		Fund performance was below peer group median for the past year but outperformed for the periods of 5 years and since launch. 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 some sectors that the FTSE Hong Kong Index had higher exposure in were dragged lower by US rate hikes. Fund performance was below its benchmark due to tracking errors of managing a passive portfolio.			

Investment report  
for the year ended 31 December 2022 (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 <i>Launch date: 01/12/2000</i>	Class A	-15.31%	-1.91%	3.65%	8.31%
	Class B	-15.14%	-1.71%	3.86%	8.52%
<b>Benchmark/Performance Target</b> <i>(Lipper MPF Hong Kong Equity Fund category median)</i>		-18.49%	-4.47%	1.51%	6.23%
<b>Deviation from the benchmark/performance target</b>		Above	Above	Above	Above
<b>Trustee's commentary</b>		The performance was above benchmark for the specified periods. The investment manager had been defensive under extremely volatile environment.			

**Investment report**  
**for the year ended 31 December 2022 (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") has been set as a benchmark to evaluate the performance of the Investment Manager. The Board of Trustee meets quarterly to discuss the operational and investment performance of the Investment Manager through assessing the achievement of KPIs as well as the performance of constituent funds of Sun Life Rainbow MPF Scheme. As per the Investment Manager's governance practice, evaluation of investment performance of underlying investments of constituent funds 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 actions to rectify the fund performance issue.

For and on behalf of  
Sun Life Trustee Company Limited



Hong Kong,

29 JUN 2023





# 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 111 to 171, which comprise the statement of assets and liabilities attributable to members as at 31 December 2022, 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 to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2022, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

### *Basis for Opinion*

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



# Independent auditor's report to the Trustee of Sun Life 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 HKSAs 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 HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

29 JUN 2023

## 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 2022 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 **29 JUN 2023**.

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 2022 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 2022, 30 September 2022 and 31 December 2022;
  - 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 2022, 30 September 2022 and 31 December 2022; 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 2022.
2. as at 31 December 2022, 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 2022 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

29 JUN 2023



## Statement of assets and liabilities attributable to members as at 31 December 2022

(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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Assets</b>													
Cash at banks		\$ 502,837,525	\$ 581,925,573	\$ 14,968,968,781	\$ 11,510,213,561	\$ 70,532,032	\$ 31,493,614	\$ 550,182,184	\$ 520,094,202	\$ 35,672,709	\$ 27,245,415	\$ 275,989,515	\$ 443,934,314
Amounts receivable on sales of investments		-	-	-	-	12,000,000	-	-	-	8,000,000	-	-	-
Amounts receivable on subscriptions		5,504,954	11,884,631	105,837,445	63,589,306	35,324,107	30,072,175	84,404,467	61,816,766	6,374,524	13,911,407	5,378,701	9,484,304
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Dividend, interest and other receivables		2,007,931	1,000,564	90,557,948	7,889,658	272,868	425,962	48,294	574	155,611	80,949	998,810	149,528
Investments		525,070,085	401,808,493	401,660,356	99,895,082	3,877,726,162	4,405,340,180	35,311,366,833	38,340,053,638	1,774,577,751	2,088,980,333	6,248,549,177	7,485,974,993
<b>Total assets</b>		<b>\$ 1,035,420,495</b>	<b>\$ 996,619,261</b>	<b>\$ 15,567,024,530</b>	<b>\$ 11,681,587,607</b>	<b>\$ 3,995,855,169</b>	<b>\$ 4,467,331,931</b>	<b>\$ 35,946,001,778</b>	<b>\$ 38,921,965,180</b>	<b>\$ 1,824,780,595</b>	<b>\$ 2,130,218,104</b>	<b>\$ 6,530,916,203</b>	<b>\$ 7,939,543,139</b>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ 7,896,049	\$ 5,522,548	\$ 132,551,853	\$ 85,707,013	\$ 35,824,485	\$ 39,339,788	\$ 113,908,329	\$ 102,899,782	\$ 6,861,438	\$ 18,216,509	\$ 13,687,500	\$ 20,227,823
Amounts payable on purchases of investments		-	20,354,126	-	-	-	-	-	-	-	-	-	-
Benefits payable		-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	5	-	-	-	-	-	-	-	-	-	-	-	-
Forfeiture payable		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables		1,210,566	1,139,157	14,008,215	5,279,876	5,847,798	6,375,395	50,230,806	54,031,371	2,532,856	2,854,601	9,425,705	11,085,947
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 9,106,615</b>	<b>\$ 27,015,831</b>	<b>\$ 146,560,068</b>	<b>\$ 90,986,889</b>	<b>\$ 41,672,283</b>	<b>\$ 45,715,183</b>	<b>\$ 164,139,135</b>	<b>\$ 156,931,153</b>	<b>\$ 9,394,294</b>	<b>\$ 21,071,110</b>	<b>\$ 23,113,205</b>	<b>\$ 31,313,770</b>
<b>Net assets attributable to members</b>		<b>\$ 1,026,313,880</b>	<b>\$ 969,603,430</b>	<b>\$ 15,420,464,462</b>	<b>\$ 11,590,600,718</b>	<b>\$ 3,954,182,886</b>	<b>\$ 4,421,616,748</b>	<b>\$ 35,781,862,643</b>	<b>\$ 38,765,034,027</b>	<b>\$ 1,815,386,301</b>	<b>\$ 2,109,146,994</b>	<b>\$ 6,507,802,998</b>	<b>\$ 7,908,229,369</b>
<b>Number of units in issue</b>													
Class A	3	162,687,279.69	156,096,859.54	1,676,869,356.89	1,496,446,057.57	514,884,859.70	542,984,359.93	987,871,934.19	941,889,208.59	308,589,343.47	317,931,922.72	539,329,049.10	570,127,236.89
Class B		801,885,679.70	719,704,198.14	11,892,012,153.51	8,741,830,678.21	2,398,817,437.00	2,410,010,195.98	4,936,831,336.06	4,504,291,647.71	1,734,561,783.19	1,734,233,774.90	2,658,278,556.95	2,656,773,614.64
<b>Net assets attributable to members per unit</b>													
Class A		1.0602	1.1036	1.1324	1.1288	1.3108	1.4490	5.8310	6.8855	0.8691	1.0071	1.9651	2.3711
Class B		1.0648	1.1079	1.1370	1.1326	1.3670	1.5082	6.0811	7.1664	0.8920	1.0316	2.0494	2.4678

The notes on pages 121 to 171 are an integral part of the financial statements.

## Statement of assets and liabilities attributable to members as at 31 December 2022 (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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Assets</b>													
Cash at banks		\$ 395,477,038	\$ 335,166,984	\$ 820,708,222	\$ 503,570,732	\$ 66,997,109	\$ 77,877,029	\$ 244,729,163	\$ 121,626,307	\$ 103,971,657	\$ 123,054,318	\$ 639,266	\$ 18,803,895
Amounts receivable on sales of investments		-	-	-	-	-	-	-	-	-	-	-	-
Amounts receivable on subscriptions		4,072,049	11,202,615	9,199,064	27,467,198	8,715,804	8,791,630	47,568,468	108,640,761	20,681,137	22,687,389	20,148,938	12,099,372
Contributions receivable		-	-	-	-	-	-	-	-	-	-	-	-
Dividend, interest and other receivables		926,817	205,606	1,269,362	301,697	5,947	752	424,158	1,013,256	1,592,564	3,518,077	66	4
Investments		6,019,274,242	7,398,847,406	9,452,595,919	11,849,859,294	4,188,105,209	5,203,560,021	9,096,241,652	10,123,015,530	6,402,858,801	8,507,644,364	1,967,319,850	1,727,432,340
<b>Total assets</b>		<b>\$ 6,419,750,146</b>	<b>\$ 7,745,422,611</b>	<b>\$ 10,283,772,567</b>	<b>\$ 12,381,198,921</b>	<b>\$ 4,263,824,069</b>	<b>\$ 5,290,229,432</b>	<b>\$ 9,388,963,441</b>	<b>\$ 10,354,295,854</b>	<b>\$ 6,529,104,159</b>	<b>\$ 8,656,904,148</b>	<b>\$ 1,988,108,120</b>	<b>\$ 1,758,335,611</b>
<b>Liabilities</b>													
Amounts payable on redemptions		\$ 10,085,832	\$ 13,980,130	\$ 19,961,700	\$ 23,801,455	\$ 10,104,226	\$ 22,218,233	\$ 56,843,283	\$ 62,172,634	\$ 21,158,606	\$ 42,951,815	\$ 16,111,172	\$ 13,839,306
Amounts payable on purchases of investments		-	-	-	-	-	-	-	-	-	-	-	-
Benefits payable		-	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	5	-	-	-	-	-	-	3,496,419	-	-	-	-	-
Forfeiture payable		-	-	-	-	-	-	-	-	-	-	-	-
Accruals and other payables		9,203,946	10,689,712	14,713,472	17,113,826	6,534,490	7,853,860	11,938,093	12,472,659	9,238,536	11,636,901	1,463,201	1,339,289
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 19,289,778</b>	<b>\$ 24,669,842</b>	<b>\$ 34,675,172</b>	<b>\$ 40,915,281</b>	<b>\$ 16,638,716</b>	<b>\$ 30,072,093</b>	<b>\$ 72,277,795</b>	<b>\$ 74,645,293</b>	<b>\$ 30,397,142</b>	<b>\$ 54,588,716</b>	<b>\$ 17,574,373</b>	<b>\$ 15,178,595</b>
<b>Net assets attributable to members</b>		<b>\$ 6,400,460,368</b>	<b>\$ 7,720,752,769</b>	<b>\$ 10,249,097,395</b>	<b>\$ 12,340,283,640</b>	<b>\$ 4,247,185,353</b>	<b>\$ 5,260,157,339</b>	<b>\$ 9,316,685,646</b>	<b>\$ 10,279,650,561</b>	<b>\$ 6,498,707,017</b>	<b>\$ 8,602,315,432</b>	<b>\$ 1,970,533,747</b>	<b>\$ 1,743,157,016</b>
<b>Number of units in issue</b>													
	3												
Class A		451,140,464.12	456,788,395.53	627,211,285.58	622,791,377.34	427,607,521.88	415,994,163.42	821,945,456.50	781,597,623.48	797,316,537.16	758,716,546.07	301,244,129.60	263,623,513.47
Class B		2,153,150,145.07	2,102,153,130.80	2,897,368,589.48	2,763,188,808.10	2,320,300,771.17	2,241,319,042.81	4,952,242,919.98	4,309,525,652.55	4,289,021,439.66	4,108,256,355.29	1,605,024,546.21	1,168,501,128.82
<b>Net assets attributable to members per unit</b>													
Class A		2.3735	2.9193	2.8089	3.5271	1.5073	1.9338	1.5728	1.9723	1.2469	1.7277	1.0337	1.2172
Class B		2.4753	3.0384	2.9293	3.6710	1.5527	1.9880	1.6203	2.0276	1.2834	1.7748	1.0337	1.2172

