Sun Life
永明金融

MPF Scheme Brochure

For Sun Life MPF Comprehensive Scheme

Sun Life Pension Trust Limited

Version date	:	March 2020
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IF YOU ARE IN DOUBT ABOUT THE MEANING OR EFFECT OF THE CONTENTS OF THIS DOCUMENT, YOU SHOULD SEEK INDEPENDENT PROFESSIONAL ADVICE. THIS DOCUMENT CONTAINS DETAILS OF HOW THE CONSTITUENT FUNDS IN THE SUN LIFE MPF COMPREHENSIVE SCHEME ARE TO BE INVESTED. IT SHOULD BE NOTED THAT INVESTMENT INVOLVES RISK.

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INVESTMENT INVOLVES RISK AND NOT ALL CONSTITUENT FUNDS AVAILABLE UNDER THE SCHEME WOULD BE SUITABLE FOR EVERYONE. THERE IS NO ASSURANCE ON INVESTMENT RETURNS AND YOUR INVESTMENTS/ACCRUED BENEFTS MAY SUFFER SIGNIFICANT LOSSES.

FOR FURTHER DETAILS INCLUDING THE FEATURES OF THE SCHEME AND EACH CONSTITUENT FUND, THE INVESTMENT OBJECTIVES OF EACH CONSTITUENT FUND AND RISKS INVOLVED, PLEASE REFER TO THE DETAILS IN THE BROCHURE OF THE SCHEME (AS AMENDED FROM TIME TO TIME). IF YOU ARE IN DOUBT ABOUT THE MEANING OR EFFECT OF THE CONTENTS OF THE BROCHURE OR ANY ADDENDUM THERETO, YOU SHOULD SEEK PROFESSIONAL ADVICE.

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SUN LIFE MPF COMPREHENSIVE SCHEME

Important:

- YOU SHOULD CONSIDER YOUR OWN RISK TOLERANCE LEVEL AND FINANCIAL CIRCUMSTANCES BEFORE MAKING ANY INVESTMENT CHOICES. WHEN, IN YOUR SELECTION OF CONSTITUENT FUNDS, YOU ARE IN DOUBT AS TO WHETHER A CERTAIN CONSTITUENT FUND OR THE DEFAULT INVESTMENT STRATEGY IS SUITABLE FOR YOU (INCLUDING WHETHER IT IS CONSISTENT WITH YOUR INVESTMENT OBJECTIVES), YOU SHOULD SEEK FINANCIAL AND/OR PROFESSIONAL ADVICE AND MAKE INVESTMENT CHOICES MOST SUITABLE FOR YOU TAKING INTO ACCOUNT YOUR CIRCUMSTANCES.
- IN THE EVENT THAT YOU DO NOT MAKE ANY INVESTMENT CHOICES, PLEASE BE REMINDED THAT YOUR CONTRIBUTIONS MADE AND/OR BENEFITS TRANSFERRED INTO THE SCHEME WILL UNLESS OTHERWISE PROVIDED IN THIS BROCHURE BE INVESTED IN ACCORDANCE WITH THE DEFAULT INVESTMENT STRATEGY WHICH MAY NOT NECESSARILY BE SUITABLE FOR YOU.
- THE SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO UNDER THE ABOVE SCHEME INVESTS ITS ASSETS SOLELY IN AN APPROVED POOLED INVESTMENT FUND IN THE FORM OF INSURANCE POLICY PROVIDED BY FWD LIFE INSURANCE COMPANY (BERMUDA) LIMITED ("FWD LIFE"). THE GUARANTEE IS ALSO GIVEN BY FWD LIFE. YOUR INVESTMENTS IN THE SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO, IF ANY, ARE THEREFORE SUBJECT TO THE CREDIT RISK OF FWD LIFE. THE GUARANTEE IS SUBJECT TO QUALIFYING CONDITIONS. PLEASE REFER TO SECTION 3.4 OF THE BROCHURE FOR DETAILS OF THE CREDIT RISK, GUARANTEE FEATURES AND GUARANTEE CONDITIONS.

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1 INTRODUCTION

1.1 MANDATORY PROVIDENT FUND ("MPF")

In August 1995, the Hong Kong Government enacted the Mandatory Provident Fund Schemes Ordinance (the "MPF Ordinance") which provides the framework for the establishment of a system of privately managed employment related Mandatory Provident Fund schemes to accrue financial benefits for members of the workforce when they retire. Under the MPF system, members of the workforce aged between 18 and 65 are required to make contributions to registered MPF schemes. MPF scheme members include full-time and part-time employees who have been employed for 60 days or more, and self-employed persons.

1.2 SUN LIFE MPF COMPREHENSIVE SCHEME

1.2.1 The Sun Life MPF Comprehensive Scheme (formerly known as FWD MPF Master Trust Comprehensive Scheme) was established under a Deed of Trust, dated 31 January 2000, as amended.

1.2.2 The assets of the Constituent Funds are primarily invested in approved pooled investment funds ("APIFs") (which are approved by the MPFA and authorised by the Securities and Futures Commission ("SFC") and approved index-tracking collective investment schemes ("ITCISs") (which are approved by the MPFA).

1.2.3 The Scheme offers a choice of twelve unitized Constituent Funds and the Default Investment Strategy (**"DIS"**) (as described in sections 3.3.3 and 3.3.4). Each Constituent Fund is established under the Deed of Trust of the Scheme. Except for Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (which invests directly in permissible investments) and Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio (which invests in two or more unit trust APIFs and/or two or more approved ITCISs), the other Constituent Funds invest their assets in respective single APIF. Details of the twelve Constituent Funds are set out section 3 of this Brochure.

1.3 SCHEME STRUCTURE

A chart of the Sun Life MPF Comprehensive Scheme, its Constituent Funds, underlying APIF(s) and underlying approved ITCISs are set out below:

	Constituent Funds	
SUN LIFE MPF COMPREHENSIVE SCHEME – CONSTITUENT FUNDS	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	→ Direct Investment
	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	→ FWD MPF Capital Guaranteed Policy
	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	→ Schroder MPF Core 20/80 Fund
	Sun Life MPF Comprehensive Scheme Stable Portfolio	→ Schroder MPF Capital Stable Fund
	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	→ Schroder MPF Stable Growth Fund
	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	→ Schroder MPF Core 60/40 Fund
	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	→ Schroder MPF Balanced Investment Fund
	Sun Life MPF Comprehensive Scheme Growth Portfolio	→ Schroder MPF Growth Fund
	Sun Life MPF Comprehensive Scheme International Equity Portfolio	→ Fidelity Global Investment Fund - Global Equity Fund
	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	→ APIFs and/or Approved ITICs
	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	→ Schroder MPF Asian Fund
	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	→ Schroder IPF Hong Kong Equity Fund

2 DIRECTORY

Trustee:	Sun Life Pension Trust Limited 16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong
Sponsor:	Sun Life Hong Kong Limited 16/F, Cheung Kei Center Tower A No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong
Custodian:	RBC Investor Services Trust Hong Kong Limited 41/F & 42/F, One Taikoo Place, Taikoo Place 979 King's Road, Quarry Bay, Hong Kong
Investment Manager of the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio:	Schroder Investment Management (Hong Kong) Limited Suite 3301, Level 33, Two Pacific Place, 88 Queensway, Hong Kong
Investment Manager of the Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio:	State Street Global Advisors Asia Limited 68/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong
Investment Manager and insurer of the FWD MPF Capital Guaranteed Policy (an Underlying Approved Pooled Investment Fund):	FWD Life Insurance Company (Bermuda) Limited 28/F, FWD Financial Centre, 308 Des Voeux Road Central, Hong Kong
Investment Manager of the Underlying Approved Pooled Investment Funds of the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio, Sun Life MPF Comprehensive Scheme Stable Portfolio, Sun Life MPF Comprehensive Scheme Stable Growth Portfolio, Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio, Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio, Sun Life MPF Comprehensive Scheme Growth Portfolio, Sun Life MPF Comprehensive Scheme Asian Equity Portfolio and Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio:	Schroder Investment Management (Hong Kong) Limited Suite 3301, Level 33, Two Pacific Place, 88 Queensway Hong Kong
Investment Manager of the Underlying Approved Pooled Investment Fund of the Sun Life MPF Comprehensive Scheme International Equity Portfolio:	FIL Investment Management (Hong Kong) Limited Level 21, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong
Auditor:	KPMG 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
Administrator:	BestServe Financial Limited 10th Floor, One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong

3 FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES

3.1 FUND OPTIONS

No.	Name of Constituent Fund	Investment Manager#	Fund Structure	Fund Descriptor	Investment Focus
1.	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	Schroder Investment Management (Hong Kong) Limited	Direct investment	Money Market Fund - Hong Kong	70% - 100% in deposits and debt securities, 0% - 30% in cash
2.	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	Not Applicable*	Investing in a single APIF	Guaranteed Fund (please refer to section 3.4 of the Brochure for details of the guarantee features and conditions)	0% - 33% in equities, 67% - 95% in bonds, 0% - 33% in cash or cash equivalents
3.	Sun Life MPF Comprehensive Scheme Stable Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 40%	15% - 40% in equities, 40% - 70% in bonds, 0% - 30% in cash or cash equivalents
4.	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 60%	30% - 60% in equities, 20% - 60% in bonds, 0% - 20% in cash or cash equivalents
5.	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global – Maximum equity 85%	45% - 85% in equities, 0% - 40% in bonds, 0% - 20% in cash or cash equivalents
6.	Sun Life MPF Comprehensive Scheme Growth Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 100%	60% - 100% in equities, 0% - 20% in bonds, 0% - 30% in cash or cash equivalents
7.	Sun Life MPF Comprehensive Scheme International Equity Portfolio	Not Applicable^	Investing in a single APIF	Equity Fund - Global	100% in equities, 0% in bonds, 0% in cash
8.	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	State Street Global Advisors Asia Limited	Investing in 2 or more APIFs and/or two or more approved ITCISs	Equity Fund - United States and Hong Kong	90% - 100% in equities, 0% - 10% in cash or cash equivalents
9.	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	Not Applicable#	Investing in a single APIF	Equity Fund - Asia ex Japan	60% - 100% in Asian equities (excluding Japan), 0% - 40% in cash or cash equivalents
10.	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	Not Applicable#	Investing in a single APIF	Equity Fund - Hong Kong	90% - 100% in Hong Kong equities, 0% - 10% in cash or cash equivalents
11.	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 65%	60% in higher risk assets (such as global equities) , with balance in lower risk assets (such as global fixed income and money market instruments)
12.	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	Not Applicable#	Investing in a single APIF	Mixed Assets Fund - Global - Maximum equity 25%	20% in higher risk assets (such as global equities), with balance in lower risk assets (such as global fixed income and money market instruments)

*** FWD Life Insurance Company (Bermuda) Limited is the investment manager of the underlying APIF**
 # Schroder Investment Management (Hong Kong) Limited is the investment manager of the underlying APIF
^ FIL Investment Management (Hong Kong) Limited is the investment manager of the underlying APIF

3.2 STATEMENT OF INVESTMENT POLICY & OBJECTIVES

3.2.1 General

3.2.1.1 Common investment policies

The following are common investment policies which apply to all Constituent Funds:

(a) Except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio and Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio, the rest of the other Constituent Funds will invest its assets in a single APIF, but may also hold up to 5% (or such higher percentage as disclosed in section 3.2.2 (Statement of Investment Policy and Objectives) below) of its assets in cash from time to time for ancillary purposes such as for meeting redemption requests or for defraying operating expenses.

(b) Except Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, none of the other Constituent Funds will have direct holdings of equities or bonds.

(c) None of the Constituent Funds will trade in futures or options.

(d) None of the Constituent Funds will lend securities.

(e) Each Constituent Fund is subject to the investment and borrowing restrictions in Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation.

3.2.1.2 Changes to Statement of Investment Policy and Objectives

Participants in the Scheme will be notified of changes to the Statement of Investment Policy and Objectives. A notice period of 3 months or shorter as agreed with the SFC will be given to the participants.

3.2.1.3 Classification of risk

The Constituent Funds are classified into three categories in terms of risk level, namely low, medium or high risk. The risk level is an illustration of the amount of risks associated with the relevant Constituent Fund by reference to the type of investments made by the underlying APIF(s) and the underlying approved ITCISs. The risk level is for reference only and not an indication of the past or future performance of the Constituent Fund. The risk level is solely assessed by the Trustee on the assumption that equities are riskier than bonds, which in turn are riskier than cash. The risk rating will be reviewed at least annually according to the prevailing market circumstances. The actual risks associated with each Constituent Fund may differ from the projected risk level.

3.2.1.4 Determination of return and risk profile

The return profile (where applicable) and risk profile for the Constituent Funds set out below are determined by the Trustee, in consultation with the Sponsor, based on various factors including volatility, the investment objective and policy and asset allocations. These profiles are provided for reference only, and may be updated periodically based on prevailing market circumstances.

3.2.1.5 Asset allocation

The asset allocation percentages stated in the below Statement of Investment Policy and Objectives may vary from time to time, at the discretion of the Trustee and the Investment Managers of the underlying APIFs and the underlying approved ITCISs, depending on the prevailing market situations

3.2.2 Statement of Investment Policy and Objectives

3.2.2.1 Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio (the "MPF Conservative Portfolio") invests its assets directly in permissible investments. The investment objective of the MPF Conservative Portfolio is to provide a return, after administrative expenses, which matches or exceeds the Hong Kong dollar savings rate.

(b) Balance of investments

The MPF Conservative Portfolio's investment would be limited by the investment restrictions for a capital preservation fund as defined in the MPF legislation and guidelines. In summary, its assets may be invested only in:

(i) Deposits of less than 12 months maturity with financial institutions; and/or

(ii) Debt securities, with a maturity of 2 years or less, issued by or guaranteed by the Hong Kong Government, the Exchange Fund, a company wholly owned by the Hong Kong Government; or a foreign government or multi-lateral agency (such as the World Bank) with the highest credit rating; and/or

(iii) Debt securities, with a maturity of 1 year or less and a minimum credit rating level (e.g. presently A-1 or better as determined by Standard & Poor's Corporation).

The MPF Conservative Portfolio's portfolio average remaining maturity must not exceed 90 days.

The mix of the investments of the MPF Conservative Portfolio is: 70%-100% in deposits and debt securities; 0%-30% in cash. The MPF Conservative Portfolio must hold 100% of its assets in Hong Kong dollar investments.

It should be noted that an investment in the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio is not the same as placing funds on deposit with a bank or deposit-taking company and that there is no obligation to realise the investment at the offer value. It should also be noted that the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio is not subject to the supervision of the Hong Kong Monetary Authority.

(c) Security lending and repurchase agreements

The MPF Conservative Portfolio will not engage in securities lending or repurchase agreements.

(d) Futures and options

The MPF Conservative Portfolio will not enter into financial futures contracts or financial option contracts.

(e) Risk and return profile

The MPF Conservative Portfolio is considered low risk and its return is expected to be in line with the Hong Kong dollar savings rate.

(f) Risks

The performance of the MPF Conservative Portfolio is subject to a number of risks, including the following:

- Liquidity
- Currency risk
- Interest rates
- Counterparty and settlement risk
- Operational risk

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.2 Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio ("Capital Guaranteed Portfolio") invests its assets in Class A units of the FWD MPF Capital Guaranteed Policy ("Capital Guaranteed Policy"). The objective of the Capital Guaranteed Policy is to provide capital security at the end of every 5 years and to seek long term capital appreciation.

(b) Balance of investments

The Capital Guaranteed Policy invests into the Schroder IPF Global Balanced Fund (the "Global Balanced Fund") of the Schroder Institutional Pooled Funds, an APIF. The investment strategy of the Global Balanced Fund would include equities, bonds, and cash and cash equivalents. The current proposed asset allocation is **Equities:** 0% to 33%, **Bonds:** 67% to 95%, and **Cash or cash equivalents:** 0% to 33% respectively. The investments are globally diversified but with a bias towards Hong Kong. The Global Balanced Fund will hold a minimum of 67% of its assets in Hong Kong dollar investments at all times through direct holdings in equities, bonds and cash and/or through currency hedging.

The Capital Guaranteed Policy is in an APIF managed by FWD Life Insruance Company (Bermuda) Limited ("FWD Life"). FWD Life is the guarantor for the Capital Guaranteed Policy. The guarantee provisions, in particular the application of the guarantee charge, may cause a dilution of performance of the Capital Guaranteed Portfolio. Please read carefully the detailsof the Capital Guaranteed Portfolio in section 3.4 of the Brochure.

(c) Security lending and repurchase agreements

The Capital Guaranteed Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Capital Guaranteed Portfolio (i.e. the Capital Guaranteed Policy) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Capital Guaranteed Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the Capital Guaranteed Portfolio (i.e. the Capital Guaranteed Policy) will not enter into financial futures contracts or financial option contracts.

(e) Risk and return profile

The Capital Guaranteed Portfolio is considered low risk and suitable for investors who are close to retirement and/or those who wish to ensure their capital is preserved at the end of every 5 years or at the age of 65. The return is expected to be stable and slightly in excess of Hong Kong inflation.

(f) Risks

The performance of the Capital Guaranteed Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.3 Sun Life MPF Comprehensive Scheme Stable Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Stable Portfolio (the "Stable Portfolio") invests its assets in the Schroder MPF Capital Stable Fund (the "Capital Stable Fund"). The objective of the Capital Stable Fund is to achieve a long term return in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A).

(b) Balance of investments

The Capital Stable Fund is a fund of funds investing its non-cash assets in other Schroder managed funds and ITCIS. The principal underlying investments of the Capital Stable Fund will be quoted securities, government and corporate bonds and cash deposits worldwide. The Capital Stable Fund is thus globally diversified but is biased towards Hong Kong. The current proposed asset allocation of the Capital Stable Fund is **(1) Equities (15%-40%):** HK (0%-20%), Asia ex Hong Kong ex Japan (0%-15%), US (0%-15%), Japan (0%-10%), Europe (0%-10%), Others (0%-5%), **(2) Bonds (40%-70%):** US Dollar (5%-60%), Global currencies ex US Dollar ex HK Dollar (5%-40%), HK Dollar (0%-50%), **(3) Cash or cash equivalents (0%-30%)**. The Capital Stable Fund will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.

The Capital Stable Fund is a sub-fund of the Schroder MPF Umbrella Fund which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Stable Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Stable Portfolio (i.e. the Capital Stable Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Stable Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the Stable Portfolio (i.e. the Capital Stable Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The Stable Portfolio is considered medium risk.

(f) Risks

The performance of the Stable Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risk factors in relation to investing in approved ITCISs

It should be noted that there can be no assurance that the investment objective of the Capital Stable Fund will be achieved. As a consequence of the general nature of the investments and possible exchange or interest rate fluctuations and default risks, the value of the Capital Stable Fund may go down as well as up which will affect the return of the Stable Portfolio.

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.4 Sun Life MPF Comprehensive Scheme Stable Growth Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Stable Growth Portfolio (the "Stable Growth Portfolio") invests its assets in the Schroder MPF Stable Growth Fund (the "Stable Growth Fund"). The objective of the Stable Growth Fund is to achieve a long term return in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).

(b) Balance of investments

The Stable Growth Fund which is a fund of funds will seek to achieve the objective through investing its non-cash assets in other Schroder managed funds and ITCIS. The principal underlying investments of the Stable Growth Fund will be in quoted securities, government and corporate bonds and cash deposits worldwide. The Stable Growth Fund is a globally diversified portfolio biased towards Hong Kong. The current proposed asset allocation of the Stable Growth Fund is **(1) Equities (30%-60%):** HK (5%-30%), Asia ex Hong Kong ex Japan (0%-15%), United States (0%-25%), Japan (0%-15%), Europe (0%-15%), Others (0%-5%), **(2) Bonds (20%-60%):** US Dollar (5%-55%), Global currencies ex US Dollar ex Hong Kong Dollar (5%-60%), Hong Kong Dollar (0%-30%), **(3) Cash or cash equivalents (0%-20%)**. The Stable Growth Fund will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.

The Stable Growth Fund is a sub-fund of the Schroder MPF Umbrella Fund which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Stable Growth Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Stable Growth Portfolio (i.e. the Stable Growth Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Stable Growth Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the Stable Growth Portfolio (i.e. the Stable Growth Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The Stable Growth Portfolio is considered medium risk.

(f) Risks

The performance of the Stable Growth Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risk factors in relation to investing in approved ITCISs

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.5 Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio (the "Balanced Growth Portfolio") invests its assets in the Schroder MPF Balanced Investment Fund (the "Balanced Investment Fund"). The objective of the Balanced Investment Fund is to achieve a long term return in excess of salary inflation in Hong Kong (as indicated by the Hong Kong Monthly Digest of Statistics as published by the Census and Statistics Department of the Government of Hong Kong Special Administrative Region).

(b) Balance of investments

The Balanced Investment Fund which is a fund of funds investing its non-cash assets in other Schroder managed funds and ITCIS. The principal underlying investments will be in quoted securities, government and corporate bonds and cash deposits worldwide. The Balanced Investment Fund is thus globally diversified but is biased towards Hong Kong. The current proposed asset allocation of the portfolio of the Balanced Investment Fund is **(1) Equities (45%-85%):** HK (10%-40%), Asia ex Hong Kong ex Japan (0%-25%), US (5%- 30%), Japan (0%-20%), Europe (0%-25%), Others (0%-10%), **(2) Bonds (0%-40%):** US Dollar (0%-25%), Global currencies ex US Dollar ex HK Dollar (0%-40%), HK Dollar (0%-20%), **(3) Cash or cash equivalents (0%-20%)**. The Balanced Investment Fund will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.

The Balanced Investment Fund is a sub-fund of the Schroder MPF Umbrella Fund which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Balanced Growth Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Balanced Growth Portfolio (i.e. the Balanced Investment Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Balanced Growth Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the Balanced Growth Portfolio (i.e. the Balanced Investment Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The Balanced Growth Portfolio is considered high risk.

(f) Risks

The performance of the Balanced Growth Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risk factors in relation to investing in approved ITCISs

It should be noted that there can be no assurance that the investment objective of the Balanced Investment Fund will be achieved. As a consequence of the general nature of the investments and possible exchange or interest rate fluctuations and default risks, the value of the Balanced Investment Fund may go down as well as up which will affect the return of the Balanced Growth Portfolio.

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.6 Sun Life MPF Comprehensive Scheme Growth Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Growth Portfolio (the "Growth Portfolio") invests its assets in the Schroder MPF Growth Fund (the "Growth Fund"). The investment objective of the Growth Fund is to achieve a long term return in excess of salary inflation in Hong Kong (as indicated by the Hong Kong Monthly Digest of Statistics as published by the Census and Statistics Department of the Government of Hong Kong Special Administrative Region).

(b) Balance of investments

The Growth Fund which is a fund of funds will seek to achieve the objective through investing its non-cash assets in other Schroder managed funds and ITCIS. The principal underlying investments of the Growth Fund will be in quoted securities, government and corporate bonds and cash deposits worldwide. The Growth Fund is a globally diversified portfolio biased towards Hong Kong. The current proposed asset allocation of the portfolio is **(1) Equities (60%-100%):** HK (0%-50%), Asia ex Hong Kong ex Japan (0%-30%), United States (0%-40%), Japan (0%-20%), Europe (0%-30%), Others (0%-5%), **(2) Bonds (0%-20%):** US Dollar (0%-15%), Global currencies ex US Dollar ex Hong Kong Dollar (0%-20%), Hong Kong Dollar (0%-10%), **(3) Cash or cash equivalents (0%-30%)**. The Growth Fund will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in other Schroder managed funds and cash and/or through currency hedging.

The Growth Fund is a sub-fund of the Schroder MPF Umbrella Fund which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Growth Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Growth Portfolio (i.e. the Growth Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Growth Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the Growth Portfolio (i.e. the Growth Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The Growth Portfolio is considered high risk.

(f) Risks

The performance of the Growth Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risk factors in relation to investing in approved ITCISs

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.7 Sun Life MPF Comprehensive Scheme International Equity Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme International Equity Portfolio (the "International Equity Portfolio") invests its assets in the Fidelity Global Investment Fund-Global Equity Fund (the "Global Equity Fund"). The objective of the Global Equity Fund is to focus investment into the global equity markets, to produce returns that are related to those achieved on the major world stock market indices and to manage the volatility of returns in the short term.

(b) Balance of investments

The Global Equity Fund has the flexibility to have limited investment into bonds. The indicative asset allocation of the Global Equity Fund are as follows: Equities 100%, Bonds 0%, Cash 0%.

It should be noted that the actual portfolio will at times vary considerably from that shown above as market, political, structural, economic and other conditions change.

The Global Equity Fund is a sub-fund of the Fidelity Global Investment Fund which is an APIF managed by FIL Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The International Equity Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the International Equity Portfolio (i.e. the Global Equity Fund) may engage in securities lending or repurchase agreements for hedging purposes only.

(d) Futures and options

The International Equity Portfolio will not enter into financial futures contracts or financial option contracts. The underlying APIF of the International Equity Portfolio (i.e. the Global Equity Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The International Equity Portfolio is considered high risk.

(f) Risks

The performance of the International Equity Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Interest rates
- Counterparty and settlement risk
- Operational risk

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

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

(a) Objective

The Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio (the "US & Hong Kong Equity Portfolio") invests its assets in two or more unit trust APIFs and/or two or more approved ITCISs with exposure to the economies of United States and Hong Kong (such APIFs and/or approved ITCISs selected by the investment manager having regard to the investment objective and investment policy of the US & Hong Kong Equity Portfolio). The investment objective of the US & Hong Kong Equity Portfolio is to achieve long term capital appreciation.

(b) Balance of investments

It is intended that, through its investments in APIFs and/or approved ITCISs, the US & Hong Kong Equity Portfolio will invest in securities of companies listed in the US and/or Hong Kong Stock Exchanges. Whilst US & Hong Kong Equity Portfolio may invest in approved ITCISs, it is not an index tracking fund. It should be noted that the manager(s) of the approved ITCISs and the trustee(s) of the approved ITCISs are mutually independent and are independent of the provider of the relevant indices.

The US & Hong Kong Equity Portfolio may hold cash, bank deposits or cash equivalents for ancillary purposes such as meeting redemption requests or defraying operating expenses. The asset allocation of the US & Hong Kong Equity Portfolio (taking into account its investments in the underlying APIFs and/ or approved ITCISs) is **(1) Equities (90% to 100%):** US (50%-70%), HK (30%-50%), **(2) Cash or cash equivalents (0%-10%)**. The US & Hong Kong Equity Portfolio will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in APIFs and/ or approved ITCISs denominated in Hong Kong dollar, and cash and/or through currency hedging.

(c) Security lending and repurchase agreements

The US & Hong Kong Equity Portfolio will not engage in securities lending or repurchase agreements. The underlying APIFs and/or ITCIS of the US & Hong Kong Equity Portfolio may engage in securities lending or repurchase agreements.

(d) Futures and options

The US & Hong Kong Equity Portfolio will not enter into financial futures contracts or financial option contracts except for hedging purposes. The underlying APIFs and/or ITCIS of the US & Hong Kong Equity Portfolio may enter into financial futures contracts and financial option contracts / may enter into financial futures contracts and financial option contracts for hedging purposes only.

(e) Risk and return profile

The US & Hong Kong Equity Portfolio is considered high risk.

(f) Risks

The performance of the US & Hong Kong Equity Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Business conditions and general economy
- Recent developments in financial services industry
- Counterparty and settlement risk
- Operational risk
- Risk factors in relation to investing in approved ITCISs

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.9 Sun Life MPF Comprehensive Scheme Asian Equity Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Asian Equity Portfolio (the "Asian Equity Portfolio") invests its assets in the Schroder MPF Asian Fund (the "Asian Fund"). The investment objective of the Asian Fund is to achieve long term capital growth. The long term return of the Asian Fund is expected to be modestly in excess of Hong Kong price inflation (as measured by Consumer Price Index Type A).

(b) Balance of investments

The Asian Fund's non-cash investments primarily invest in Asian (ex-Japan) equities. The Asian Fund may invest up to 10% of its net asset value in shares listed on a stock exchange that is not an approved stock exchange as defined in the Mandatory Provident Fund Schemes (General) Regulation, including without limitation shares of companies listed on the stock exchange(s) of the People's Republic of China (the "China A-Shares") via the Stock Connect programme (the "Stock Connect"). The Asian Fund may hold cash, bank deposits or cash equivalents for ancillary purposes. The current proposed asset allocation of the Asian Fund is **(1) Equities (60%-100%):** HK (20%-70%), Singapore (0%-30%), Malaysia (0%-20%), Korea (0%-40%), Taiwan (0%-40%), Thailand (0%-20%), Philippines (0%-10%),India (0%-40%), Others (0%-10%), **(2) Cash or cash equivalents (0%-40%)**. The Asian Fund will hold a minimum of 30% of its assets in Hong Kong dollar investments at all times through investment in direct holdings in equities, and cash and/or through currency hedging.