The notes on pages 121 to 171 are an integral part of the financial statements.

## Statement of assets and liabilities attributable to members as at 31 December 2022 (continued)

(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Scheme		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
<b>Assets</b>									
Cash at banks		\$ 6,356,186	\$ 17,965,439	\$ 25,750,220	\$ 49,763,843	\$ 350,249,396	\$ 411,900,484	\$ 18,419,061,003	\$ 14,774,635,710
Amounts receivable on sales of investments		-	-	6,000,000	-	-	-	26,000,000	-
Amounts receivable on subscriptions		15,086,898	16,284,386	14,096,547	35,958,932	(382,393,103)	(433,890,872)	-	-
Contributions receivable		-	-	-	-	11,511,797	703,872,821	-	703,872,821
Dividend, interest and other receivables		587	10	2,697	21	-	-	98,263,660	14,586,658
Investments		2,150,393,995	2,178,436,931	7,267,166,488	6,882,731,653	-	-	94,682,906,520	106,693,580,258
<b>Total assets</b>		<b>\$ 2,171,837,666</b>	<b>\$ 2,212,686,766</b>	<b>\$ 7,313,015,952</b>	<b>\$ 6,968,454,449</b>	<b>\$ (20,631,910)</b>	<b>\$ 681,882,433</b>	<b>\$ 113,237,742,980</b>	<b>\$ 122,186,675,447</b>
<b>Liabilities</b>									
Amounts payable on redemptions		\$ 16,234,058	\$ 15,508,638	\$ 33,179,852	\$ 26,870,852	\$ (494,408,383)	\$ (493,256,526)	\$ -	\$ -
Amounts payable on purchases of investments		-	-	-	-	-	-	-	20,354,126
Benefits payable		-	-	-	-	517,290,255	1,224,651,384	517,290,255	1,224,651,384
Derivative financial instruments	5	-	-	-	-	-	-	3,496,419	-
Forfeiture payable		-	-	-	-	54,588,402	44,571,461	54,588,402	44,571,461
Accruals and other payables		1,606,475	1,592,384	5,214,124	4,846,351	182,578,921	171,812,000	325,747,204	320,123,329
<b>Liabilities (excluding net assets attributable to members)</b>		<b>\$ 17,840,533</b>	<b>\$ 17,101,022</b>	<b>\$ 38,393,976</b>	<b>\$ 31,717,203</b>	<b>\$ 260,049,195</b>	<b>\$ 947,778,319</b>	<b>\$ 901,122,280</b>	<b>\$ 1,609,700,300</b>
<b>Net assets attributable to members</b>		<b>\$ 2,153,997,133</b>	<b>\$ 2,195,585,744</b>	<b>\$ 7,274,621,976</b>	<b>\$ 6,936,737,246</b>	<b>\$ (280,681,105)</b>	<b>\$ (265,895,886)</b>	<b>\$ 112,336,620,700</b>	<b>\$ 120,576,975,147</b>
<b>Number of units in issue</b>									
Class A	3	2,077,614,802.25	1,810,560,860.44	5,881,026,915.97	4,774,067,821.64				
<b>Net assets attributable to members per unit</b>									
Class A		1.0368	1.2127	1.2370	1.4530				

Approved and authorised for issue by the Trustee on **29 JUN 2023**



)  
)  
) For and on behalf of  
) Sun Life Trustee Company Limited  
)  
)

The notes on pages 121 to 171 are an integral part of the financial statements.

Statement of comprehensive income  
for the year ended 31 December 2022  
(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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income</b>													
Net (loss)/gain on investments	6	\$ (13,405,893)	\$ 16,638,791	\$ 3,285,073	\$ 4,393,209	\$ (355,614,018)	\$ (20,952,356)	\$ (5,471,686,805)	\$ (3,680,204,217)	\$ (253,753,270)	\$ (48,171,818)	\$ (1,247,945,913)	\$ (14,609,079)
Interest on bank deposits		10,588,470	7,035,918	203,545,366	42,844,837	178,125	478	907,694	5,955	90,047	348	240,981	3,499
Exchange (loss)/gain		(29,961,752)	7,543,711	-	-	-	-	-	-	-	-	(194,582)	-
Dividend income		-	-	-	-	-	-	-	-	-	-	632,326	440,000
Other income		-	-	-	-	1,403,839	1,759,090	-	-	376,669	234,077	1,797,911	776,177
<b>Total investment (loss)/income</b>		<b>\$ (32,779,175)</b>	<b>\$ 31,218,420</b>	<b>\$ 206,830,439</b>	<b>\$ 47,238,046</b>	<b>\$ (354,032,054)</b>	<b>\$ (19,192,788)</b>	<b>\$ (5,470,779,111)</b>	<b>\$ (3,680,198,262)</b>	<b>\$ (253,286,554)</b>	<b>\$ (47,937,393)</b>	<b>\$ (1,245,469,277)</b>	<b>\$ (13,389,403)</b>
<b>Expenses</b>													
Administration fees	8(a)	\$ 4,181,024	\$ 3,614,085	\$ 66,280,901	\$ 24,710,813	\$ 21,132,796	\$ 23,202,737	\$ 179,860,126	\$ 211,782,351	\$ 9,569,339	\$ 11,020,350	\$ 35,453,978	\$ 40,930,423
Investment management fees	8(b)	4,181,024	3,614,085	47,361,972	6,177,703	18,030,152	19,369,419	156,584,839	180,588,117	7,378,101	8,453,558	29,354,482	33,477,877
Sponsor fees	8(c)	3,135,768	2,710,564	23,198,315	8,648,784	12,249,970	13,437,481	104,483,215	122,775,398	5,574,244	6,411,396	20,583,937	23,712,321
Trustee fees	8(d)	611,337	537,235	8,285,112	3,088,852	6,024,500	6,629,845	50,997,495	60,359,360	2,694,438	3,112,962	10,067,122	11,685,227
Custodian fees		234,045	201,924	2,965,997	2,698,952	914,968	1,001,829	7,809,840	9,155,240	416,445	477,995	1,538,372	1,767,468
Auditor's fees		14,270	9,044	174,203	127,136	56,829	46,656	490,429	414,900	25,966	22,279	96,709	80,998
Professional indemnity insurance		10,617	2,621	131,053	30,982	42,505	13,955	373,604	117,248	19,559	6,458	73,205	23,550
Fund price publication expenses		2,831	1,978	34,557	27,778	11,276	10,183	97,328	90,860	5,153	4,865	19,192	17,717
Bank charges		7,365	6,329	7,470	8,040	-	-	-	-	-	-	-	-
Printing and postage expenses		127,800	116,197	1,504,115	1,591,872	512,962	604,010	4,547,773	5,301,720	236,853	286,798	888,457	1,041,227
Transaction costs		-	-	-	-	-	-	-	-	51,043	-	913,045	60,269
Miscellaneous expenses		4,686	4,650	6,841	6,503	5,218	5,234	10,575	11,261	4,826	4,849	5,711	5,799
<b>Total operating expenses</b>		<b>\$ 12,510,767</b>	<b>\$ 10,818,712</b>	<b>\$ 149,950,536</b>	<b>\$ 47,117,415</b>	<b>\$ 58,981,176</b>	<b>\$ 64,321,349</b>	<b>\$ 505,255,224</b>	<b>\$ 590,596,455</b>	<b>\$ 25,975,967</b>	<b>\$ 29,801,510</b>	<b>\$ 98,994,210</b>	<b>\$ 112,802,876</b>
<b>(Decrease)/increase in net assets attributable to members</b>		<b>\$ (45,289,942)</b>	<b>\$ 20,399,708</b>	<b>\$ 56,879,903</b>	<b>\$ 120,631</b>	<b>\$ (413,013,230)</b>	<b>\$ (83,514,137)</b>	<b>\$ (5,976,034,335)</b>	<b>\$ (4,270,794,717)</b>	<b>\$ (279,262,521)</b>	<b>\$ (77,738,903)</b>	<b>\$ (1,344,463,487)</b>	<b>\$ (126,192,279)</b>

The notes on pages 121 to 171 are an integral part of the financial statements.