The Asian Fund is a sub-fund of the Schroder MPF Umbrella Fund which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Asian Equity Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Asian Equity Portfolio (i.e. the Asian fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The Asian Equity Portfolio will not enter into financial futures contracts and financial option contracts. The underlying APIF of the Asian Equity Portfolio (i.e. the Asian Fund) may enter into financial futures contracts and financial option contracts for hedging purposes.

(e) Risk and return profile

The Asian Equity Portfolio is considered relatively high risk.

(f) Risks

The performance of the Asian Equity Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Business conditions and general economy
- Recent developments in financial services industry
- Emerging and developing markets
- Counterparty and settlement risk
- Operational risk
- Risks associated with Stock Connect
- Risks relating to China A-Shares market

It should be noted that, in respect of each member, the accrued benefits are fully exposed to fluctuations in the value of the Asian Fund's assets at each valuation date. As a consequence of the great volatility in equities market, the general nature of varied investments and possible exchange or interests rate fluctuations and default risks, the unit price of the Asian Fund may go down as well as up which will affect the return of the Asian Equity Portfolio.

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.2.2.10 Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio

(a) Objective

The Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio (the "Hong Kong Equity Portfolio") invests its assets in the Schroder IPF Hong Kong Equity Fund (the "Hong Kong Equity Fund"). The investment objective of the Hong Kong Equity Fund is to achieve long term capital appreciation.

(b) Balance of investments

The Hong Kong Equity Fund's noncash investments primarily invest in Hong Kong equities. The Hong Kong Equity Fund may invest up to 100% in quoted securities of companies established in or whose business is connected with the economy of Hong Kong. The Hong Kong Equity Fund may invest up to 10% of its net asset value in shares listed on a stock exchange that is not an approved stock exchange as defined in the Mandatory Provident Fund Schemes (General) Regulation, including without limitation shares of companies listed on the stock exchange(s) of the People's Republic of China (the "China A-Shares") via the Stock Connect programme (the "Stock Connect"). The current proposed asset allocation of the Hong Kong Equity Fund is **(1) Equities (90%-100%):** HK (90%-100%), Others (0%-10%), **(2) Cash or cash equivalents (0%-10%)**. The Hong Kong Equity Fund will maintain a minimum Hong Kong currency exposure of 30% at all times.

The Hong Kong Equity Fund is a sub-fund of the Schroder Institutional Pooled Funds which is an APIF managed by Schroder Investment Management (Hong Kong) Limited.

(c) Security lending and repurchase agreements

The Hong Kong Equity Portfolio will not engage in securities lending or repurchase agreements. The underlying APIF of the Hong Kong Equity Portfolio (i.e. the Hong Kong Equity Fund) may engage in securities lending or repurchase agreements, however there is no current intention to do so.

(d) Futures and options

The Hong Kong Equity Portfolio will not enter into financial futures contracts and financial option contracts. The underlying APIF of the Hong Kong Equity Portfolio (i.e. the Hong Kong Equity Fund) may enter into financial futures contracts or financial option contracts for hedging purposes only.

(e) Risk and return profile

The Hong Kong Equity Portfolio is considered relatively high risk.

(f) Risks

The performance of the Hong Kong Equity Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Business conditions and general economy
- Recent developments in financial services industry
- Counterparty and settlement risk
- Operational risk
- Risks associated with Stock Connect
- Risks relating to China A-Shares market

It should be noted that, in respect of each member, the accrued benefits are fully exposed to fluctuations in the value of the Hong Kong Equity Fund's assets at each valuation date. As a consequence of the great volatility in equities market, the general nature of varied investments and possible exchange or interest rate fluctuations and default risks, the unit price of the Hong Kong Equity Fund may go down as well as up which will affect the return of the Hong Kong Equity Portfolio.

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

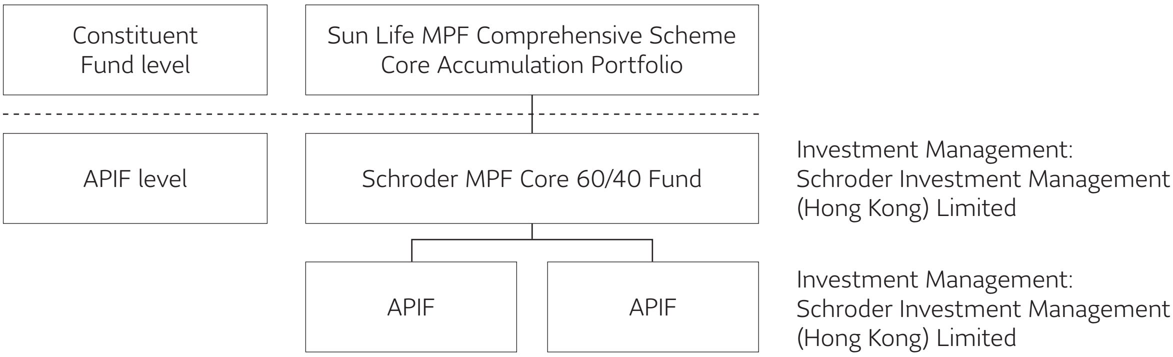
3.2.2.11 Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio

(a) Objective

The investment objective of the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio ("CAP") is to achieve capital growth by investing in a globally diversified manner.

(b) Balance of investments

The CAP invests in an APIF named Schroder MPF Core 60/40 Fund (the "60/40 Fund"), a sub-fund of Schroder MPF Umbrella Fund managed by Schroder Investment Management (Hong Kong) Limited. The 60/40 Fund is a fund of funds which invests in two APIFs managed by Schroder Investment Management (Hong Kong) Limited as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The investment structure of the CAP and its underlying APIFs is illustrated as follows:



The two underlying APIFs invested by the 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 APIFs 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.

Through its underlying investment, the CAP 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 portfolio 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 CAP 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 60/40 Fund invested by the CAP has discretion as to the asset allocation of the 60/40 Fund.

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%

The CAP maintains an effective currency exposure to Hong Kong dollars of not less than 30% through investment in the underlying APIFs.

The 60/40 Fund aims to maintain an effective currency exposure to HK dollars of not less than 30% by investing in the underlying APIFs, direct holdings in cash and/or through currency hedging.

(c) Security lending and repurchase agreements

The CAP will not engage in securities lending or repurchase agreements. The underlying APIF of the CAP (i.e. the 60/40 Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The CAP will not trade in futures or options. However, the CAP may have indirect exposure to futures or options through investing into the 60/40 Fund. The 60/40 Fund may enter into currency forward contracts, futures contracts and options contracts for hedging purposes only.

(e) Risk and return profile

The return of the CAP over the long term is expected to be similar to the return of the Reference Portfolio of CAP. The Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the CAP. For further information, please refer to section 3.3.4.

The CAP is considered medium risk.

(f) Risks

The performance of the CAP is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risks factors in relation to investing in Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

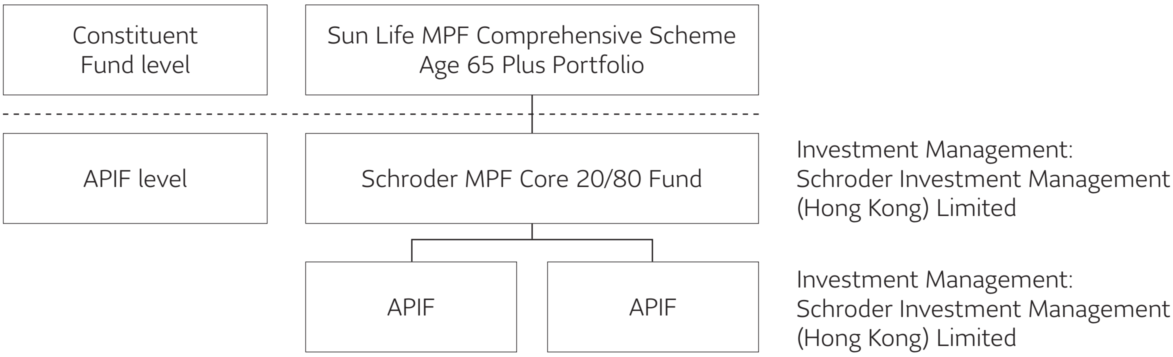
3.2.2.12 Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio

(a) Objective

The investment objective of the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio ("A65P") is to achieve stable growth by investing in a globally diversified manner

(b) Balance of investments

The A65P shall invest in an APIF named Schroder MPF Core 20/80 Fund (the "20/80 Fund"), a sub-fund of Schroder MPF Umbrella Fund managed by Schroder Investment Management (Hong Kong) Limited. The 20/80 Fund is a fund of funds which invests in two APIFs managed by Schroder Investment Management (Hong Kong) Limited as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The investment structure of the A65P and its underlying APIFs is illustrated as follows:



The two underlying APIFs invested by the 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 APIFs 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.

Through its underlying investment, the A65P 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 portfolio 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 A65P 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 20/80 Fund invested by the A65P has discretion as to the asset allocation of the 20/80 Fund.

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%

The A65P maintains an effective currency exposure to Hong Kong dollars of not less than 30% through investment in the underlying APIFs. The 20/80 Fund aims to maintain an effective currency exposure to HK dollars of not less than 30% by investing in the underlying APIFs, direct holdings in cash and/or through currency hedging.

(c) Security lending and repurchase agreements

The A65P will not engage in securities lending or repurchase agreements. The underlying APIF of the A65P (i.e. the 20/80 Fund) will not engage in securities lending or repurchase agreements.

(d) Futures and options

The A65P will not trade in futures or options. However, the A65P may have indirect exposure to futures or options through investing into the 20/80 Fund. The 20/80 Fund may enter into currency forward contracts, futures contracts and options contracts for hedging purposes only.

(e) Risk and return profile

The return of the A65P over the long term is expected to be similar the return of the Reference Portfolio of A65P. The Reference Portfolio is adopted for the purpose of the DIS to provide reference for performance and asset allocation of the A65P. For further information, please refer to section 3.3.4.

The A65P is considered low risk.

(f) Risks

The performance of the Schroder MPF Global Fixed Income Portfolio is subject to a number of risks, including the following:

- Political and social factors
- Market volatility
- Liquidity
- Legal and regulatory framework
- Accounting standards and disclosure requirements
- Currency risk
- Business conditions and general economy
- Recent developments in financial services industry
- Interest rates
- Counterparty and settlement risk
- Operational risk
- Risks factors in relation to investing in Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio

Please refer to the Risks section (section 4) for a detailed description of the risks listed above.

3.3 DEFAULT FUND AND DEFAULT INVESTMENT STRATEGY

3.3.1 With effect from 1 April 2017, each member of the Scheme will have the opportunity to elect to invest his accrued benefits and contributions in respect of an account either (i) into one or more of the twelve Constituent Funds (including the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio as standalone Constituent Funds) or (ii) in accordance with the DIS. In other words, a member may not elect to invest his accrued benefits and contributions in accordance with the DIS and in one or more of the twelve Constituent Funds at the same time. For further details, please refer to section 3.3.3.3. Investment involves risks. Not all the Constituent Funds or the DIS would be suitable for everyone. Before electing to invest in the Constituent Fund(s) or the DIS, you should read carefully the Brochure and understand the statement of investment policy and objectives of each Constituent Fund and the disclosures on the DIS and the risks involved and select such Constituent Fund(s) or the DIS that are consistent with your investment objective and personal circumstances. When you are in doubt as to which Constituent Fund or whether the DIS is suitable for you, you should seek independent financial and/or professional advice.

3.3.2 On becoming a member, a membership enrolment form (in respect of an employee whose current employer participates in the Scheme) / participation form for self-employed person (in respect of a self-employed person) / personal account membership enrolment form (in respect of a personal member) / additional voluntary contributions application form (in respect of a member who makes additional voluntary contributions) indicating how the member wishes his contributions to be invested should be completed.

When giving investment instructions in the relevant forms, members should give valid investment instructions specifying the investment allocation (in percentage terms) of each of their account including sub-accounts, if applicable (e.g. for a member who is an employee, he should give valid instructions specifying the investment allocation for each of his (i) employee's mandatory contributions; (ii) employer's mandatory contributions; (iii) employee's voluntary contributions (if any); and (iv) employer's voluntary contributions (if any) (each a "sub-account")).

With effect from 1 April 2017, an investment instruction, in respect of an account or a sub-account, will be considered invalid in the following circumstances:

- the relevant forms are not completed in accordance with the instructions of the relevant forms, e.g. the relevant forms have not been signed, the relevant sections have not been completed, amendments to instructions are not counter-signed, instructions cannot be understood, or contradictory/ inconsistent instructions are given;
- the investment allocations are not specified;
- the investment allocations to a Constituent Fund are not specified in a multiple of 10%;
- the investment allocations add up to more than or less than 100%;
- **<u>an investment instruction to invest contributions partially (i.e. less than 100%) in accordance with the DIS.</u>**

Without prejudice to the above, the Trustee may accept an investment or switching instruction given in such manner and subject to such conditions as the Trustee may consider appropriate, and in such cases, a member will be regarded as having given specific investment instructions for the purpose of section 34DA of the MPF Ordinance. Such specific investment instructions will remain unchanged until an appropriate switching / change of investment instruction is completed by the member and received by the Trustee.

With effect from 1 April 2017, if no investment instruction is given by a member, or the investment instructions in respect of an account or a sub-account are considered invalid, contributions and accrued benefits transferred from another scheme made in respect of such account or sub-account (as the case may be) shall be invested according to the DIS.

The employer cannot determine how the contributions are invested on behalf of the employee.

If a member wishes to make additional voluntary contributions, a separate account independent from his existing employee account / self-employed person account / personal account will be set up. The additional voluntary contributions will be invested in such separate account in accordance with the investment instruction as elected in the additional voluntary contributions application form or the latest investment instruction given by the member subsequently.