Statement of comprehensive income  
for the year ended 31 December 2022 (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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Income</b>													
Net (loss)/gain on investments	6	\$ (1,353,959,086)	\$ 137,717,944	\$ (2,380,236,420)	\$ 418,341,391	\$ (1,098,763,224)	\$ (383,328,749)	\$ (2,108,257,557)	\$ 1,381,092,061	\$ (2,320,345,483)	\$ (899,430,357)	\$ (265,112,489)	\$ (300,181,068)
Interest on bank deposits		317,253	2,859	692,123	4,145	126,797	689	469,900	1,217	153,402	1,146	9,080	69
Exchange (loss)/gain		(280,431)	-	(1,436,199)	-	-	-	(3,200,125)	(1,615,674)	-	-	-	-
Dividend income		914,908	528,000	1,848,419	848,000	-	-	63,409,613	44,787,047	-	-	-	-
Other income		1,849,517	1,075,783	2,668,446	2,564,342	-	-	2,438,500	-	9,298,655	12,997,582	-	-
<b>Total investment (loss)/income</b>		<b>\$ (1,351,157,839)</b>	<b>\$ 139,324,586</b>	<b>\$ (2,376,463,631)</b>	<b>\$ 421,757,878</b>	<b>\$ (1,098,636,427)</b>	<b>\$ (383,328,060)</b>	<b>\$ (2,045,139,669)</b>	<b>\$ 1,424,264,651</b>	<b>\$ (2,310,893,426)</b>	<b>\$ (886,431,629)</b>	<b>\$ (265,103,409)</b>	<b>\$ (300,180,999)</b>
<b>Expenses</b>													
Administration fees	8(a)	\$ 34,429,813	\$ 38,657,130	\$ 54,646,099	\$ 60,396,165	\$ 23,021,733	\$ 26,244,829	\$ 48,172,924	\$ 41,961,675	\$ 35,238,598	\$ 43,367,352	\$ 7,287,667	\$ 6,925,198
Investment management fees	8(b)	30,074,066	32,988,087	50,436,902	53,772,626	29,572,690	33,664,260	36,176,324	29,174,220	36,441,449	43,599,793	364,384	346,260
Sponsor fees	8(c)	19,977,328	22,382,741	31,677,409	34,932,838	13,402,349	15,249,919	28,091,178	24,370,186	20,512,092	25,206,840	4,008,217	3,808,859
Trustee fees	8(d)	9,791,108	11,051,749	15,577,295	17,312,332	6,492,169	7,436,596	13,527,138	11,905,112	9,940,351	12,278,917	910,958	865,650
Custodian fees		1,493,159	1,667,881	2,367,892	2,602,527	1,002,210	1,135,693	2,099,185	1,812,377	1,535,243	1,877,282	408,281	387,231
Auditor's fees		93,824	75,203	148,930	115,769	63,120	49,055	128,830	76,733	98,895	79,515	24,948	17,349
Professional indemnity insurance		71,121	21,476	113,139	32,673	48,249	13,118	97,234	21,209	76,090	21,004	18,778	5,021
Fund price publication expenses		18,619	16,459	29,555	25,340	12,748	10,729	25,614	16,766	20,605	17,372	4,951	3,784
Bank charges		-	-	-	-	-	-	-	-	-	-	-	-
Printing and postage expenses		863,741	963,280	1,375,425	1,479,786	588,237	622,140	1,178,472	979,338	930,461	1,007,782	227,291	223,521
Transaction costs		1,231,070	98,372	2,977,935	168,253	-	-	7,052,383	4,181,830	744,491	-	-	-
Miscellaneous expenses		5,679	5,724	6,372	6,407	5,292	5,340	6,185	5,821	5,685	5,889	320	283
<b>Total operating expenses</b>		<b>\$ 98,049,528</b>	<b>\$ 107,928,102</b>	<b>\$ 159,356,953</b>	<b>\$ 170,844,716</b>	<b>\$ 74,208,797</b>	<b>\$ 84,431,679</b>	<b>\$ 136,555,467</b>	<b>\$ 114,505,267</b>	<b>\$ 105,543,960</b>	<b>\$ 127,461,746</b>	<b>\$ 13,255,795</b>	<b>\$ 12,583,156</b>
<b>(Decrease)/increase in net assets attributable to members</b>		<b>\$ (1,449,207,367)</b>	<b>\$ 31,396,484</b>	<b>\$ (2,535,820,584)</b>	<b>\$ 250,913,162</b>	<b>\$ (1,172,845,224)</b>	<b>\$ (467,759,739)</b>	<b>\$ (2,181,695,136)</b>	<b>\$ 1,309,759,384</b>	<b>\$ (2,416,437,386)</b>	<b>\$ (1,013,893,375)</b>	<b>\$ (278,359,204)</b>	<b>\$ (312,764,155)</b>

The notes on pages 121 to 171 are an integral part of the financial statements.

Statement of comprehensive  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Scheme		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
<b>Income</b>									
Net (loss)/gain on investments	6	\$ (318,042,935)	\$ 38,686,477	\$ (1,051,565,163)	\$ 556,270,292	\$ -	\$ -	\$ (18,235,403,183)	\$ (2,793,737,479)
Interest on bank deposits		11,797	93	55,766	292	55,841	6,210	217,442,642	49,907,755
Exchange (loss)/gain		-	-	-	-	-	-	(35,073,089)	5,928,037
Dividend income		-	-	-	-	-	-	66,805,266	46,603,047
Other income		-	-	-	-	-	-	19,833,537	19,407,051
<b>Total investment (loss)/income</b>		<b>\$ (318,031,138)</b>	<b>\$ 38,686,570</b>	<b>\$ (1,051,509,397)</b>	<b>\$ 556,270,584</b>	<b>\$ 55,841</b>	<b>\$ 6,210</b>	<b>\$ (17,966,394,827)</b>	<b>\$ (2,671,891,589)</b>
<b>Expenses</b>									
Administration fees	8(a)	\$ 8,511,652	\$ 7,823,128	\$ 27,616,378	\$ 22,712,925	\$ -	\$ -	\$ 555,403,028	\$ 563,349,161
Investment management fees	8(b)	5,319,782	4,889,455	17,260,236	14,195,578	-	-	468,536,403	464,311,038
Sponsor fees	8(c)	-	-	-	-	-	-	286,894,022	303,647,327
Trustee fees	8(d)	1,276,748	1,173,469	4,142,457	3,406,939	-	-	140,338,228	150,844,245
Custodian fees		476,793	436,962	1,546,582	1,267,359	-	-	24,809,012	26,490,720
Sub-custodian fees		-	-	-	-	-	-	-	-
Auditor's fees		29,081	19,466	92,926	54,735	-	-	1,538,960	1,188,838
Professional indemnity insurance		21,696	5,503	69,282	15,330	-	-	1,166,132	330,148
Fund price publication expenses		5,770	4,240	18,438	11,933	-	-	306,637	260,004
Bank charges		-	-	-	-	119,834	97,251	134,669	111,620
Printing and postage expenses		261,538	250,232	834,849	701,714	-	-	14,077,974	15,169,617
Transaction costs		-	-	-	-	-	-	12,969,967	4,508,724
Miscellaneous expenses		377	319	1,233	920	-	-	69,000	68,999
<b>Total operating expenses</b>		<b>\$ 15,903,437</b>	<b>\$ 14,602,774</b>	<b>\$ 51,582,381</b>	<b>\$ 42,367,433</b>	<b>\$ 119,834</b>	<b>\$ 97,251</b>	<b>\$ 1,506,244,032</b>	<b>\$ 1,530,280,441</b>
<b>(Decrease)/increase in net assets attributable to members</b>		<b>\$ (333,934,575)</b>	<b>\$ 24,083,796</b>	<b>\$ (1,103,091,778)</b>	<b>\$ 513,903,151</b>	<b>\$ (63,993)</b>	<b>\$ (91,041)</b>	<b>\$ (19,472,638,859)</b>	<b>\$ (4,202,172,030)</b>

The notes on pages 121 to 171 are an integral part of the financial statements.

Statement of changes in net assets attributable to members  
for the year ended 31 December 2022  
(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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Balance at the beginning of the year</b>		\$ 969,603,430	\$ 802,009,527	\$ 11,590,600,718	\$ 12,487,580,936	\$ 4,421,616,748	\$ 4,532,618,532	\$ 38,765,034,027	\$ 38,511,427,099	\$ 2,109,146,994	\$ 2,180,444,734	\$ 7,908,229,369	\$ 7,696,567,959
Proceeds on subscriptions of units	12	\$ 825,633,564	\$ 832,537,816	\$ 11,756,804,725	\$ 10,621,918,182	\$ 1,790,788,949	\$ 2,755,530,122	\$ 9,436,868,065	\$ 14,366,415,244	\$ 796,683,233	\$ 1,541,543,718	\$ 1,450,740,565	\$ 2,636,592,501
Payments on redemptions of units	13	(723,633,172)	(685,343,621)	(7,983,820,884)	(11,519,019,031)	(1,845,209,581)	(2,783,017,769)	(6,444,005,114)	(9,842,013,599)	(811,181,405)	(1,535,102,555)	(1,506,703,449)	(2,298,738,812)
<b>Net subscriptions/(redemptions)</b>		\$ 102,000,392	\$ 147,194,195	\$ 3,772,983,841	\$ (897,100,849)	\$ (54,420,632)	\$ (27,487,647)	\$ 2,992,862,951	\$ 4,524,401,645	\$ (14,498,172)	\$ 6,441,163	\$ (55,962,884)	\$ 337,853,689
<b>(Decrease)/increase in net assets attributable to members</b>		\$ (45,289,942)	\$ 20,399,708	\$ 56,879,903	\$ 120,631	\$ (413,013,230)	\$ (83,514,137)	\$ (5,976,034,335)	\$ (4,270,794,717)	\$ (279,262,521)	\$ (77,738,903)	\$ (1,344,463,487)	\$ (126,192,279)
<b>Balance at the end 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

The notes on pages 121 to 171 are an integral part of the financial statements.

Statement of changes in net assets attributable to members  
for the year ended 31 December 2022 (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	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Balance at the beginning of the year</b>		\$ 7,720,752,769	\$ 6,987,058,319	\$ 12,340,283,640	\$ 10,504,717,720	\$ 5,260,157,339	\$ 3,851,125,679	\$ 10,279,650,561	\$ 6,257,711,476	\$ 8,602,315,432	\$ 5,604,169,388	\$ 1,743,157,016	\$ 1,571,574,502
Proceeds on subscriptions of units	12	\$ 1,282,734,770	\$ 2,252,010,431	\$ 2,206,934,617	\$ 3,790,470,649	\$ 1,119,658,511	\$ 3,486,075,263	\$ 4,869,906,901	\$ 6,217,630,252	\$ 2,181,945,826	\$ 7,933,642,131	\$ 1,554,965,628	\$ 1,667,770,938
Payments on redemptions of units	13	(1,153,819,804)	(1,549,712,465)	(1,762,300,278)	(2,205,817,891)	(959,785,273)	(1,609,283,864)	(3,651,176,680)	(3,505,450,551)	(1,869,116,855)	(3,921,602,712)	(1,049,229,693)	(1,183,424,269)
<b>Net subscriptions/(redemptions)</b>		\$ 128,914,966	\$ 702,297,966	\$ 444,634,339	\$ 1,584,652,758	\$ 159,873,238	\$ 1,876,791,399	\$ 1,218,730,221	\$ 2,712,179,701	\$ 312,828,971	\$ 4,012,039,419	\$ 505,735,935	\$ 484,346,669
<b>(Decrease)/increase in net assets attributable to members</b>		\$ (1,449,207,367)	\$ 31,396,484	\$ (2,535,820,584)	\$ 250,913,162	\$ (1,172,845,224)	\$ (467,759,739)	\$ (2,181,695,136)	\$ 1,309,759,384	\$ (2,416,437,386)	\$ (1,013,893,375)	\$ (278,359,204)	\$ (312,764,155)
<b>Balance at the end 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

The notes on pages 121 to 171 are an integral part of the financial statements.



Statement of changes in net assets attributable to members  
for the year ended 31 December 2022 (continued)  
(Expressed in Hong Kong dollars)

	Note	Sun Life MPF Age 65 Plus Fund		Sun Life MPF Core Accumulation Fund		Scheme		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
<b>Balance at the beginning of the year</b>		\$ 2,195,585,744	\$ 1,673,025,412	\$ 6,936,737,246	\$ 4,606,071,102	\$ (265,895,886)	\$ 391,476,434	\$ 120,576,975,147	\$ 107,657,578,819
Proceeds on subscriptions of units	12	\$ 1,251,649,363	\$ 1,618,219,631	\$ 3,378,392,836	\$ 3,735,066,487	\$ (25,935,882,441)	\$ (37,282,464,468)	\$ 17,967,825,112	\$ 26,172,958,897
Payments on redemptions of units	13	(959,303,399)	(1,119,743,095)	(1,937,416,328)	(1,918,303,494)	25,921,161,215	36,625,183,189	(6,735,540,700)	(9,051,390,539)
<b>Net subscriptions/(redemptions)</b>		\$ 292,345,964	\$ 498,476,536	\$ 1,440,976,508	\$ 1,816,762,993	\$ (14,721,226)	\$ (657,281,279)	\$ 11,232,284,412	\$ 17,121,568,358
<b>(Decrease)/increase in net assets attributable to members</b>		\$ (333,934,575)	\$ 24,083,796	\$ (1,103,091,778)	\$ 513,903,151	\$ (63,993)	\$ (91,041)	\$ (19,472,638,859)	\$ (4,202,172,030)
<b>Balance at the end of the year</b>		\$ 2,153,997,133	\$ 2,195,585,744	\$ 7,274,621,976	\$ 6,936,737,246	\$ (280,681,105)	\$ (265,895,886)	\$ 112,336,620,700	\$ 120,576,975,147

The notes on pages 121 to 171 are an integral part of the financial statements.

## Cash flow statement

### for the year ended 31 December 2022

*(Expressed in Hong Kong dollars)*

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Decrease in net assets attributable to members		\$ (19,472,638,859)	\$ (4,202,172,030)
Adjustments for:			
Net decrease/(increase) in investments		12,010,673,738	(9,813,718,360)
Net decrease/(increase) in bank deposits with original maturity over 3 months		1,748,545,464	(3,979,196,775)
Change in amounts receivable/payable on sales/purchases of investments		(46,354,126)	198,823,910
Net increase in dividend, interest and other receivables		(83,677,002)	(1,560,678)
Increase in accruals and other payables		5,623,875	12,092,155
Increase in derivative financial instruments		3,496,419	-
<b>Net cash outflow from operating activities</b>		<u>\$ (5,834,330,491)</u>	<u>\$ (17,785,731,778)</u>
<b>Cash flows from financing activities</b>			
Contributions and transfers in received		\$ 18,660,186,136	\$ 26,127,967,278
Benefits and transfers out paid	9	(6,997,879,872)	(7,733,895,558)
Forfeitures paid	9	(435,005,016)	(620,386,659)
<b>Net cash inflow from financing activities</b>		<u>\$ 11,227,301,248</u>	<u>\$ 17,773,685,061</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		\$ 5,392,970,757	\$ (12,046,717)
<b>Cash and cash equivalents at the beginning of the year</b>		<u>5,775,632,883</u>	<u>5,787,679,600</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>\$ 11,168,603,640</u>	<u>\$ 5,775,632,883</u>
<b>Analysis of balance of cash and cash equivalents:</b>			
Cash at bank		\$ 18,419,061,003	\$ 14,774,635,710
Less: Bank deposits with original maturity over 3 months		<u>(7,250,457,363)</u>	<u>(8,999,002,827)</u>
		<u>\$ 11,168,603,640</u>	<u>\$ 5,775,632,883</u>

The notes on pages 121 to 171 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 fourteen 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 in the current and previous 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)

With effect from 5 June 2023, three new constituent funds were added to the Scheme:

(15) Sun Life MPF Global Low Carbon Index Fund

(16) Sun Life MPF European Equity Fund

(17) Sun Life MPF US Equity Fund

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.

As at 31 December 2022, 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 and the Sun Life MPF Age 65 Plus 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”.

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 Summary of significant accounting policies

The principal 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”), accounting principles generally accepted in Hong Kong, 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 significant 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 Summary of significant accounting policies (continued)

### (c) *Changes in accounting policies*

A number of new standards are effective from 1 January 2022 but they do not have a material effect on the Scheme's financial statements.

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.

#### *Business model assessment*

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

- Held-to-collect: this includes cash at bank, amounts receivable on sales of investments, amounts receivable on subscriptions, contributions receivables, dividend receivables, interest receivables 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.

## 2 Summary of significant accounting policies (continued)

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

#### (ii) Classification (continued)

##### *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.

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.

## 2 Summary of significant accounting policies (continued)

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

#### (iv) Fair value measurement principles

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

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

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

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

#### (v) Amortised cost measurement

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



## 2 Summary of significant accounting policies (continued)

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

#### (vi) Impairment

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

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

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

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

#### (vii) Derecognition

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

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

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

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

## **2 Summary of significant accounting policies (continued)**

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

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

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

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

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

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

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

Expenses are accounted for on an accrual basis.

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

#### *Functional and presentation currency*

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

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

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

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

## **2 Summary of significant accounting policies (continued)**

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

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

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

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

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

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

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

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

### **(k) Contributions**

Contributions are accounted for on an accrual basis.

### **(l) Benefits**

Benefits are accounted for on an accrual basis.

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

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

### **(n) Forfeitures**

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

## 2 Summary of significant accounting policies (continued)

### (o) Related parties

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

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

## 2 Summary of significant accounting policies (continued)

### (p) *Units in issue*

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

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

- it entitles the holder to a pro rata share of the Scheme's net assets in the event of its liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Scheme to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and

the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Scheme over the life of the instrument.