3.3.3 Default Investment Strategy

In respect of new accounts set up on or after 1 April 2017, if a member does not give investment instructions or the investment instruction provided is considered invalid in the circumstances set out in section 3.3.2, the default investment arrangement of the Scheme will be the DIS replacing the existing Default Fund (i.e. Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio). DIS is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make a fund choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not make an investment choice, their contributions and accrued benefits transferred from another scheme will be invested in accordance with the DIS. The DIS is required by law to be offered in every MPF scheme and is designed to be substantially similar in all schemes.

The key features about the DIS are set out below.

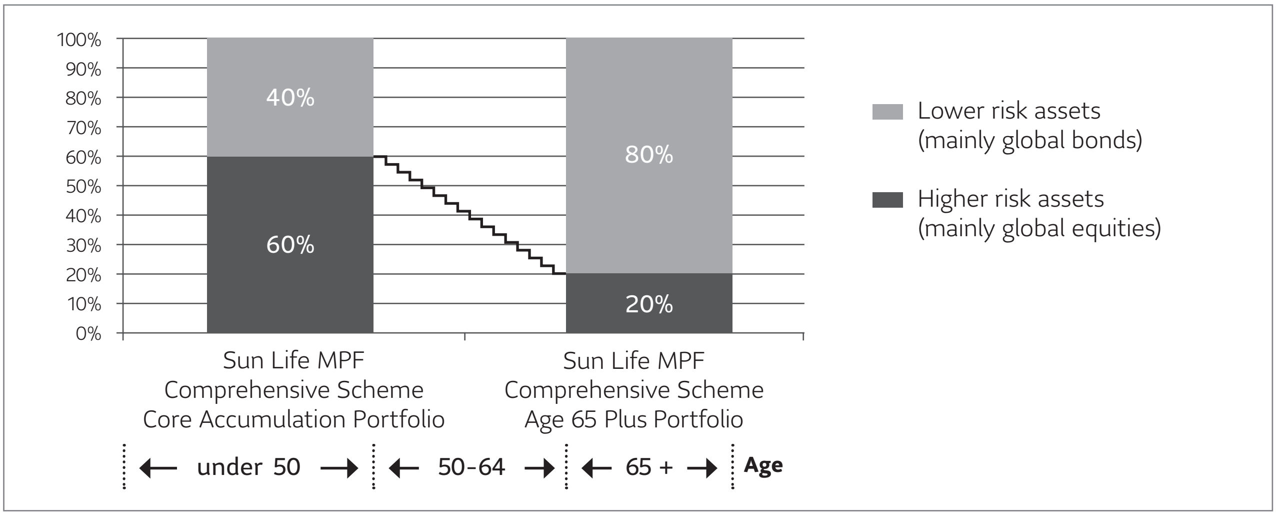
3.3.3.1 Asset Allocation of the DIS

The DIS aims to balance the long term effects of investment risk and return through investing in two Constituent Funds, namely the CAP and the A65P, according to the pre-set allocation percentages at different ages. The CAP will invest around 60% of its net asset value in higher risk assets (higher risk assets generally mean equities or similar investments) and 40% of its net asset value in lower risk assets (lower risk assets generally mean bonds or similar investments) whereas the A65P will invest around 20% of its net asset value in higher risk assets and 80% of its net asset value in lower risk assets. Both DIS Funds adopt globally diversified investment principles and use different classes of assets, including global equities, bonds, money market instruments and cash, and other types of assets allowed under the MPF legislation. For further information on the investment objective and policies of each of the DIS Funds, please refer to sections 3.2.2.11 and 3.2.2.12.

3.3.3.2 De-risking of the DIS

Accrued benefits invested through the DIS will be invested in a way that adjusts investment risk depending on a member's age. The DIS will manage investment risk exposure by **automatically** reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older upon reaching 50 years of age. Such de-risking is to be achieved by way of reducing the holding in CAP and increasing the holding in A65P throughout the prescribed time span as detailed below. Diagram 1 below shows the target proportion of investment in riskier assets over time. The asset allocation stays the same up until 50 years of age, then reduces steadily until age 64, after which it stays steady again.

Diagram 1: Asset Allocation between DIS Funds according to the DIS



Notes: The exact proportion of the portfolio in higher/lower risk assets at any point of time may deviate from the target glide path due to market fluctuations.

The above de-risking is to be achieved by annual adjustments of asset allocation gradually from the CAP to the A65P under the DIS. Switching of the existing accrued benefits from the CAP to the A65P will be automatically carried out each year (**"annual de-risking"**), subject to as described in the paragraphs below, on the relevant member's birthday and according to the allocation percentages in the DIS De-risking Table as shown in Diagram 2 below.

If a member's birthday falls on a day which is not on a dealing day, then the investments of such member will be moved from the CAP to the A65P on the next available dealing day. If the birthday of the relevant member falls on the 29th of February and in the year which is not a leap year, then the investment will be moved on 1st of March or the next available dealing day. Members should note that the number of units will be rounded down to 4 decimal places while the unit price will be rounded down to 2 decimal places, and small rounding differences in the number of units of the CAP and A65P may arise during such de-risking process.

Notwithstanding the preceding paragraph, when one or more of the specified instructions (including but not limited to subscription or redemption instructions) are being processed on the annual date of de-risking for a relevant member, the annual de-risking in respect of such member will take place on the next dealing day after completion of these instructions where necessary. Members should note that the annual de-risking may be deferred as a result. Please refer to sections 6.1 (Membership), 6.3 (Contributions), 6.4 (Switching), 6.5 (Portability of members' benefits) and 6.6 (Payment of members' benefits) for details regarding the procedures for contribution and withdrawal.

In relation to switching and change of investment instructions, if a member would like to switch out from the DIS and/or change his investment instruction to invest into individual Constituent Fund(s) (which may include the DIS Funds as standalone Constituent Funds) before the annual de-risking takes place (generally on a member's birthday), he should submit a switching instruction and/or a change of investment instruction (as applicable) before the dealing cut-off time at 5:00 p.m. on a date which is 2 business days before the member's birthday. **If the switching and/or change of investment instructions are received after such dealing cut-off time, the switching and/or change of investment (as applicable) will only be performed after the completion of the de-risking process.**

For members who wish to switch out from DIS to the CAP and/or A65P as standalone fund choices or vice versa, a switching instruction will be placed and redemption and subscription will be performed.

A de-risking notice will, to the extent practicable, be sent at least 60 days prior to a member reaching the age of 50, and a de-risking confirmation statement will be sent to members no later than 5 business days after each annual de-risking is completed.

Member should be aware that the above de-risking will not apply where a member chose the CAP and A65P as individual fund choices (rather than as part of the DIS).

In summary under the DIS:

- When a member is below the age of 50, all his contributions and accrued benefits transferred from another scheme will be invested in the CAP.
- When a member is between the ages of 50 and 64, all his contributions and accrued benefits transferred from another scheme will be invested according to the allocation percentages between the CAP and A65P as shown in the DIS De-risking Table below. The de-risking on the existing accrued benefits will be automatically carried out as described above.
- When a member reaches the age of 64, all contributions and accrued benefits transferred from another scheme will be invested in the A65P.

If the Trustee does not have the full date of birth of the relevant member, the de-risking will be carried out as follows:

- If only the year and month of birth is available, the annual de-risking will take place on the last calendar day of the birth month, or if it is not a dealing day, the next available dealing day.
- If only the year of birth is available, the annual de-risking will take place on the last calendar day of the year, or if it is not a dealing day, the next available dealing day.
- If no information at all on the date of birth, member's accrued benefits will be fully invested in A65P with no de-risking applied.

If the relevant member subsequently provides satisfactory evidence as to his year, month and/or day of birth, the relevant member's birthday based on such new evidence will be adopted, and the corresponding allocation percentages will be applied as soon as practicable.

Diagram 2: DIS De-risking Table

Age	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio ("CAP")	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio ("A65P")
Below 50	100.0%	0.0%
50	93.3%	6.7%
51	86.7%	13.3%
52	80.0%	20.0%
53	73.3%	26.7%
54	66.7%	33.3%
55	60.0%	40.0%
56	53.3%	46.7%
57	46.7%	53.3%
58	40.0%	60.0%
59	33.3%	66.7%
60	26.7%	73.3%
61	20.0%	80.0%
62	13.3%	86.7%
63	6.7%	93.3%
64 and above	0.0%	100.0%

Note: The above allocation between CAP and A65P is made at the point of annual de-risking and the proportion of CAP and A65P in the DIS portfolio may vary during the year due to market fluctuations.

3.3.3.3 Switching in and out of the DIS

Each member of the Scheme will have the opportunity to elect to invest his accrued benefits and contributions in an account **either** (i) into one or more of the twelve Constituent Funds **or** (ii) in accordance with the DIS. A member can switch into or out of the DIS at any time, subject to the rules of the Scheme. If a member wishes to switch into the DIS, he is required to switch out the **entire** portion of his accrued benefits in an account held in individual Constituent Fund(s) (which may include the DIS Funds as standalone Constituent Funds) into the DIS, subject to the Deed of Trust and Scheme Rules. Likewise, if a member wishes to switch out from the DIS, he is required to switch out the **entire** portion of his accrued benefits held in an account invested in the DIS into individual Constituent Fund(s) (which may include the DIS Funds as standalone Constituent Funds). Members should, however, bear in mind that the DIS has been designed as a long-term investment arrangement. If a member switches his accrued benefits out of the DIS, this will result in the cessation of his investment in accordance with the DIS and may negatively affect the balance between risk and return attributes that has been built into the DIS as a long-term strategy. For the avoidance of doubt, a member wishing to switch his accrued benefits into or out of the DIS is not required to at the same time change both his existing investment instructions for his future contributions and accrued benefits transferred from another scheme.

Members should note that switching instructions only apply to accrued benefits and are not equivalent to a change of the investment instructions for future contributions, and vice versa.

3.3.4 Information on Performance of DIS Funds

The fund performance and fund expense ratio (together with the information on its definition) of the CAP and A65P will be published in the fund factsheet. One of the fund factsheets will be attached to annual benefit statement. Members can visit www.sunlife.com.hk or call the Sun Life Retirement Scheme Hotline on (852) 3183 1900 for information. Members may also obtain the fund performance information and definition of fund expense ratio at the website of the Mandatory Provident Fund Schemes Authority (www.mpfa.org.hk).

To provide a common reference point for performance and asset allocation of the CAP and A65P, the Reference Portfolio is adopted for the purpose of each of the DIS Funds. The fund performance will be reported against the Reference Portfolio published by the Hong Kong Investment Funds Association, please visit www.hkifa.org.hk for further information regarding the performance of the Reference Portfolio.

The fund performance is calculated in Hong Kong dollar on NAV-to-NAV basis. Past performance is not indicative of future performance. There is no assurance that investment returns and members' accrued benefits may not suffer significant loss. Members should regularly review the performance of the funds and consider whether the investments still suit their personal needs and circumstances.

3.4 SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

3.4.1 The Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio (the "Capital Guaranteed Portfolio") invests its assets in the FWD MPF Capital Guaranteed Policy (the "Capital Guaranteed Policy"), an insurance policy which includes a guarantee. The insurance policy is issued by the insurer, FWD Life.

Investments in the insurance policy are held as the assets of FWD Life. In the event where FWD Life is liquidated, you may not have access to your investments temporarily, or their value may be reduced.

Before you invest in this constituent fund, you should consider the risk posed by the insurer (referred to as "credit risk") under the circumstances set out above and, if necessary, seek additional information or advice.

In respect of each member, the Capital Guaranteed Portfolio guarantees that the capital will be preserved at the end of every 5-year period of continuous investment (i.e. starting from the date when the member invests in the Capital Guaranteed Portfolio) or over a shorter period if the member reaches the age of 65.

3.4.2 The Capital Guaranteed Policy is an APIF for a Mandatory Provident Fund scheme.

3.4.3 To qualify for the guarantee, a member must hold beneficial interests in the Capital Guaranteed Portfolio at all times in a 5-year period, referred to as continuous investment. The guarantee will also apply over a shorter period if the member reaches the age of 65.

3.4.4 It should be noted that a separate account will be set up for any member who makes additional voluntary contributions. The guarantee in respect of the members' accrued benefits derived from additional voluntary contributions will be determined separately and will be subject to the same qualifying conditions as stated in section 3.4. It is independent of the accrued benefits or guarantee of the account that keeps the mandatory contributions and voluntary contributions.

3.4.5 In respect of each member, at the end of every 5-year period (or at the retirement age of 65, if earlier), the accrued benefits in the Capital Guaranteed Portfolio will not be less than:

- the member's accrued benefits in the Capital Guaranteed Portfolio at the beginning of such 5-year period,
- plus the contributions made to the Capital Guaranteed Portfolio during such 5-year period,
- less the withdrawal amounts paid by the Capital Guaranteed Portfolio during such 5-year period, if any.

3.4.6 In case there is any shortfall, FWD Life will make up the difference at the end of such 5-year period or over a shorter period if the member reaches the age of 65. **If necessary,** FWD Life **will refund the fees charged in the Capital Guaranteed Portfolio during the same period to ensure that each member's capital is fully preserved at the Constituent Fund level.**

3.4.7 The Capital Guaranteed Policy is expected to achieve a return in excess of the guaranteed benefits. However, FWD Life (on the advice of its appointed actuary) may make adjustments to the value of the Capital Guaranteed Policy to smooth market fluctuations to enable FWD Life to give the guarantee. These adjustments will be reflected in the net asset value and unit price of the Capital Guaranteed Policy. **FWD Life has the right to reserve part of the Capital Guaranteed Policy for the purpose of smoothing market fluctuations to enable FWD Life to give the guarantee. The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying APIFs.**

3.4.8 When such 5-year period of continuous investment has been completed (or at the retirement age of 65, if earlier), a new period will begin as long as the member remains invested in the Capital Guaranteed Portfolio.

3.4.9 The above guarantee will not apply if the following circumstance occurs during the 5-year period of continuous investment (or during a shorter period if the member reaches the age of 65): for withdrawal from the Capital Guaranteed Portfolio because of fund switching, fund transfer to other pension scheme or benefit payment to member, guarantee will not apply for the amount withdrawn.

3.4.10 If a member elects to transfer his accrued benefits within the Scheme between his different accounts under the Scheme Rules, the member's transferred benefits will be regarded as continuous investment in the Capital Guaranteed Portfolio.

3.4.11 The above guarantee provision is established to reduce the investment risk for each member but this may cause a dilution of performance of the Capital Guaranteed Portfolio.

3.4.12 It should be noted that, in respect of each member, the accrued benefits are fully exposed to fluctuations in the value of the Capital Guaranteed Policy's assets before the end of every 5-year period or over a shorter period if the member reaches the age of 65. As a consequence of the general nature of varied investments and possible exchange or interest rate fluctuations and default risks, the yield of the Capital Guaranteed Policy may go down as well as up which will affect the return of the Capital Guaranteed Portfolio. There is no guarantee that your investments in the Capital Guaranteed Portfolio can be fully recovered during the above-mentioned 5-year period except upon the end of the above-mentioned 5-year period or over a shorter period if the member reaches the age of 65.

3.4.13 The following are a few hypothetical examples intended to illustrate the capital guarantee mechanism. They should not be read as indicative of the investment return likely to be secured by the Capital Guaranteed Portfolio.

3.4.13.1 Example 1

A member has invested HK$3,000 in the Capital Guaranteed Portfolio and HK$2,000 in another Constituent Fund.

The guarantee only applies to the HK$3,000 investment in the Capital Guaranteed Portfolio.

3.4.13.2 Example 2

A member invested HK$2,000 in the Capital Guaranteed Portfolio on 1 January 2001, switched all his holding to another Constituent Fund on 30 June 2004 and switched all his holding back to the Capital Guaranteed Portfolio on 30 June 2005 and remained so invested until 1 January 2006.

The member had not continuously invested in the Capital Guaranteed Portfolio for all the five years to 31 December 2005, so no guarantee would apply. A new period of investment would have started on 30 June 2005.

If the member has continuously invested in the Capital Guaranteed Portfolio until 29 June 2010, the guarantee could apply at that date.

3.4.13.3 Example 3

A member invested HK$6,000 in the Capital Guaranteed Portfolio on 1 January 2001, and made contributions of HK$1,000 per month from this date until 1 January 2002 giving a total contribution amount of HK$18,000 being HK$6,000 (the initial investment) plus HK$12,000 (HK$1,000 per month for 12 months). By January 2002, the member's contributions have risen in value to be worth HK$19,000.

He then switched HK$7,000 to another Constituent Fund. On 31 December 2005 at the end of the 5-year period, his remaining holding in the Capital Guaranteed Portfolio was worth HK$12,000.

The value of his holding, HK$12,000, at the end of the period is the important figure. This is compared with his guaranteed amount.

The guaranteed amount is the value of his units at the beginning of the 5-year period plus any contributions less any redemptions.

In this example his guaranteed amount in the Capital Guaranteed Portfolio is calculated as follows:

	HK$
Holding at 1 January 2001	6,000
+ contributions (12 x HK$1,000)	12,000
= total contributions	18,000
– switch out amount	7,000
= guaranteed amount	11,000

In this case the value of the member's holding in the Capital Guaranteed Portfolio at the end of the period, HK$12,000, exceeds the guaranteed amount (HK$11,000) and make up of any shortfall is not required.

3.4.13.4 Example 4

A member invested HK$2,000 in the Capital Guaranteed Portfolio on 1 January 2001 and reached the age of 65 on 30 June 2001.

The guarantee could apply at 30 June 2001 when the member reached the age of 65.

3.4.13.5 Example 5

A member has kept investing HK$10,000 per year in the Capital Guaranteed Portfolio for 5 consecutive years. At the end of the 5-year period, the accrued benefits which are attributable to the investments in the Capital Guaranteed Portfolio is HK$49,841.

The shortfall of HK$159 (HK$50,000-HK$49,841) will be made up by FWD Life and the member's accrued benefits at the end of the 5-year period is still HK$50,000.

3.4.13.6 Example 6

A member has been investing mandatory and voluntary contributions in the Capital Guaranteed Portfolio since he was 50. The member is now aged 52 and has been diagnosed with terminal illness. The member decided to withdraw his accrued benefits on the ground of terminal illness, although he would like to continue employment (**"First Claim"**). Subject as otherwise specified by the employer in accordance with the Scheme Rules, the member was only entitled to withdraw his accrued benefits derived from mandatory contributions on the ground of terminal illness.

The guarantee of capital will only be available at the end of every 5-year period of continuous investment (i.e. starting from the date when the member invested in the Capital Guaranteed Portfolio) or over a shorter period if the member reaches the age of 65. Accordingly, in the First Claim, the guarantee of capital in respect of the accrued benefits derived from mandatory contributions will not be available. The member has continued employment notwithstanding the terminal illness. In accordance with the restrictions imposed by his employer, he was not entitled to withdraw accrued benefits derived from voluntary contributions, and such accrued benefits remained invested in the Capital Guaranteed Portfolio.

After the First Claim, the member continued to invest mandatory and voluntary contributions in the Capital Guaranteed Portfolio. Although the member withdrew his accrued benefits derived from mandatory contributions invested in the Capital Guaranteed Portfolio in the First Claim, his accrued benefits derived from voluntary contributions had remained invested in the Capital Guaranteed Portfolio. The member is therefore considered to have continuous investment in the Capital Guaranteed Portfolio from the beginning of the investment period when the member was aged 50.

The member now reaches 56. He is again diagnosed with terminal illness and has ceased employment. The member is now entitled to withdraw his accrued benefits derived from mandatory contributions and voluntary contributions ("**Second Claim"**).

The amount of the guarantee payment will depend on the amount the member invested in the Capital Guaranteed Portfolio over the 5-year period of continuous investment (or sooner on reaching age 65) and its value at the end of the period. (The value of the investment at other points in time is not relevant for the purpose of determining the amount of the guarantee payment.) If at the end of the 5-year period, the value of such investment (made from mandatory contributions and voluntary contributions (less the amount withdrawn in the First Claim)) is below the guaranteed amount, the shortfall will be made up by FWD Life and credited to the relevant account. Accordingly, the member's entitlement under the Capital Guaranteed Portfolio at the end of the 5-year period is the higher of (i) the value of contributions made, taking into account any investment gains and losses, less the amount withdrawn in the First Claim, and (ii) the value of the member's contributions made, less the amount withdrawn in the First Claim (**"5th-year Balance"**).

In the present case, at the time of the Second Claim, the member has continuously invested in the Capital Guaranteed Portfolio for over 5 years. The member will be entitled to the 5th-year Balance plus the value of the member's contributions, and any investment gains and losses after the 5-year period up to the Second Claim.

3.4.13.7 Example 7

A member aged 57 invested HK$6,000 in the Capital Guaranteed Portfolio on 1 January 2014, and made contributions of HK$1,000 per month from this date until 1 January 2015 giving a total contribution amount of HK$18,000 being HK$6,000 (the initial investment) plus HK$12,000 (HK$1,000 per month for 12 months). By January 2015, the member's contributions have risen in value to be worth HK$19,000.

Upon reaching age 60 in 2017, the member elected to make two withdrawals by instalments each in the amount of HK$3,000 on the ground of early retirement. On 31 December 2018 at the end of the 5-year period, his remaining holding in the Capital Guaranteed Portfolio was worth HK$11,800.

The value of his holding, HK$11,800, at the end of the period is the important figure. This is compared with his guaranteed amount.

The guaranteed amount is the value of his units at the beginning of the 5-year period plus any contributions less any withdrawals.

In this example his guaranteed amount in the Capital Guaranteed Portfolio is calculated as follows:

HK$	
Holding at 1 January 2014	6,000
+ contributions (12 x HK$1,000)	12,000
= total contributions	18,000
– withdrawal amount (2 x HK$3,000)	6,000
= guaranteed amount	12,000

The shortfall of HK$200 (HK$12,000 - HK$11,800) will be made up by FWD Life and the member's accrued benefits at the end of the 5-year period would be the guaranteed amount of HK$12,000.

3.4.14 It should be noted that the illustrating examples of capital guarantee mechanism in section 3.4.13 above are also applicable to members who make additional voluntary contributions.

4 RISKS

4.1 RISK FACTORS

Each Constituent Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of any Constituent Fund and the income from them may go down as well as up. Past performance of any Constituent Funds or APIFs and approved ITCISs mentioned in this document is not indicative of future performance.All major risks associated with investint in the Constituent Funds are set out below.

4.1.1 General

The performance of the Constituent Funds is subject to market fluctuations, exchange rate fluctuations and the risks inherent in the underlying investments. Some of these risk factors are set out below.

4.1.1.1 Political and social factors

Political changes, social instability and unfavourable diplomatic developments, including war, could, in some countries, result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or the nationalisation of some or all of the investments held by the Constituent Funds in those countries.

4.1.1.2 Market volatility

Prices of securities traded on the markets, in which the Constituent Funds invest, may greatly fluctuate from day to day resulting in substantial changes in the Constituent Funds' prices.

4.1.1.3 Liquidity

Trading volumes in some markets, especially the emerging markets, may be substantially lower than that of the developed markets, leading to increased price volatility. In addition, no secondary markets may exist for some securities. This may result in difficulty in disposing of securities and/or securities may have to be disposed of at less favourable prices if liquidity needs to be raised at short notice.

4.1.1.4 Legal and regulatory framework

The legal and regulatory framework of the emerging markets are not as developed as those in the more developed markets. Investments in any of these emerging markets would therefore usually involve higher risks than investments in more established world markets.

4.1.1.5 Accounting standards and disclosure requirements

Accounting, auditing and financial reporting standards, practices and disclosure requirements in some of the emerging markets may not be comparable with those required in more developed countries. As a result, less reliable information may be available in relation to the securities traded on these emerging markets.

4.1.1.6 Currency risk

As the Constituent Funds are denominated in Hong Kong dollars, the performance of the Constituent Funds' non-Hong Kong dollar assets will be affected by movements in the exchange rates between the currencies in which the assets are held and the Hong Kong dollar, and any changes in exchange control regulations.

4.1.1.7 Business conditions and general economy

The profitability of the investments of each Constituent Fund could be adversely affected by a worsening of general economic conditions globally or in certain individual markets. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the value of the investments held by a Constituent Fund. For example: (a) an economic downturn or significantly higher interest rates could adversely affect the credit quality of the assets; (b) a market downturn or worsening of the economy could cause the investments held by a Constituent Fund to incur mark to market losses in its trading portfolios.

4.1.1.8 Recent developments in financial services industry

In light of the market turmoil and the overall weakening of the financial services industry in the latter half of 2008, the financial condition of certain financial institutions may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Scheme or a Constituent Fund's business and operations.

4.1.1.9 Emerging and developing markets

Members should note that Constituent Fund(s) which invest in securities of issuers located in emerging and less developed markets such as the Eastern Europe, Asia Pacific and Latin American region could involve special considerations and risks. The special risks are those such as currency fluctuations, political risks, the risks of investing in countries with smaller capital markets, price volatility and restrictions on foreign investment. Companies of the relevant markets may have standards of financial reporting, accounting and information disclosure which are not comparable to those of developed markets. Information and accounts may thus not be publicly available nor be in accordance with international standards.

Procedures currently in place for custody, settlement, clearing and registration of securities transactions in emerging markets may be less developed than those in place in other more developed markets and thus can increase settlement risk or result in delay in realising securities and adversely affect prices. The issuers and stock exchanges and other market participants may be subject to a level of regulation which may be less than that of developed markets. Less efficient banking and telecommunications systems can give rise to delayed payments and in extreme cases could lead to dispute over the title of securities. Investments may be affected by changes in law and government policy as well as political changes which may affect the stability of governments and markets and/or result in restrictions on foreign investment or the repatriation of monies.

4.1.1.10 Interest rates

The value of fixed income securities held by any Constituent Fund generally will vary inversely with changes in interest rates and such variation may affect unit prices accordingly.

4.1.1.11 Counterparty and settlement risk

The investments of a Constituent Fund will be exposed to counterparty risk on parties with whom they trade and when placing cash on deposit. The investments of a Constituent Fund will also be exposed to the risk of settlement default by a counterparty with which the Constituent Fund trades when buying and selling financial instruments (settlement risk).

4.1.1.12 Operational risk

In the event of a bankruptcy or insolvency of a service provider of the Scheme or a Constituent Fund, members could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of units) or other disruptions.

4.1.2 Risk factors in relation to investing in approved ITCISs

4.1.2.1 Market risk of the sector or market tracked by the relevant index

Constituent Fund(s) investing in approved ITCISs are subject to the fluctuations and adverse conditions in the sector or market which the relevant indices seeks to track. The investment manager does not have discretion to take defensive positions where the market(s) represented by the relevant indices decline. Hence, any fall in the underlying indices will result in corresponding fall in the value of the approved ITCISs and hence the Constituent Fund(s).

4.1.2.2 Concentration risk

Since an underlying index may focus on a particular geographical region or industry, investments of an approved ITCIS may be concentrated in the securities of a single issuer or several issuers when the approved ITCISs endeavours to match as closely as practicable with its holdings of constituent stocks of the index. Therefore, the Constituent Funds may be subject to the additional risks of concentration in these markets or regions.

4.1.2.3 Counterparty risk

An approved ITCIS may invest in financial derivatives instruments to gain exposure to the constituent stocks of the underlying index. As such, the approved ITCIS will be subject to insolvency or default risk of the issuers or counterparties of these instruments. Any default or failure to perform its obligations by such issuers may lead to substantial loss to the approved ITCIS, which may in turn affect the value of the relevant Constituent Fund.

4.1.2.4 Index tracking risk

While an approved ITCIS is intended to track the performance of the underlying index as closely as possible (i.e., to achieve a high degree of correlation with the underlying index), the approved ITCIS return may not match or achieve a high degree of correlation with the return of the underlying index due to expenses and transaction costs incurred in adjusting the portfolio of the approved ITCIS. In addition, it is possible that the approved ITCIS may not always fully replicate the performance of the underlying index due to the unavailability of certain index securities in the secondary market or due to other extraordinary circumstances (e.g., if trading in a security has been halted). These factors may also affect the return of the relevant Constituent Fund.

4.1.2.5 Passive strategy / index risk

An approved ITCIS is not actively managed. Rather, the approved ITCIS attempts to track the performance of an unmanaged index of securities. This differs from an actively managed fund, which typically seeks to outperform a benchmark index. As a result, the approved ITCIS will hold constituent securities of the underlying index regardless of the current or projected performance of a specific security or a particular industry or market sector. Maintaining investments in securities regardless of market conditions or the performance of individual securities could cause the approved ITCIS's return to be lower than if the approved ITCIS employed an active strategy.