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

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

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

### (q) *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

	2022		2021	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF RMB and HKD Fund</b>				
Balance at the beginning of the year	156,096,859.54	719,704,198.14	160,808,062.81	580,187,161.58
Units issued	104,267,482.80	653,831,904.13	103,101,971.88	660,005,157.43
Units redeemed	(97,677,062.65)	(571,650,422.57)	(107,813,175.15)	(520,488,120.87)
Balance at the end of the year	<u>162,687,279.69</u>	<u>801,885,679.70</u>	<u>156,096,859.54</u>	<u>719,704,198.14</u>
<b>Sun Life MPF Conservative Fund</b>				
Balance at the beginning of the year	1,496,446,057.57	8,741,830,678.21	1,768,732,937.87	9,262,529,441.02
Units issued	1,116,124,624.16	9,264,026,688.27	1,227,882,692.18	8,154,586,084.07
Units redeemed	(935,701,324.84)	(6,113,845,212.97)	(1,500,169,572.48)	(8,675,284,846.88)
Balance at the end of the year	<u>1,676,869,356.89</u>	<u>11,892,012,153.51</u>	<u>1,496,446,057.57</u>	<u>8,741,830,678.21</u>
<b>Sun Life MPF Hong Kong Dollar Bond Fund</b>				
Balance at the beginning of the year	542,984,359.93	2,410,010,195.98	557,446,254.45	2,414,215,362.25
Units issued	250,615,149.91	1,028,919,505.31	329,847,164.27	1,493,521,472.94
Units redeemed	(278,714,650.14)	(1,040,112,264.29)	(344,309,058.79)	(1,497,726,639.21)
Balance at the end of the year	<u>514,884,859.70</u>	<u>2,398,817,437.00</u>	<u>542,984,359.93</u>	<u>2,410,010,195.98</u>

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

	2022		2021	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF Hong Kong Equity Fund</b>				
Balance at the beginning of the year	941,889,208.59	4,504,291,647.71	919,680,375.08	3,956,086,844.38
Units issued	260,255,898.84	1,291,124,022.07	279,497,839.44	1,507,348,866.53
Units redeemed	(214,273,173.24)	(858,584,333.72)	(257,289,005.93)	(959,144,063.20)
Balance at the end of the year	<u>987,871,934.19</u>	<u>4,936,831,336.06</u>	<u>941,889,208.59</u>	<u>4,504,291,647.71</u>
<b>Sun Life MPF Global Bond Fund</b>				
Balance at the beginning of the year	317,931,922.72	1,734,233,774.90	327,063,637.07	1,720,520,935.52
Units issued	137,678,750.05	719,155,216.10	202,940,795.97	1,274,468,885.00
Units redeemed	(147,021,329.30)	(718,827,207.81)	(212,072,510.32)	(1,260,756,045.62)
Balance at the end of the year	<u>308,589,343.47</u>	<u>1,734,561,783.19</u>	<u>317,931,922.72</u>	<u>1,734,233,774.90</u>
<b>Sun Life MPF Stable Fund</b>				
Balance at the beginning of the year	570,127,236.89	2,656,773,614.64	594,861,139.70	2,498,154,351.76
Units issued	112,053,710.15	565,057,927.68	158,683,785.85	898,106,841.09
Units redeemed	(142,851,897.94)	(563,552,985.37)	(183,417,688.66)	(739,487,578.21)
Balance at the end of the year	<u>539,329,049.10</u>	<u>2,658,278,556.95</u>	<u>570,127,236.89</u>	<u>2,656,773,614.64</u>
<b>Sun Life MPF Balanced Fund</b>				
Balance at the beginning of the year	456,788,395.53	2,102,153,130.80	458,983,964.69	1,871,423,102.74
Units issued	88,212,551.50	407,745,783.05	115,035,952.55	621,734,288.44
Units redeemed	(93,860,482.91)	(356,748,768.78)	(117,231,521.71)	(391,004,260.38)
Balance at the end of the year	<u>451,140,464.12</u>	<u>2,153,150,145.07</u>	<u>456,788,395.53</u>	<u>2,102,153,130.80</u>

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

	2022		2021	
	Class A	Class B	Class A	Class B
<b>Sun Life MPF Growth Fund</b>				
Balance at the beginning of the year	622,791,377.34	2,763,188,808.10	600,180,474.81	2,357,914,152.26
Units issued	131,713,652.34	587,098,472.02	161,446,645.65	867,149,403.14
Units redeemed	(127,293,744.10)	(452,918,690.64)	(138,835,743.12)	(461,874,747.30)
Balance at the end of the year	<u>622,211,285.58</u>	<u>2,897,368,589.48</u>	<u>622,791,377.34</u>	<u>2,763,188,808.10</u>
<b>Sun Life MPF Asian Equity Fund</b>				
Balance at the beginning of the year	415,994,163.42	2,241,319,042.81	350,454,105.05	1,464,170,138.27
Units issued	119,862,513.56	551,321,625.84	197,568,619.56	1,386,620,609.95
Units redeemed	(108,249,155.10)	(472,339,897.48)	(132,028,561.19)	(609,471,705.41)
Balance at the end of the year	<u>427,607,521.88</u>	<u>2,320,300,771.17</u>	<u>415,994,163.42</u>	<u>2,241,319,042.81</u>
<b>Sun Life MPF Multi-Sector Equity Fund</b>				
Balance at the beginning of the year	781,597,623.48	4,309,525,652.55	683,276,887.76	3,002,302,068.10
Units issued	427,498,951.78	2,387,625,142.48	469,537,758.18	2,793,649,397.29
Units redeemed	(387,151,118.76)	(1,744,907,875.05)	(371,217,022.46)	(1,486,425,812.84)
Balance at the end of the year	<u>821,945,456.50</u>	<u>4,952,242,919.98</u>	<u>781,597,623.48</u>	<u>4,309,525,652.55</u>
<b>Sun Life MPF Greater China Equity Fund</b>				
Balance at the beginning of the year	758,716,546.07	4,108,256,355.29	583,418,304.45	2,337,262,914.47
Units issued	256,751,931.13	1,306,229,923.07	476,975,780.68	3,439,878,510.13
Units redeemed	(218,151,940.04)	(1,125,464,838.70)	(301,677,539.06)	(1,668,885,069.31)
Balance at the end of the year	<u>797,316,537.16</u>	<u>4,289,021,439.66</u>	<u>758,716,546.07</u>	<u>4,108,256,355.29</u>



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

	2022		2021	
	Class A	Class B	Class A	Class B
<b>Sun Life FTSE MPF Hong Kong Index Fund</b>				
Balance at the beginning of the year	263,623,513.47	1,168,501,128.82	230,295,301.67	847,398,783.69
Units issued	205,509,589.14	1,264,771,547.39	207,726,735.44	953,450,870.40
Units redeemed	(167,888,973.01)	(828,248,130.00)	(174,398,523.64)	(632,348,525.27)
Balance at the end of the year	<u>301,244,129.60</u>	<u>1,605,024,546.21</u>	<u>263,623,513.47</u>	<u>1,168,501,128.82</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	1,810,560,860.44		1,394,729,903.45	
Units issued	1,143,502,467.33		1,349,049,504.46	
Units redeemed	(876,448,525.52)		(933,218,547.47)	
Balance at the end of the year	<u>2,077,614,802.25</u>		<u>1,810,560,860.44</u>	
<b>Sun Life MPF Core Accumulation Fund</b>				
Balance at the beginning of the year	4,774,067,821.64		3,478,182,758.21	
Units issued	2,607,506,470.76		2,675,371,375.85	
Units redeemed	(1,500,547,376.43)		(1,379,486,312.42)	
Balance at the end of the year	<u>5,881,026,915.97</u>		<u>4,774,067,821.64</u>	

## 4 Financial risk management

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

### (a) *Market risk*

The Scheme's investment objective is to provide members with reasonable investment return or capital appreciation from their investment in accordance to the investment policies as set out in the investment report. The holding of securities and investing activities undertaken pursuant to this objective involves certain inherent risks. 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 2022 and 2021, 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% (2021: 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% (2021: 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 2021.

	<i>As at 31 December 2022</i>					
	<i>Sun Life MPF Hong Kong Dollar Bond Fund</i>	<i>Sun Life MPF Hong Kong Equity Fund</i>	<i>Sun Life MPF Global Bond Fund</i>	<i>Sun Life MPF Stable Fund</i>	<i>Sun Life MPF Balanced Fund</i>	<i>Sun Life MPF Growth Fund</i>
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%

	<i>As at 31 December 2022</i>					
	<i>Sun Life MPF Asian Equity Fund</i>	<i>Sun Life MPF Multi-Sector Equity Fund</i>	<i>Sun Life MPF Greater China Equity Fund</i>	<i>Sun Life FTSE MPF Hong Kong Index Fund</i>	<i>Sun Life MPF Age 65 Plus Fund</i>	<i>Sun Life MPF Core Accumulation Fund</i>
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%

	<i>As at 31 December 2021</i>					
	<i>Sun Life MPF Hong Kong Dollar Bond Fund</i>	<i>Sun Life MPF Hong Kong Equity Fund</i>	<i>Sun Life MPF Global Bond Fund</i>	<i>Sun Life MPF Stable Fund</i>	<i>Sun Life MPF Balanced Fund</i>	<i>Sun Life MPF Growth Fund</i>
Investments	\$ 4,405,340,180	\$ 38,340,053,638	\$ 2,088,980,333	\$ 7,485,974,993	\$ 7,398,847,406	\$ 11,849,859,294
Increase in net assets and changes in net assets attributable to members	220,267,009	1,917,002,682	104,449,017	374,298,750	369,942,370	592,492,965
Percentage change in net assets	4.98%	4.95%	4.95%	4.73%	4.79%	4.80%

	<i>As at 31 December 2021</i>					
	<i>Sun Life MPF Asian Equity Fund</i>	<i>Sun Life MPF Multi-Sector Equity Fund</i>	<i>Sun Life MPF Greater China Equity Fund</i>	<i>Sun Life FTSE MPF Hong Kong Index Fund</i>	<i>Sun Life MPF Age 65 Plus Fund</i>	<i>Sun Life MPF Core Accumulation Fund</i>
Investments	\$ 5,203,560,021	\$ 10,123,015,530	\$ 8,507,644,364	\$ 1,727,432,340	\$ 2,178,436,931	\$ 6,882,731,653
Increase in net assets and changes in net assets attributable to members	260,178,001	506,150,777	425,382,218	86,371,617	108,921,847	344,136,583
Percentage change in net assets	4.95%	4.92%	4.94%	4.95%	4.96%	4.96%

## 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 2022 and 2021, 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 2022 and 2021, 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 2022 and 2021 and shows the estimated percentage changes in values of the positions assuming 15% (2021: 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)*

	2022	2021
Sun Life MPF RMB and HKD Fund Non HKD/USD currency position	<u>\$ 674,592,650</u>	<u>\$ 610,138,264</u>
Estimated possible change in exchange rate	15%	15%
Estimated change in NAV	<u>\$ 101,188,898</u>	<u>\$ 91,520,740</u>