4.1.2.6 Fluctuation of net asset value ("NAV"), unit premiums and discounts of the approved ITCIS

The NAV of the units will generally fluctuate with changes in the market value of the approved ITCIS's securities holdings. The market prices of units will generally fluctuate in accordance with changes in the approved ITCIS NAV and supply and demand of units on the exchange or any other exchanges on which units are traded. It cannot be predicted whether units will trade below, at or above their NAV. Price differences may be due, in large part, to the fact that supply and demand forces at work in the secondary trading market for units will be closely related to, but not identical to, the same forces influencing the prices of the securities of the underlying index trading individually or in the aggregate at any point in time. The market prices of units may deviate significantly from the NAV of the units during periods of market volatility. While the creation/redemption feature is designed to make it likely that units normally will trade close to the approved ITCIS's NAV, disruptions to creations and redemptions and/or market volatility may result in trading prices that differ significantly from the approved ITCIS's NAV. If a Constituent Fund purchases units of the approved ITCIS at a time when the market price is at a premium to the NAV of the units or sells at a time when the market price is at a discount to the NAV of the units, then the Constituent Fund may sustain losses that are in addition to any losses caused by a decrease in NAV. This may in turn affect the return of the relevant Constituent Fund accordingly.

4.1.2.7 Risk of termination of licence

The manager and the trustee of each of the approved ITCIS have been granted the licence by the relevant index provider to use the relevant index as a basis for determining the composition of the approved ITCIS and to use certain trade marks or any copyright in the relevant index. The approved ITCIS may not be able to fulfil its objective and may be terminated if the licence agreement between the relevant index provider, the trustee and the manager is terminated. The approved ITCIS may also be terminated if the relevant indices cease to be compiled or published and there is no replacement index, using, in the opinions of the manager and the trustee, the same or substantially similar formula for the method of calculation as used in calculating the relevant indices.

4.1.2.8 Hedging risk

The manager of the approved ITCIS may use futures contracts and options for the purpose of hedging and achieving the investment objective of the approved ITCIS. In particular, the manager may invest the approved ITCIS's assets in futures contracts and options in order to try to minimise tracking error between the relevant index and the net asset value of the approved ITCIS. These transactions may be entered into with counterparties on an on- and off-exchange basis (over-the-counter) and may expose the approved ITCIS to counterparty risk as mentioned above. There is no guarantee that such techniques will achieve their desired result. There are certain investment risks in using futures contracts and options. Such risks may include: (i) the inability to close out a futures contract or option caused by the non-existence of a liquid secondary market; and (ii) an imperfect correlation between price movements of the futures contracts or options with price movements of the subject portfolio securities or subject securities index. Further, the risk of loss in trading futures contracts is potentially great, due to both the low margin deposits required, and the extremely high degree of leverage involved in futures pricing. As a result, a relatively small price movement in a futures contact may result in immediate and substantial loss (or gain) to the approved ITCIS and hence the relevant Constituent Fund.

The purchaser of options may offset or exercise the options or allow the options to expire. The exercise of an option results in either a cash settlement or in the purchaser acquiring or delivering the underlying interest. If the option is on a future, the purchaser will acquire a futures position with associated liabilities for margin (see above). If the option expires worthless, the approved ITCIS will suffer a total loss of its investment which will consist of the option premium plus transaction costs. These may affect the value of the relevant Constituent Fund accordingly.

4.1.3 Risks factors in relation to investing in Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio

The asset allocation of the CAP and A65P is prescribed under the MPF Ordinance. This may limit the flexibility to adjust the portfolio allocation in accordance with market conditions. The underlying investment funds of the DIS Funds have to follow the prescribed allocation between higher risk assets and lower risk assets at all times, regardless whether more defensive or aggressive asset allocation approach would be appropriate under certain circumstances. In addition, in order to maintain the prescribed asset allocation, investments of the underlying investment funds may be periodically rebalanced and therefore they may incur greater transaction costs than funds with static allocation strategy.

For risk factors relating to investing in the CAP and A65P as part of the DIS, please refer to section 4.2 (Key risks associated with the default investment strategy).

4.1.4 Risks associated with Stock Connect

4.1.4.1 Certain APIFs may invest up to 10% of their net asset value in shares listed on a stock exchange that is not an approved stock exchange as defined in the Mandatory Provident Fund Schemes (General) Regulation, including without limitation shares of companies listed on the stock exchange(s) of the PRC ("China A-Shares"). Investment in China A-Shares may be made via the Stock Connect.

4.1.4.2 The Stock Connect is a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect enables the relevant APIFs to trade eligible China A-Shares listed on the relevant stock exchange(s) in the PRC.

4.1.4.3 The relevant regulations for Stock Connect are untested and subject to change which may have potential retrospective effect. The programme is subject to quota limitations which may restrict the ability of the relevant APIFs to invest in China A-Shares through the program on a timely basis and as a result, their ability to access the China A-Shares market (and hence to pursue the relevant investment strategy) will be adversely affected. Apart from restrictions on buying (due to quota limitations), the PRC regulations impose certain restrictions on selling (i.e. requiring that there must be sufficient China A-Shares in the account before an investor sells any China A-Share). Hence, the APIFs may not be able to dispose of holdings of China A-Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the APIFs, for example, when the investment manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the relevant APIFs may be subject to a risk of price fluctuations in China A-Shares on a day that the PRC market is open for trading but the Hong Kong market is close.

4.1.4.4 Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the relevant APIFs may suffer delays in recovering its losses or may not be able to fully recover their losses.

4.1.4.5 The Hong Kong Securities Clearing Company Limited ("HKSCC") holds the China A-Shares as a nominee on behalf of the relevant APIFs who is the beneficial owner of such shares. As the nominee holder HKSCC is prepared to provide assistance to beneficial owners of China A-Shares (held through the Stock Connect) where necessary subject to conditions being made, thus, the relevant APIFs may encounter difficulties or delays in any action to enforce its rights.

4.1.4.6 The Stock Connect is premised on the functioning of the operational systems of the relevant market participants and may be subject to operational risk due to these new information technology systems.

4.1.4.7 Further, investments through the Stock Connect held by the relevant APIFs are not covered by the Hong Kong's Investor Compensation Fund.

4.1.5 Risks relating to China A-Shares market

4.1.5.1 Certain APIFs may invest in China A-Shares via the Stock Connect. The existence of a liquid trading market for China A-Shares may depend on whether there is supply of, and demand for, such China A-Shares. Whilst the number of available share issues continues to increase, availability remains limited as compared with the choice available in other developed financial markets. This can impact on the level of liquidity in the stock markets which in turn can lead to price volatility. The price at which securities may be purchased or sold by the APIFs and their net asset value may be adversely affected if trading markets for China A-Shares are limited or absent. Market volatility and settlement difficulties in the China A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may affect the value of the APIFs which invest in the China A-Shares market.

4.1.5.2 Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange. In particular, trading band limits are imposed by the stock exchanges in China on China A-Shares, where trading in any China A-Share security on the relevant stock exchange may be suspended if the trading price of the security has increased or decreased to the extent beyond the trading band limit. A suspension will render it impossible for the investment manager to liquidate positions and can thereby expose the APIFs which invest in the China A-Share market to significant losses. Further, when the suspension is subsequently lifted, it may not be possible for the investment manager to liquidate positions at a favourable price.

4.1.6 Risks relating to security lending and repurchase agreements and futures and options

In relation to securities lending and repurchase agreements and futures and options, there can be no assurance that the objective sought to be attained from the use of these techniques and instruments will be achieved. Participation in such techniques and instruments involves investment risks and transaction costs to which a fund would not be subject if it did not use these techniques and instruments. There may be an imperfect correlation between instruments and the underlying investments or market sectors being hedged. In addition, if the manager's predictions of movements in the direction of the relevant securities, foreign currency and interest rate markets are inaccurate, the adverse consequences to the fund may leave the fund in a less favourable position than if such techniques and instruments were not used.

4.2 KEY RISKS ASSOCIATED WITH THE DEFAULT INVESTMENT STRATEGY

For general key risks relating to investments, please refer to section 3.2 (Statement of Investment Policy and Objectives).

Members should note that there are a number of attributes of the design of the DIS strategy as set out below, which affect the types of risks associated with the DIS.

4.2.1 Limitations on the strategy

4.2.1.1 Age as the sole factor in determining the asset allocation under the DIS

As set out in more detail in section 3.3.3.2, members should note that the DIS adopts pre-determined asset allocation and automatically adjusts asset allocation based only upon a member's age. The DIS does not take into account factors other than age, such as market and economic conditions nor member's personal circumstances including investment objectives, financial needs, risk tolerance or likely retirement date. Members who want their MPF portfolio to reflect their own personal circumstances can make their own selection of Constituent Funds from the range available in the Scheme.

4.2.1.2 Pre-set asset allocation

Members should note that the two DIS Funds have to follow the prescribed allocation between higher risk assets and lower risk assets at all times subject to a tolerance level of +5 or -5%. The prescribed exposure between higher risk and lower risk assets of CAP and A65P will limit the ability of the investment manager of the underlying investment funds of these two DIS Funds to adjust asset allocations in response to sudden market fluctuations; for example through the adoption of either a more defensive asset allocation approach (being an approach which seeks to reduce higher risk assets exposure), or alternatively a more aggressive asset allocation approach (being an approach which seeks to increase higher risk assets exposure) even if, for some reasons, the investment manager of the underlying investment funds thought it appropriate to do so.

4.2.1.3 Annual de-risking between the DIS Funds

Members should note that de-risking for each relevant member will generally be carried out on a member's birthday, regardless of the prevailing market conditions. While the de-risking process aims at managing risks of the investments through reducing exposure to higher risk assets, it may preclude the DIS from fully capturing the upside in rising equity markets during the de-risking process and therefore would underperform as compared with funds not adopting the de-risking process under the same market conditions. It is possible that the de-risking process is done at a time which may result in members reducing exposure to an asset class which outperforms and increasing exposure to an asset class which underperforms. The asset allocation changes gradually over a 15-year time period. Members should be aware that the de-risking operates automatically regardless of the wish of a member to adopt a strategy which might catch market upside or avoid market downside.

Also, the de-risking process cannot insulate members from "systemic risk", such as broad-based recessions and other economic crises, which will affect the prices of most asset classes at the same time.

4.2.1.4 Potential rebalancing within each DIS Fund

In order to maintain the prescribed allocation between the higher risk assets and lower risk assets within each of the CAP and A65P, the investments of each of the CAP and A65P may have to be continuously rebalanced. For example, when the higher risk assets perform poorly, the CAP's or A65P's asset allocation may fall outside the respective prescribed limit. In this case, the underlying investment funds of the CAP and A65P will have to liquidate some of the better performing lower risk assets in order to invest more in the higher risk assets, even if the investment manager of the underlying investment funds is of the view that the higher risk assets might continue to perform poorly.

4.2.1.5 Additional transaction costs

Due to (a) the potential rebalancing of higher risk assets and lower risks assets in the process of maintaining the prescribed allocation within each of the CAP and A65P and (b) the annual reallocation of accrued benefits for members under the de-risking process, the DIS may incur greater transaction costs than a fund/strategy with more static allocation.

4.2.2 General investment risk related to DIS

Although DIS is a statutory arrangement, it does not guarantee capital repayment nor positive investment returns (in particular for those members with only a short investment horizon before retirement). The two DIS Funds are mixed asset funds investing in a mix of equities and bonds. Members should note that the DIS which invests in the DIS Funds is subject to the general investment risks that apply to mixed asset funds. For general key risks relating to investment funds, please refer to section 3.2 (Statement of Investment Policy and Objectives).

4.2.3 Risk on early withdrawal and switching

Since the DIS has been developed having regard to the long-term balance between risks and likely returns, and assumes retirement at the age of 65, any cessation of the strategy (for example through early withdrawal of accrued benefits or switching into other funds) will affect that balance.

4.2.4 Impact on members keeping benefits in the DIS beyond the age of 64

Members should note that the de-risking process will discontinue upon reaching the age of 64. Members should be aware that all accrued benefits (including accrued benefits transferred from another scheme)/on-going contribution, if any, will be invested in the A65P which holds around 20% of its assets in higher risk assets which may not be suitable for all members beyond the age of 64.

4.3 RISK CLASS

Information about the latest risk class of each Constituent Fund under the Sun Life MPF Comprehensive Scheme is available in the latest fund fact sheet of each Constituent Fund under the Sun Life MPF Comprehensive Scheme and the following website www.sunlife.com.hk.[1]

[1] This website has not been reviewed by the SFC.

5 FEES AND CHARGES

5.1 EXPENSES, FEES AND CHARGES

5.1.1 General

5.1.1.1 Expenses, fees and charges are levied on the Scheme, its Constituent Funds, the underlying APIFs and the underlying approved ITCISs.

5.1.1.2 Changes to the fees shown in this Brochure may only be made under the terms of the Deed of Trust establishing the Scheme and in any event members of the Scheme will be given at least 3 months written notice.

5.1.2 Fees and expenses of Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio

For the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, no expenses, fees or charges may be made (other than expenses and charges permitted under the MPF legislation) unless its monthly return is above the savings rate published by the MPFA. Any expenses, fees or charges that are not deducted may be carried forward for up to 12 months. Fees and charges of an 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 Comprehensive Scheme MPF Conservative Portfolio uses method (i) and, therefore, unit prices/NAV/fund performance quoted have incorporated the impact of fees and charges.

5.1.3 Fees and out-of-pocket expenses of the DIS Funds

In accordance with the MPF legislation, the aggregate of the payments for services of DIS Funds, i.e. the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of the DIS Funds divided by the number of days in the year.

The above aggregate payments for services include, but is not limited to, the fees paid or payable for the services provided by the trustee, the administrator, the investment manager(s), the custodian and the sponsor and/or promoter (if any) of the Scheme and the underlying investment fund(s) of the respective DIS Fund and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of the respective DIS Fund and its underlying investment fund(s), but does not include any out-of-pocket expenses incurred by each DIS Fund and its underlying investment fund(s).