## 4 Financial risk management (continued)

### (d) Interest rate risk

The Scheme held the Sub-Funds or debt securities as investments at 31 December 2022 and 2021. 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. 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 2022 and 2021, 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

	2022			2021		
	Up to 1 year	Non-interest bearing	Total	Up to 1 year	Non-interest bearing	Total
<b>Assets</b>						
Investments	\$ 525,070,085	\$ -	\$ 525,070,085	\$ 401,808,493	\$ -	\$ 401,808,493
Cash at banks	502,837,525	-	502,837,525	581,925,573	-	581,925,573
Amounts receivable on subscriptions	-	5,504,954	5,504,954	-	11,884,631	11,884,631
Other assets	-	2,007,931	2,007,931	-	1,000,564	1,000,564
<b>Total assets</b>	<b>\$ 1,027,907,610</b>	<b>\$ 7,512,885</b>	<b>\$ 1,035,420,495</b>	<b>\$ 983,734,066</b>	<b>\$ 12,885,195</b>	<b>\$ 996,619,261</b>
<b>Liabilities</b>						
Liabilities (excluding net assets attributable to the members)	\$ -	\$ 9,106,615	\$ 9,106,615	\$ -	\$ 27,015,831	\$ 27,015,831
<b>Total interest sensitivity gap</b>	<b>\$ 1,027,907,610</b>			<b>\$ 983,734,066</b>		

#### Sun Life MPF Conservative Fund

	2022			2021		
	Up to 1 year	Non-interest bearing	Total	Up to 1 year	Non-interest bearing	Total
<b>Assets</b>						
Investments	\$ 401,660,356	\$ -	\$ 401,660,356	\$ 99,895,082	\$ -	\$ 99,895,082
Cash at banks	14,968,968,781	-	14,968,968,781	11,510,213,561	-	11,510,213,561
Amounts receivable on subscriptions	-	105,837,445	105,837,445	-	63,589,306	63,589,306
Other assets	-	90,557,948	90,557,948	-	7,889,658	7,889,658
<b>Total assets</b>	<b>\$15,370,629,137</b>	<b>\$ 196,395,393</b>	<b>\$15,567,024,530</b>	<b>\$11,610,108,643</b>	<b>\$ 71,478,964</b>	<b>\$11,681,587,607</b>
<b>Liabilities</b>						
Liabilities (excluding net assets attributable to the members)	\$ -	\$ 146,560,068	\$ 146,560,068	\$ -	\$ 90,986,889	\$ 90,986,889
<b>Total interest sensitivity gap</b>	<b>\$15,370,629,137</b>			<b>\$11,610,108,643</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 (2021: 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:

As at 31 December 2022	<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)

As at 31 December 2021	<i>% increase in NAV</i>
First Sentier MPF Asia Region Bond Fund	5.32%
First Sentier MPF Global Bond Fund	7.85%
First Sentier MPF Hong Kong Bond Fund	4.27%
Invesco Pooled Investment Fund-HK\$ Bond Fund	4.14%
Invesco Pooled Investment Fund – MPF Bond Fund	6.91%
Principal Life Style Fund-Principal Hong Kong Bond Fund	4.41%
JPMorgan SAR HK\$ Bond Fund	4.79%
JPMorgan SAR Investment Grade Corporate Bond Fund	7.59%
Schroder MPF Core 20/80 Fund	6.56%
Schroder MPF Core 60/40 Fund	3.02%



#### 4 Financial risk management (continued)

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

	2022	2021
<b>The constituent funds:</b>		
Sun Life MPF RMB and HKD Fund	0.13%	0.11%
Sun Life MPF Conservative Fund	0.00%	0.00%
Sun Life MPF Hong Kong Dollar Bond Fund	3.53%	4.38%
Sun Life MPF Global Bond Fund	5.36%	6.60%
Sun Life MPF Stable Fund	3.45%	3.88%
Sun Life MPF Balanced Fund	2.28%	2.49%
Sun Life MPF Growth Fund	1.04%	1.01%
Sun Life MPF Age 65 Plus Fund	5.95%	6.51%
Sun Life MPF Core Accumulation Fund	2.86%	3.00%

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 and Sun Life FTSE MPF Hong Kong Index 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 2022 and 2021, 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

	2022	2021
Debt securities:		
AAA <sup>(1)</sup> or Aaa <sup>(2)</sup>	\$ 40,057,374	\$ 24,793,000
AA+ <sup>(1)</sup> or Aa1 <sup>(2)</sup>	44,514,308	24,783,130
AA <sup>(1)</sup> or Aa2 <sup>(2)</sup>	-	-
AA- <sup>(1)</sup> or Aa3 <sup>(2)</sup>	118,074,285	149,321,897
A+ <sup>(1)</sup> or A1 <sup>(2)</sup>	77,924,425	24,721,097
A <sup>(1)</sup> or A2 <sup>(2)</sup>	-	18,628,716
A- <sup>(1)</sup> or A3 <sup>(2)</sup>	-	33,963,499
BBB <sup>(1)</sup> or Baa2 <sup>(2)</sup>	-	25,720,705
Not rated	22,566,823	-
Certificate of deposits: issued by authorised financial institutions in Hong Kong	221,932,870	99,876,449
	<u>\$ 525,070,085</u>	<u>\$ 401,808,493</u>
Bank deposits with: authorised financial institutions in Hong Kong Custodian of the Scheme	425,502,433	537,251,030
	77,335,092	44,674,543
	<u>\$ 1,027,907,610</u>	<u>\$ 983,734,066</u>

#### 4 Financial risk management (continued)

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

Sun Life MPF Conservative Fund

	2022	2021
Certificate of deposits: issued by authorised financial institutions in Hong Kong	\$ 401,660,356	\$ 99,895,082
	<u>\$ 401,660,356</u>	<u>\$ 99,895,082</u>
Bank deposits with: authorised financial institutions in Hong Kong Custodian of the Scheme	14,553,144,015 415,824,766	11,374,691,919 135,521,642
	<u>\$15,370,629,137</u>	<u>\$11,610,108,643</u>

(1) Determined by Standard and Poor's Ratings Services

(2) Determined by Moody's Investors Service

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

Sun Life MPF RMB and HKD Fund

	2022	2021
Banking and finance	\$ 525,070,085	\$ 401,808,493
	<u>\$ 525,070,085</u>	<u>\$ 401,808,493</u>

#### 4 Financial risk management (continued)

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

Sun Life MPF Conservative Fund

	2022	2021
Banking and finance	\$ 401,660,356	\$ 99,895,082
	<u>\$ 401,660,356</u>	<u>\$ 99,895,082</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 with AA- (Standard & Poor's).

##### (f) Liquidity risk

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

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

The Scheme's objective with regard to liquidity is to ensure continuity of funding. The assets of the 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.

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

## 4 Financial risk management (continued)

### (g) Fair value information

As at 31 December 2022 and 2021, 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 2022 and 2021.

## 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 Multi-Sector Equity Fund

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>

## 6 Net (loss)/gain on investments

	2022	2021
<b>Sun Life MPF RMB and HKD Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (6,957,903)	\$ (6,180,631)
Realised (loss)/gain on sale of investments	<u>(6,447,990)</u>	<u>22,819,422</u>
	<u>\$ (13,405,893)</u>	<u>\$ 16,638,791</u>
<b>Sun Life MPF Conservative Fund</b>		
Change in unrealised gain or loss in value of investments	\$ 1,844,860	\$ (9,968,321)
Realised gain on sale of investments	<u>1,440,213</u>	<u>14,361,530</u>
	<u>\$ 3,285,073</u>	<u>\$ 4,393,209</u>
<b>Sun Life MPF Hong Kong Dollar Bond Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (357,991,604)	\$ (63,119,882)
Realised gain on sale of investments	<u>2,377,586</u>	<u>42,167,526</u>
	<u>\$ (355,614,018)</u>	<u>\$ (20,952,356)</u>
<b>Sun Life MPF Hong Kong Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$(4,911,467,964)	\$(4,709,468,820)
Realised (loss)/gain on sale of investments	<u>(560,218,841)</u>	<u>1,029,264,603</u>
	<u>\$(5,471,686,805)</u>	<u>\$(3,680,204,217)</u>
<b>Sun Life MPF Global Bond Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (233,094,334)	\$ (69,280,967)
Realised (loss)/gain on sale of investments	<u>(20,658,936)</u>	<u>21,109,149</u>
	<u>\$ (253,753,270)</u>	<u>\$ (48,171,818)</u>

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

	2022	2021
<b>Sun Life MPF Stable Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,106,710,788)	\$ (237,385,506)
Realised (loss)/gain on sale of investments	<u>(141,235,125)</u>	<u>222,776,427</u>
	<u><u>\$(1,247,945,913)</u></u>	<u><u>\$ (14,609,079)</u></u>
<b>Sun Life MPF Balanced Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,194,803,827)	\$ (57,048,413)
Realised (loss)/gain on sale of investments	<u>(159,155,259)</u>	<u>194,766,357</u>
	<u><u>\$(1,353,959,086)</u></u>	<u><u>\$ 137,717,944</u></u>
<b>Sun Life MPF Growth Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,972,406,478)	\$ (236,684,237)
Realised (loss)/gain on sale of investments	<u>(407,829,942)</u>	<u>655,025,628</u>
	<u><u>\$(2,380,236,420)</u></u>	<u><u>\$ 418,341,391</u></u>
<b>Sun Life MPF Asian Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (948,057,231)	\$ (405,863,102)
Realised (loss)/gain on sale of investments	<u>(150,705,993)</u>	<u>22,534,353</u>
	<u><u>\$(1,098,763,224)</u></u>	<u><u>\$ (383,328,749)</u></u>
<b>Sun Life MPF Multi-Sector Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,914,775,770)	\$ 498,974,917
Realised (loss)/gain on sale of investments	<u>(193,481,787)</u>	<u>882,117,144</u>
	<u><u>\$(2,108,257,557)</u></u>	<u><u>\$ 1,381,092,061</u></u>
<b>Sun Life MPF Greater China Equity Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,736,081,137)	\$ (927,969,996)
Realised (loss)/gain on sale of investments	<u>(584,264,346)</u>	<u>28,539,639</u>
	<u><u>\$(2,320,345,483)</u></u>	<u><u>\$ (899,430,357)</u></u>

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

	2022	2021
<b>Sun Life FTSE MPF Hong Kong Index Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (248,974,966)	\$ (328,709,222)
Realised (loss)/gain on sale of investments	<u>(16,137,523)</u>	<u>28,528,154</u>
	<u>\$ (265,112,489)</u>	<u>\$ (300,181,068)</u>
<b>Sun Life MPF Age 65 Plus Fund</b>		
Change in unrealised gain or loss in value of investments	\$ (317,570,469)	\$ 34,019,748
Realised (loss)/gain on sale of investments	<u>(472,466)</u>	<u>4,666,729</u>
	<u>\$ (318,042,935)</u>	<u>\$ 38,686,477</u>
<b>Sun Life MPF Core Accumulation Fund</b>		
Change in unrealised gain or loss in value of investments	\$(1,058,655,987)	\$ 547,740,764
Realised gain on sale of investments	<u>7,090,824</u>	<u>8,529,528</u>
	<u>\$(1,051,565,163)</u>	<u>\$ 556,270,292</u>



## 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.

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 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	\$ 12,044,890,208	\$ 3,877,726,162
Sun Life MPF Hong Kong Equity Fund Approved pooled investment funds	6	\$ 51,578,043,724	\$ 32,446,735,070
Approved index-tracking collective investment schemes	1	\$ 4,030,073,719	\$ 2,864,631,763
		<u>\$ 60,815,086,207</u>	<u>\$ 35,311,366,833</u>
Sun Life MPF Global Bond Fund Approved pooled investment funds	5	\$ 15,766,969,779	\$ 1,774,577,751

## 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 Stable Fund			
Approved pooled investment funds	13	\$ 74,243,449,921	\$ 5,854,514,143
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>
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	<u>\$ 5,382,355,252</u>	<u>\$ 706,313,965</u>
		<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	<u>\$ 5,382,355,252</u>	<u>\$ 1,311,705,521</u>
		<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	<u>\$ 4,030,073,719</u>	<u>\$ 4,712,217</u>
		<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	<u>\$ 17,422,856,862</u>	<u>\$ 4,487,068,124</u>
		<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	<u>\$ 5,557,443,719</u>	<u>\$ 346,922,985</u>
		<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 pooled investment fund	1	<u>\$ 8,193,080,000</u>	<u>\$ 7,267,166,488</u>

## 7 Involvement with unconsolidated structured entities (continued)

31 December 2021

<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	4	\$ 19,240,039,436	\$ 4,405,340,180
Sun Life MPF Hong Kong Equity Fund Approved pooled investment funds	5	\$ 53,945,777,728	\$ 33,024,537,382
Approved index-tracking collective investment schemes	1	\$ 5,913,246,455	\$ 5,315,516,256
	6	\$ 59,859,024,183	\$ 38,340,053,638
Sun Life MPF Global Bond Fund Approved pooled investment funds	4	\$ 16,311,042,725	\$ 2,088,980,333

**31 December 2021 (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	11	\$ 80,092,857,197	\$ 7,378,793,695
Approved index-tracking collective investment schemes	1	<u>\$ 5,913,246,455</u>	<u>\$ 107,181,298</u>
	12	<u>\$ 86,006,103,652</u>	<u>\$ 7,485,974,993</u>
Sun Life MPF Balanced Fund			
Approved pooled investment funds	11	\$ 95,171,397,350	\$ 7,242,235,463
Approved index-tracking collective investment schemes	1	<u>\$ 5,913,246,455</u>	<u>\$ 156,611,943</u>
	12	<u>\$ 101,084,643,805</u>	<u>\$ 7,398,847,406</u>
Sun Life MPF Growth Fund			
Approved pooled investment funds	11	\$ 80,092,857,197	\$ 11,516,199,267
Approved index-tracking collective investment schemes	1	<u>\$ 5,913,246,455</u>	<u>\$ 333,660,027</u>
	12	<u>\$ 86,006,103,652</u>	<u>\$ 11,849,859,294</u>
Sun Life MPF Asian Equity Fund			
Approved pooled investment funds	3	<u>\$ 26,544,080,000</u>	<u>\$ 5,203,560,021</u>
Sun Life MPF Multi-Sector Equity Fund			
Approved pooled investment funds	3	\$ 12,666,750,879	\$ 6,355,653,507
Approved index-tracking collective investment schemes	8	<u>\$ 34,544,209,308</u>	<u>\$ 3,767,362,023</u>
	11	<u>\$ 47,210,960,187</u>	<u>\$ 10,123,015,530</u>
Sun Life MPF Greater China Equity Fund			
Approved pooled investment funds	2	<u>\$ 24,214,785,593</u>	<u>\$ 8,507,644,364</u>
Sun Life FTSE MPF Hong Kong Index Fund			
Approved index-tracking collective investment scheme	1	<u>\$ 21,830,900,000</u>	<u>\$ 1,727,432,340</u>
Sun Life MPF Age 65 Plus Fund			
Approved pooled investment fund	1	<u>\$ 2,558,340,000</u>	<u>\$ 2,178,436,931</u>
Sun Life MPF Core Accumulation Fund			
Approved pooled investment fund	1	<u>\$ 7,781,230,000</u>	<u>\$ 6,882,731,653</u>

## 7 Involvement with unconsolidated structured entities (continued)

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.

	<i>Class A</i>	<i>Class B</i>	<i>Unit class</i>
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%
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:

	2022	2021
Sun Life MPF RMB and HKD Fund	\$ 357,136	\$ 335,715
Sun Life MPF Conservative Fund	\$ 5,201,267	\$ 1,533,790
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 1,790,641	\$ 2,009,560
Sun Life MPF Hong Kong Equity Fund	\$ 15,903,740	\$ 17,566,114
Sun Life MPF Global Bond Fund	\$ 821,108	\$ 955,161
Sun Life MPF Stable Fund	\$ 2,960,447	\$ 3,579,413
Sun Life MPF Balanced Fund	\$ 2,907,709	\$ 3,478,258
Sun Life MPF Growth Fund	\$ 4,655,412	\$ 5,541,817
Sun Life MPF Asian Equity Fund	\$ 1,920,170	\$ 2,366,507
Sun Life MPF Multi-Sector Equity Fund	\$ 4,231,475	\$ 4,492,336
Sun Life MPF Greater China Equity Fund	\$ 2,920,365	\$ 3,887,085
Sun Life FTSE MPF Hong Kong Index Fund	\$ 678,384	\$ 618,777
Sun Life MPF Age 65 Plus Fund	\$ 762,308	\$ 764,140
Sun Life MPF Core Accumulation Fund	\$ 2,566,134	\$ 2,375,761

## 8 Transactions with associates (continued)

### (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.

	<i>Class A</i>	<i>Class B</i>	<i>Unit class</i>
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%
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:

	2022	2021
Sun Life MPF RMB and HKD Fund	\$ 357,136	\$ 335,715
Sun Life MPF Conservative Fund	\$ 1,302,567	\$ 383,447
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 1,522,375	\$ 1,692,858
Sun Life MPF Hong Kong Equity Fund	\$ 13,783,657	\$ 15,167,827
Sun Life MPF Global Bond Fund	\$ 631,547	\$ 731,496
Sun Life MPF Stable Fund	\$ 2,380,388	\$ 3,000,911
Sun Life MPF Balanced Fund	\$ 2,505,906	\$ 3,038,695
Sun Life MPF Growth Fund	\$ 4,208,111	\$ 5,136,691
Sun Life MPF Asian Equity Fund	\$ 2,461,321	\$ 3,036,775
Sun Life MPF Multi-Sector Equity Fund	\$ 3,131,414	\$ 3,261,489

## 8 Transactions with associates (continued)

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

	2022	2021
Sun Life MPF Greater China Equity Fund	\$ 3,110,899	\$ 3,875,434
Sun Life FTSE MPF Hong Kong Index Fund	\$ 33,919	\$ 30,939
Sun Life MPF Age 65 Plus Fund	\$ 476,442	\$ 477,588
Sun Life MPF Core Accumulation Fund	\$ 1,603,834	\$ 1,484,851

### (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:

	Class A	Class B
Sun Life MPF Conservative Fund	0.14%	0.14%
Sun Life FTSE MPF Hong Kong Index Fund	0.22%	0.22%
All other constituent funds	0.30%	0.30%

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:

	2022	2021
Sun Life MPF RMB and HKD Fund	\$ 267,852	\$ 251,786
Sun Life MPF Conservative Fund	\$ 1,823,595	\$ 536,826
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 1,038,776	\$ 1,164,307
Sun Life MPF Hong Kong Equity Fund	\$ 9,244,077	\$ 10,197,784
Sun Life MPF Global Bond Fund	\$ 478,439	\$ 556,186
Sun Life MPF Stable Fund	\$ 1,720,127	\$ 2,076,378
Sun Life MPF Balanced Fund	\$ 1,688,057	\$ 2,017,039
Sun Life MPF Growth Fund	\$ 2,700,161	\$ 3,210,549
Sun Life MPF Asian Equity Fund	\$ 1,118,067	\$ 1,377,638
Sun Life MPF Multi-Sector Equity Fund	\$ 2,470,244	\$ 2,616,455
Sun Life MPF Greater China Equity Fund	\$ 1,699,857	\$ 2,263,301
Sun Life FTSE MPF Hong Kong Index Fund	\$ 373,111	\$ 340,327