In addition, in accordance with the MPF legislation, the total amount of all payments that are charged to or imposed on a DIS Fund or members who invest in a DIS Fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relationto the DIS Fund, shall not in a single year exceed 0.2% of the net asset value of the DIS Fund. For this purpose, out-of-pocket expenses include, for example, annual audit expenses, printing or postage expenses relating to recurrent activities (such as issuing annual benefit statements), recurrent legal and professional expenses, safe custody charges which are customarily not calculated as a percentage of the net asset value and transaction costs incurred by a DIS Fund in connection with recurrent acquisition of investments for the DIS Fund (including, for example, costs incurred in acquiring underlying investment funds) and annual statutory expenses (such as compensation fund levy where relevant) of the DIS Fund. Members should note that out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS Fund or members who invests in a DIS Fund and such out-of-pocket expenses are not subject to the above statutory limit.

5.2 FEE TABLE

Table describes the fees, charges and expenses that participating employers and members may pay upon and after joining the Scheme. Important explanatory notes and definitions are set out at the bottom of Table.

(A) JOINING FEE & ANNUAL FEE		
Type of fees	**Current amount (HK$)**	**Payable by**
Joining fee[1]	N/A	N/A
Annual fee[2]	N/A	N/A

(B) FEES, EXPENSES AND CHARGES PAYABLE ARISING FROM TRANSACTIONS IN INDIVIDUAL MEMBER'S ACCOUNT			
Types of fees, expenses and charges	**Name of Constituent Fund**	**Current level**	**Payable by**
Contribution charge[3] (see Notes (ii) and (iv))	**Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio**	N/A	N/A
	All other Constituent Funds	Currently waived	Scheme members (to be deducted from the contributions)
Offer spread[4] (see Notes (ii) and (iv))	**Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio**	N/A	N/A
	All other Constituent Funds	Currently waived	Scheme members (to be deducted from the unit price)
Bid spread[5] (see Notes (ii) and (iv))	**Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio**	N/A	N/A
	All other Constituent Funds	Currently waived	Scheme members (to be deducted from the unit price)
Withdrawal charge[6] (see Notes (ii) and (iv))	**Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio**	N/A	N/A
	All other Constituent Funds	Currently waived	Scheme members (to be deducted from the realisation amount)

(C) FEES, EXPENSE AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYING FUNDS)			
Types of fees, expenses and charges	**Name of Constituent Fund**	**Current level (% of NAV per annum)**	**Deducted from**
Management fees[7] (see Notes (iv) & (v))	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	1.29%	Relevant constituent fund assets and the underlying fund assets
	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	1.66%	
	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	0.75% (see Notes (iii) and (viii))	
	Sun Life MPF Comprehensive Scheme Stable Portfolio	1.709% (see Note (iii))	

(C) FEES, EXPENSE AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYING FUNDS)			
Types of fees, expenses and charges	**Name of Constituent Fund**	**Current level (% of NAV per annum)**	**Deducted from**
Management fees[7] (see Notes (iv) & (v))	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	1.65% - 1.965% (see Note (iii))	Relevant constituent fund assets and the underlying fund assets
	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	0.75% (see Notes (iii) and (viii))	
	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	1.709% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Growth Portfolio	1.65% - 1.965% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme International Equity Portfolio	1.97%-1.98% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	Up to 1.3% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	2.04% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	2.03% (see Note (iii))	
Guarantee charge[8]	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.22%-0.925% (see Note (vi))	Relevant underlying fund assets
Other expenses	All Constituent Funds	Other expenses to be charged to the relevant Constituent Fund and underlying fund assets include MPF Compensation Fund fees (if any), indemnity insurance charges, establishment costs, if any, audit, accounting, legal fees, expenses for publishing unit prices, cost of preparing, publishing and distributing constitutive documents, notices, forms and reports, all Constituent Funds transaction related expenses, statutory charges and any other fees and charges incurred in respect of the management and administration of the Scheme and the underlying funds. Certain recurrent out-of-pocket expenses relating to the Sun Life MPF Comprehensive Scheme Core Accumulation P ortfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio are subject to a statutory annual limit of 0.20% of the net asset value of those funds and will not be charged to or imposed on the relevant fund in excess of that amount. No establishment costs will be charged to the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio.	Relevant constituent fund assets and the underlying fund assets

(D) OTHER FEES, EXPENSES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES			
Type of additional services	**Current level**	**Maximum level**	**Payable by**
Fee to Trustee for a copy of the Deed of Trust (see Note (vii))	Currently waived	HK$500 for each copy	Persons who make the request
Fee to Trustee for any change of vesting provisions for future employer's voluntary contributions	Currently waived	HK$500 for each change	Employers who request the change
Administration fee charged by Administrator on the 5th and each subsequent request for withdrawal of accrued benefits derived from voluntary contributions by a self-employed person or for withdrawal of accrued benefits derived from additional voluntary contributions by a member within a calendar year	HK$200 for each request This Administration fee does not apply to request for withdrawal where any accrued benefits are held in DIS Funds.	HK$300 for each request This Administration fee does not apply to request for withdrawal where any accrued benefits are held in DIS Funds.	Self-employed persons or members (as appropriate) who make the request
Withdrawal fee charged by the Trustee on the 5th and each subsequent request for withdrawal of Eligible Benefits by instalments by an Eligible Member within a calendar year	Currently waived	HK$100 for each request	Self-employed persons or members (as appropriate) who make the request

5.2.1 Definitions

The following are the definitions of the different types of fees and charges.

1. **"Joining fee"** means the one-off fee charged by the Trustee/Sponsor of the Scheme and payable by the employers and/or members upon joining the Scheme.
2. **"Annual fee"** means the fee charged by the Trustee/Sponsor of the Scheme on an annual basis and payable by the employers and/or members of the Scheme.
3. **"Contribution charge"** means the fee charged by the Trustee/Sponsor of the Scheme against any contributions paid to the Scheme. This fee is usually charged as a percentage of contributions and will be deducted from the contributions. This charge does not apply to the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio. Contribution charge is part of the "initial charge" as mentioned in the Deed of Trust.
4. **"Offer spread"** is charged by the Trustee/Sponsor upon subscription of units of a Constituent Fund by the Scheme member. Offer spread does not apply to the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio. Offer spread is part of the "initial charge" as mentioned in the Deed of Trust. Offer spread for a transfer of benefits can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee (as permitted under section 34 or section 35 of the MPF Regulation).
5. **"Bid spread"** is charged by the Trustee/Sponsor upon redemption of units of a Constituent Fund by the Scheme member. Bid spread does not apply to the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio. Bid spread is part of the "exit charge" as mentioned in the Deed of Trust. Bid spread for a transfer of benefits, or withdrawal of benefits in a lump sum, or the first four withdrawals of benefits by instalments in a calendar year (or such other number of withdrawals as may be prescribed by the MPF Regulation) can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer or withdrawal and are payable to a party other than the Trustee (as permitted under section 34, section 35, section 35A or section 35B of the MPF Regulation).
6. **"Withdrawal charge"** means the fee charged by the Trustee/Sponsor of the Scheme upon withdrawal of accrued benefits from the Scheme. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio. Withdrawal charge is part of the "exit charge" as mentioned in the Deed of Trust. A withdrawal charge for withdrawal of benefits in a lump sum, or the first four withdrawals of benefits by instalments in a calendar year (or such other number of withdrawals as may be prescribed by the MPF Regulation) can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the withdrawal and are payable to a party other than the Trustee.
7. **"Management fees"** include fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor or promoter (if any) of the Scheme for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund. In the case of the DIS Funds, management fees payable to the parties named above, or their delegates, can only (subject to certain exceptions in the MPF Ordinance) be charged as a percentage of the net asset value of the DIS Fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of the relevant DIS Fund which applies across both the DIS Fund and its underlying funds.
8. **"Guarantee charge"** refers to an amount that is deducted out of the assets of the guaranteed fund for the purpose of providing the guarantee. This fee is usually charged as a percentage of the net asset value of the guaranteed fund.

5.2.2 Explanatory Notes

(i) In respect of any increase in fees and charges from the current level as stated, at least 3 months prior notice must be given to all scheme members and participating employers.

(ii) No contribution charge, offer spread, bid spread or withdrawal charge will be imposed on a transfer from one scheme to another scheme or from one employer's account to another employer's account or from one Constituent Fund to another Constituent Fund.

(iii) The Management fees shown in the Table have taken into account any applicable rebates received and represent all fees payable by scheme members.

(iv) Subject to section 5.1.3 above in respect of the DIS Funds, the maximum level of the various types of fees (inclusive of the fees of the underlying funds) are set out below.

<u>Maximum Level of Fees and Expenses</u>

Joining fee	N/A
Annual fee	N/A
Contribution Charge	2.5% of contributions*
Offer Spread	2.5% of the issue price of a unit*
Bid Spread	1% of the realisation price of a unit**
Withdrawal Charge	1% of the realisation price of a unit**
Management Fees	
Trustee Fee	up to1.15% p.a. of the NAV***
Administration Fee	1% p.a. of the NAV***
Custodian Fee	0.1% p.a. of the NAV***
Investment Management Fee	up to 3.65% p.a. of the NAV***
Fund Administration Fee	0.1% p.a. of the NAV***
Sponsor Fee	1% p.a. of the NAV***
Guarantee Charge	1% of NAV of the underlying fund

* The aggregate of the contribution charge and offer spread will not exceed 2.5% of the issue price of a unit or contributions.

** The aggregate of the bid spread and withdrawal charge will not exceed 1% of the realisation price of a unit.

*** represent the maximum % of the NAV of the constituent fund plus the maximum % of the NAV of the underlying fund.

(v) In addition to the variable fee, a flat fee of HK$6,500 p.a. in relation to valuation of Constituent Funds will also be payable by each Constituent Fund (save for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio) as part of the Fund Administration fee. A flat fee in relation to preparation of financial statements for the Constituent Funds in the amount of HK$7,200 p.a. per Constituent Fund will be payable by all Constituent Funds (save for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio). The flat fees in relation to the valuation and preparation of financial statements are waived for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio, Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio.

(vi) FWD Life has the right to set aside part of the fund for the purpose of smoothing market fluctuations to enable FWD Life to give the guarantee. The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying APIFs.

(vii) The Deed of Trust may be inspected free of charge during office hour at the office of the Administrator.

(viii) The breakdown of the management fees payable out of the Constituent Funds is as follows*:

Name of Constituent Fund	Current Level (% of NAV per annum)				
	Trustee Fee[1]	Administration Fee[2]	Custodian[4] & Fund Accounting Fee	Investment Management Fee	Sponsor Fee[6]
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	0.15%	Up to 0.95%	0.04%	Up to 0.30%	Up to 0.52%
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	0.06%[3]	0.40%[3]	0.04%	0.25%[5]	N/A
Sun Life MPF Comprehensive Scheme Stable Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	0.06%[3]	0.40%[3]	0.04%	0.25%[5]	N/A
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Growth Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme International Equity Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	Up to 0.15%	Up to 0.95%	Up to 0.04%	0.08%#	N/A
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	0.15%	Up to 0.95%	0.04%	N/A	Up to 0.52%

* Although the fee items in the two tables in section 5.2.2 (viii) may not add up to the current level of management fees set out in section (C) of the table in section 5.2 above (other than the management fees of Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio), the management fees for each constituent fund will only be charged according to the current level as stated in section (C) of the table in section 5.2 above. To this end, the Sponsor may waive all or part of its sponsor fee for any Constituent Fund for the purpose of maintaining the current level of management fees. In addition, with regard to Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio, the Trustee may waive all or part of the Trustee Fee, or discharge, out of its own funds, all or part of the Administration Fee, Custodian & Fund Accounting Fee and/or Investment Management Fee.

The Investment Management Fee is subject to an annual minimum amount, which, where converted into a percentage of the NAV of the Constituent Fund, can be higher than 0.08% of the NAV of the Constituent Fund. If the Investment Management Fee based on 0.08% of NAV of the Constituent Fund per annum is lower than the annual minimum amount, the investment manager will charge the annual minimum amount.

[1] The Trustee is paid the Trustee Fee for providing trustee services to the Scheme in accordance with the Deed of Trust, Scheme Rules and MPF legislation.

[2] The Administrator is paid the Administration Fee for providing administrative services (for example, enrolling members, handling contributions and withdrawals and members communication) to the Scheme.

[3] The Trustee Fee and Administration Fee may include a subsidy from the Sponsor and/or Trustee to comply with Section 1 of Schedule 11 to the MPF Ordinance for the purpose of Section 34DD(4) of the MPF Ordinance when deemed necessary.

[4] The Custodian is paid the Custodian and Fund Accounting Fee for providing custodial and fund accounting services to the Constituent Funds of the Scheme.

[5] The investment manager of the underlying APIFs of the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio is paid the Investment Management Fee, which is inclusive of the trustee and custodian fee of the underlying APIFs.

6 The Sponsor is paid the Sponsor Fee for promoting, distributing and procuring sales of the Scheme, client servicing and members' investor education and providing ancillary and support services to the Trustee.

The breakdown of the management fees payable out of the underlying funds of the Constituent Funds is as follows:

Name of Constituent Fund	**Current Level (% of NAV of the underlying fund(s) per annum)**	
	Investment Management Fee	Trustee and Fund Administration Fee
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	Up to 0.695%	N/A
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	0.000%	0.000%
Sun Life MPF Comprehensive Scheme Stable Portfolio	Up to 0.625%&	0.100%
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	Up to 0.625%&	0.100%
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	0.000%	0.000%
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	Up to 0.625%&	0.100%
Sun Life MPF Comprehensive Scheme Growth Portfolio	Up to 0.625%&	0.100%
Sun Life MPF Comprehensive Scheme International Equity Portfolio	Up to 0.750%&	0.125%
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio#	0-1.22%	
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	Up to 0.625%&	0.100%
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	Up to 0.625%&	0.070%

& The investment management fee has taken into account any rebate from the underlying investment manager at the underlying fund level

Please note that the Portfolio invests in a portfolio of APIFs and/or Approved ITCISs for the Constituent Fund, and the allocation among them varies from time to time. Even if the investment management fee and trustee and fund administration fee of any of the underlying APIFs and/or Approved ITCISs exceed the range as disclosed, the aggregate management fee charged in respect of the Constituent Fund at both the Constituent Fund and underlying fund levels will be the rate as specified in section (C) of the table in section 5.2.

7 In order to protect the interests of members and subject to paragraph 8 below, as permitted under section 34, section 35, section 35A or section 35B of the MPF Regulation, no fees may be charged and no financial penalties may be imposed, other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred by the trustee in selling or purchasing investments, (1) for effecting a transfer of accrued benefits (a) from the Scheme to another registered scheme; (b) from another registered scheme to the Scheme; (c) from one account to another account within the Scheme; (d) in the same account within the Scheme, from one Constituent fund to another Constituent fund, or (2) in respect of payment of accrued benefits. The necessary transaction cost are payable to a party other than that approved trustee and any of such necessary transaction cost imposed and received must be used to reimburse the relevant Constituent Fund.