## 8 Transactions with associates (continued)

### (d) Trustee fees

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

	<i>Class A</i>	<i>Class B</i>	<i>Unit class</i>
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%
All other constituent funds	0.23%	0.13%	N/A

## 8 Transactions with associates (continued)

### (d) Trustee fees (continued)

	2022	2021
Sun Life MPF RMB and HKD Fund	\$ 52,159	\$ 49,459
Sun Life MPF Conservative Fund	\$ 651,283	\$ 191,724
Sun Life MPF Hong Kong Dollar Bond Fund	\$ 509,484	\$ 573,582
Sun Life MPF Hong Kong Equity Fund	\$ 4,502,712	\$ 4,988,847
Sun Life MPF Global Bond Fund	\$ 231,032	\$ 269,199
Sun Life MPF Stable Fund	\$ 838,956	\$ 1,018,546
Sun Life MPF Balanced Fund	\$ 825,772	\$ 990,577
Sun Life MPF Growth Fund	\$ 1,325,214	\$ 1,582,140
Sun Life MPF Asian Equity Fund	\$ 541,221	\$ 667,420
Sun Life MPF Multi-Sector Equity Fund	\$ 1,184,841	\$ 1,265,375
Sun Life MPF Greater China Equity Fund	\$ 823,874	\$ 1,095,680
Sun Life FTSE MPF Hong Kong Index Fund	\$ 84,798	\$ 77,347
Sun Life MPF Age 65 Plus Fund	\$ 114,346	\$ 114,621
Sun Life MPF Core Accumulation Fund	\$ 384,920	\$ 356,364

## 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 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)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2022</b>	<u>\$ 517,290,255</u>	<u>\$ 54,588,402</u>	<u>\$ 571,878,657</u>
	<i>Benefits payable</i>	<i>Forfeitures payable</i>	<i>Total</i>
<b>At 1 January 2021</b>	\$ 471,257,027	\$ 100,857,496	\$ 572,114,523
<b>Changes from financing cash flows:</b>			
Benefits and transfers out	8,487,289,915	-	8,487,289,915
Benefits and transfers out paid	(7,733,895,558)	-	(7,733,895,558)
Forfeitures	-	564,100,624	564,100,624
Forfeitures paid	-	(620,386,659)	(620,386,659)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<u>\$ 1,224,651,384</u>	<u>\$ 44,571,461</u>	<u>\$ 1,269,222,845</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:

	2022	2021
From employers		
Mandatory	\$ 2,750,860,447	\$ 2,781,881,145
Voluntary	2,256,825,117	1,948,718,745
From employees and self-employed persons		
Mandatory	2,722,945,665	2,736,979,753
Voluntary	134,918,443	439,006,873
Special private contributions and tax deductible voluntary contributions (Note)	289,533,200	123,265,256
Contribution received and receivable	\$ 8,155,082,872	\$ 8,029,851,772
Group transfers in from other schemes	1,767,801,064	4,977,353,269
Individual transfers in from other schemes	7,857,151,330	12,995,655,450
Bonus unit rebate	187,789,846	170,098,406
	\$ 17,967,825,112	\$ 26,172,958,897

Note: Tax deductible voluntary contributions ("TVC") was launched on 2 October 2019. The amount of subscriptions included both TVC and special private contributions.

## 13 Redemptions

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

	2022	2021
Permanent departure	\$ 1,487,165,896	\$ 1,568,254,752
Refund of additional voluntary contributions to leavers	166,892,746	288,059,148
Death	45,091,354	87,492,428
Retirement	612,407,861	856,869,345
Early retirement	263,723,259	467,497,602
Total incapacity	25,312,067	35,696,497
Terminal illness	14,246,894	16,804,721
Small balance	3,585	14,468
Benefits paid and payable	\$ 2,614,843,662	\$ 3,320,688,961
Group transfers out to other schemes	710,812,283	742,251,402
Individual transfers out to other schemes	2,964,862,798	4,424,349,552
Forfeitures	445,021,957	564,100,624
	\$ 6,735,540,700	\$ 9,051,390,539



## 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 \$112,025,632,144 as at 31 December 2022 (2021: \$114,891,486,323).

## 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 (2021: Nil).

## 18 Security lending arrangements

During the year, the Scheme and its constituent funds did not enter into any security lending arrangements (2021: Nil).

## 19 Negotiability of assets

At 31 December 2022 and 2021, 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 2022 and 2021.

## 21 Contingent liabilities

The Scheme and its constituent funds had no contingent liabilities as at 31 December 2022 and 2021.

## 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 2022 and 2021.

## 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. The deferred administrative expenses amounted to \$24,071,058 was recognised during the year. As at 31 December 2022, there was no deferred administrative expenses (2021: \$61,134,659), \$30,074,372 (2021: \$15,499,333) was forfeited and \$55,131,345 was 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 2022 and 2021, 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 2022 and 2021.

## 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 2022**

	<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	\$ 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
	\$ 15,584,975	\$ 50,565,653
<b>b) 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
	\$ 318,462	\$ 1,016,728
<b>c) Payments other than (a) and (b) above</b>		
	\$ -	\$ -
<b>Total payments</b>	\$ 15,903,437	\$ 51,582,381
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.015%	0.015%

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

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

During the year ended 31 December 2021

	<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	\$ 7,823,128	\$ 22,712,925
Custodian fees	436,962	1,267,359
Investment management fees	4,889,455	14,195,578
Trustee fees	1,173,469	3,406,939
	\$ 14,323,014	\$ 41,582,801
<b>e) Out-of-pocket expenses</b>		
Auditor's fees	\$ 19,466	\$ 54,735
Printing and postage expenses	250,232	701,714
Fund price publication expenses	4,240	11,933
Professional indemnity insurance	5,503	15,330
Miscellaneous expenses	319	920
	\$ 279,760	\$ 784,632
<b>f) Payments other than (a) and (b) above</b>		
	\$ -	\$ -
<b>Total payments</b>	\$ 14,602,774	\$ 42,367,433
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds	0.014%	0.014%

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 2021.

## 26 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2022

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 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme.

	<i>Effective for accounting periods beginning on or after</i>
Amendments to HKAS 1, <i>Presentation of financial statements</i> and HKFRS Practice Statement 2, <i>Making materiality judgements: Disclosure of accounting policies</i>	1 January 2023
Amendments to HKAS 8, <i>Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates</i>	1 January 2023
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i>	1 January 2024

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.

## 27 Subsequent events

With effect from 5 June 2023, three new constituent funds were added to the Scheme:

- (1) Sun Life MPF Global Low Carbon Index Fund
- (2) Sun Life MPF European Equity Fund
- (3) Sun Life MPF US Equity Fund

# Sun Life Rainbow MPF Scheme

## Governance Report

For the year ended 31 December 2022

# 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”) is one of the world’s largest asset managers, with CAD1.36 trillion<sup>1</sup> in assets under management (“AUM”) as at March 31, 2023. One of the pillars of Sun Life’s Sustainability Plan is Sustainable Investing. Across Sun Life, we integrate environmental, social and governance (“ESG”) factors into our investment processes and decision-making, where material, as part of fulfilling our duty to act in the best interest of our asset management Clients. Sustainable investing can help Sun Life deliver on our purpose of helping Clients achieve lifetime financial security and live healthier lives while making a positive impact on society. Through its sustainable investment activities, Sun Life aspires to deliver sustainable returns for Clients and drive the transition to a low-carbon, inclusive economy.

Sun Life Trustee Company Limited (the “Company”) is the trustee of the Sun Life Rainbow MPF Scheme (the “Scheme”). The Company, with the agreement of 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 March 31, 2023. Comprises general fund assets, segregated funds, mutual funds, and other AUM.



## Section 1: Trustee's governance framework

The Company maintains a governance framework with 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 staffs of the Company.

The Board of Directors of 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 or 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 offered by the Scheme, particularly for those constituent funds (“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”) which are 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 CFs, and sustainable investments. SLAMHK is interviewed by the Board on a regular basis (not less than quarterly). Should the performance of SLAMHK fall below the agreed performance levels (which is subject to the Company’s review on a regular basis), the Company will direct SLAMHK to provide alternative solutions if necessary.

### **4. Board’s Decision**

Business initiatives and major decisions affecting the MPF business and operations require prior approval of the Board. These initiatives and decisions include but are not limited to change of service providers, change of services, change to the investment policy and objective of constituent funds, addition/cancellation of constituent funds 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 constituent funds which can satisfy the risk appetite and investment needs of Scheme participants
- Monitoring the performance of the investment manager in allocating assets of constituent funds to underlying investments and ascertaining their added value
- Monitoring performance of constituent funds 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 2022, the Company has achieved/provided the following value-for-money services to Scheme participants:

- enhanced the digital experience of Scheme participants through electronic services;
- enhanced the transparency of Scheme information through the introduction of the Key Scheme Information Document which allows easy accessibility of scheme information; and
- supported employers in their application of the government subsidy including providing information to the Government without adding any charges to the employers or the Scheme.

## **(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. Therefore, integrating ESG factors is consistent with the Company's objective to help clients achieve their investment objectives in the long run 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 manager 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 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.