8 The Trustee may not charge any fees or impose any financial penalties for effecting a transfer from one scheme to another scheme or from one employer's account to another employer's account or from one Constituent Fund to another Constituent Fund in respect of a member if:

(a) contributions have ceased to be made to the Scheme by or in respect of the member;

(b) the Trustee received such request for transfer within not more than 12 months after the date on which contributions ceased to be paid by or in respect of the member;

(c) the value of the member's accrued benefits, at the time of transfer, does not exceed HK$5,000; and

(d) it would have the effect of preventing or hindering termination of participation in the Scheme.

[9] It is not anticipated that any promotional or other selling expenses will be levied against or recovered from the Scheme or the underlying APIFs or the underlying approved ITCISs.

[10] As far as practical, audit, accounting, legal fees, printing, the advertising of unit prices, publishing of notices, and MPF levies (if any), MPF Compensation Fund fees (if any), indemnity insurance charges and other statutory charges will be estimated and accrued daily until they are payable.

[11] The MPF legislation requires that arrangements for service providers, such as the trustee, administrator, record-keeper, custodian and investment manager, to pay fees to one another in respect of the Scheme be disclosed. It has been agreed that the Trustee may, in circumstances where the return from the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio does not allow the deduction of any charges, make a payment to the custodian.

[12] The costs incurred in connection with the setting up of the Scheme were borne by the Trustee, and not by the Scheme or by members.

[13] All fees and expenses are deductible from the Constituent Funds only if they are deductible in accordance with section 66 of the MPF Regulation.

[14] A document that illustrates the on-going costs on contributions to Constituent Funds in the Scheme (except for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio) and an illustrative example for the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio are currently available for distribution with the Scheme's Brochure. Before making any investment decisions concerning MPF investments, members should ensure that they have the latest version of these documents which can be:

- downloaded from www.sunlife.com.hk; or
- obtained by calling Sun Life Retirement Scheme Hotline on 3183 1900.

[15] The fund expense ratio of Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio will be up to 1.3%.

6 ADMINSTRATIVE PROCEDURES

6.1 MEMBERSHIP

6.1.1 Membership is open to employees (of employers who participate in the Scheme), self-employed persons and any individual persons who participate in the Scheme as personal member.

6.1.2 Employers and self-employed persons are required to complete an appropriate participation form. An employer is required to provide details of those employees for whom he will be making contributions, specifying in the case of employer's voluntary contributions the terms and conditions that apply to those contributions.

6.1.3 Employees (whose current employers participate in the Scheme) and personal members are required to complete an appropriate membership enrolment form.

6.1.4 Membership will continue for as long as the member's accrued benefits remain in the scheme. (See section 6.5 (Portability of Members' Benefits) below.)

6.2 CIRCUMSTANCES FOR ACCRUED BENEFITS TO BE INVESTED IN DIS

This sub-section applies to all accounts, including accounts to which additional voluntary contributions are made.

6.2.1 New accounts set up on or after 1 April 2017:

(a) When members join the Scheme or set up a new account in the Scheme, they have the opportunity to give an investment instruction in respect of each of their accounts including sub-accounts, if applicable, for their future contributions and accrued benefits transferred from another scheme. Unless otherwise provided in the relevant Participation Agreement and/or the relevant forms, they may choose to invest their future contributions and accrued benefits transferred from another scheme into:

- the DIS; **or**
- one or more Constituent Funds of their own choice (including the CAP and the A65P) and according to their assigned allocation percentage(s) to the relevant Constituent Fund(s) of their choice.

A member wishing to invest in the DIS is required to give an investment instruction to invest 100% of his future contributions (whether derived from mandatory contributions or voluntary contributions) and accrued benefits transferred from another scheme in the DIS. In addition, members should note that, if investments/accrued benefits in CAP or A65P are made under the member's investment instructions in the CAP and/or the A65P as a standalone fund choice rather than as part of DIS offered as a choice (**"standalone investments"**), those investments/accrued benefits will not be subject to the de-risking process. If a member's investment/accrued benefits are invested in any combination of (i) CAP and/or A65P as standalone investments and (ii) the DIS (no matter by default, by operational arrangements or by investment instruction) (**"DIS investments"**), investments/accrued benefits invested as standalone investments will not be subject to the de-risking mechanism whereas for investments/accrued benefits invested as DIS investments will be subject to the de-risking process. In this connection, members should pay attention to the different on-going administration arrangements applicable to accrued benefits invested in standalone investments and DIS investments. In particular, members would, when giving a fund switching instruction, be required to specify to which of the benefits (namely, under standalone investments or DIS investments) the instruction relates.

(b) If a member does not give investment instructions or the investment instruction provided is considered invalid in the circumstances set out in section 3.3.2, his future contributions and accrued benefits transferred from another scheme (or the relevant part thereof) will be automatically invested in the DIS.

6.2.2 Existing account set up before 1 April 2017

There are special rules to be applied for Pre-existing Accounts and these rules **only apply to a member who is under or becoming 60 years of age on 1 April 2017.**

(a) For a member's Pre-existing Account with all accrued benefits being invested in the Default Fund but no investment instructions for accrued benefits have been given:

If the accrued benefits in a member's Pre-existing Account are only invested in the Default Fund but no investment instructions for accrued benefits have been given, subject as described in the next paragraph, special rules and arrangements will be applied, in due course, to determine whether the accrued benefits in such Pre-Existing Account will be transferred to the DIS and whether the future contributions and accrued benefits transferred from another scheme for such account will be invested in DIS. If the member's Pre-existing Account is the one described above, a notice called the DIS Re-investment Notice (the "**DRN"**) may be sent to the member within 6 months from 1 April 2017 explaining the impact on such account and giving the member an opportunity to give a specified investment instruction to the Trustee before the accrued benefits, future contributions and accrued benefits transferred from another scheme are invested into the DIS. **Members should note that subject to meeting the qualifying conditions as described in section 3.4 below, the Default Fund provides a capital guarantee, and on this basis the risk level of the Default Fund is considered lower than that of the DIS. Members will also be subject to market risks during the redemption and reinvestment process.**

Notwithstanding the aforesaid, in the case of any transfer from one account to another account within the Scheme (e.g. from a contribution account to a personal account following the cessation of employment), the accrued benefits so transferred will remain invested in the same manner as they were invested immediately before the transfer, unless otherwise instructed by or agreed with the relevant member. Accordingly, if the accrued benefits of a member's Pre-existing Account are invested in the Default Fund as a result of a transfer from one account to another account within the Scheme, the special rules and arrangements relating to DIS and the DRN as described above will not apply. For the avoidance of doubt, the investment instructions applicable to the original account will not apply to future contributions or accrued benefits transferred from another scheme that are made to the new account. Unless investment instructions are received by the Trustee, future contributions or accrued benefits transferred from another scheme to the new account will be invested according to the DIS.

As the Default Fund is a guaranteed fund, on the expiry of the notice period of the DRN ("Expiry Day"), the market value of a member's accrued benefits in the Default Fund will be compared against the guaranteed value of such accrued benefits. In the event that the market value of the accrued benefits is less than the guaranteed value, the member's accrued benefits (including any future contributions and accrued benefits transferred to the Scheme) will continue to be invested in the Default Fund. The DIS Pre-implementation Notice will set out the communication arrangement of the comparison result of guaranteed value and market value of the member's accrued benefits.

For details of the communication arrangement of the comparison result of guaranteed value and market value of the member's accrued benefits, members should refer to the DRN.

(b) For a member's Pre-existing Account with part of the accrued benefits in the Default Fund:

For a member's Pre-existing Account which part of the accrued benefits is invested in the Default Fund immediately before 1 April 2017, unless the Trustee has received any investment instructions, accrued benefits of a member will be invested in the same manner as accrued benefits were invested immediately before 1 April 2017. Future contribution and accrued benefits transferred from another scheme will be invested in the DIS, unless the Trustee has received any investment instructions.

Members should note that the implementation of the DIS legislation may have impact on their MPF investments or accrued benefits. Please consult the Trustee by calling the Sun Life Retirement Scheme Hotline on (852) 3183 1900 if you have any doubts or questions on how your MPF investments or accrued benefits are being affected.

(c) Members with Pre-existing Account and aged 60 or above before 1 April 2017:

In the case of members who are aged 60 or above before 1 April 2017 and who hold a Pre-existing Account, the accrued benefits, future contributions and accrued benefits transferred from another scheme in the Pre-existing Account will continue to be invested in the same manner as accrued benefits, future contributions and accrued benefits transferred from another scheme (as the case may be) were invested immediately before 1 April 2017, unless the Trustee receives any investment instructions or switching instructions.

6.3 CONTRIBUTIONS

6.3.1 Contributions to the Scheme can only be made to the Trustee. Contributions to the Scheme will be classified as mandatory contributions, voluntary contributions or additional voluntary contributions or special contributions.

6.3.2 Employers who participate in the Scheme must remit the contributions to the Trustee within 10 days after each contribution period, by cheque, bank transfer or direct debit (contributions may not be paid to the Trustee in cash). Receipts will be issued after contributions are received. Remittance statements containing the breakdown of the relevant income of each employee must also be sent to the Trustee at the same time. Cleared funds will be invested on the next available dealing day if the information contained in the remittance statement and such information as reasonably requested by the Trustee are accurate and correct, and that the total amount stated corresponds with the actual contributions remitted.

6.3.3 Any interest earned on contributions or transfer payments made by or on behalf of a member to the Scheme which has not been invested in a Constituent Fund will, at the absolute discretion of the Trustee, be either:

(a) allocated in whole or in part to the Constituent Funds in which the member holds Units (in the same proportions as the member's investments) for the benefit of all members who hold Units in those Constituent Funds; or

(b) used in whole or in part to pay or defray the administrative expenses of the Scheme.

6.3.4 Mandatory contributions for employees and self-employed persons are determined by the MPF legislation. The employer of an eligible employee who has been employed for 60 days or more must make mandatory contributions to an MPF scheme as follows:

(a) a payment of 5% of the relevant income as defined in the MPF legislation (up to the maximum amount prescribed by the MPF legislation*) being the employer's mandatory contribution; plus

(b) a deduction of 5% from the relevant income of the employee as defined in the MPF legislation (up to the maximum amount prescribed by the MPF legislation*) being the employee's mandatory contribution, unless the relevant income of the employee falls below the statutory minimum level*.

6.3.5 Unless the relevant income of the self-employed person falls below the statutory minimum level *, a self-employed person who is 18 years of age or over and below the age of 65 must make mandatory contributions equal to 5% of his relevant income, payable either monthly or yearly, as defined in the MPF legislation (up to the maximum amount prescribed by the MPF legislation*).

* The statutory maximum and minimum level of relevant income may be changed under the Schedule 2 and 3 of MPF Ordinance. For more information, please contact our Sun Life Retirement Scheme Hotline at (852) 3183 1900.

6.3.6 Voluntary contributions through employment are normally established through a contract of employment or through an agreement between the employer and employee. Subject to the discretion of the Trustee, additional voluntary contributions i.e. voluntary contributions other than through employment, maybe made by an existing member to the Scheme.

Any existing member of the Scheme may make additional voluntary contributions in a minimum monthly amount of HK$500; or in a lump sum of HK$5,000 or more.

6.3.7 **Under the Scheme Rules, an employer may specify the basis on which he makes employer's voluntary contributions, including:**

(a) Any vesting provisions.

(b) A retirement age whereby benefits attributable to voluntary contributions will be paid out.

(c) Treatment of any amounts forfeited through the application of vesting, i.e. whether to offset against employer's future mandatory or voluntary contributions; or return back to the employer.

6.4 SWITCHING

6.4.1 When a member wishes to make a switch or change his investment choice, he must complete an appropriate switching form or use the services provided by the Interactive Voice Response System or the Interactive Website (set out in section 7.7 (Additional Information) section below).

6.4.2 For Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio, switches may be made once in each calendar year, with no specific date or period of time being imposed. For all other Constituent Funds, there is currently no limit on the number of switches and change of investment choices which may be made in any calendar year.

6.4.3 Members should note that, although switches will be implemented as soon as reasonably practicable, and in any event within one month, the realisation of units of the Constituent Fund which a member wishes to switch out of and the purchase of units of the Constituent Fund which he wishes to switch in to, may not occur on the same dealing day.

6.5 PORTABILITY OF MEMBERS' BENEFITS

6.5.1 A member who is an employee whose current employer participates in the Scheme has the following 4 options regarding his accrued benefits (excluding those deriving from additional voluntary contributions) when he changes employment. The benefits deriving from additional voluntary contributions will be dealt with separately. Please refer to sections 6.3.6 and 6.6.3 for details:

(a) Leave the accrued benefits with the Scheme, and the member will become a personal member.

(b) If the new employer participates in the Scheme, transfer the accrued benefits to the Employer's Account of such employer in the Scheme.

(c) Transfer the accrued benefits to another master trust scheme.

(d) Transfer the accrued benefits to an existing account in an industry scheme (if eligible).

If no such election is made within 3 months after the Trustee has been notified of the termination of the member's employment, the member's accrued benefits will remain with the Scheme and the member will become a personal member. For a member who makes additional voluntary contributions, his accrued benefits from additional voluntary contributions will be retained in the additional voluntary contributions account in the Scheme until a request for withdrawal or closure of such account is received by the Trustee.

6.5.2 A member who is an employee whose current employer participates in the Scheme may, during employment with such employer, once every calendar year, elect to transfer all accrued benefits derived from the member's mandatory contributions in respect of his current employment held in his contribution account in the Scheme to (a) a personal account within the Scheme or, (b) a personal account within another registered scheme which is a master trust scheme or an industry scheme, nominated by the member.

6.5.3 A member who is an employee whose current employer participates in the Scheme may, during the employment with such employer, at any time, elect to transfer all accrued benefits derived from the mandatory contributions made by or in respect of the member that are attributable to his former employments or former self-employments held in his contribution account in the Scheme to:

(a) another contribution account of the employee within the same registered scheme nominated by the employee;

(b) a contribution account of the employee within another registered scheme, nominated by the employee;

(c) a personal account of the employee within the same registered scheme nominated by the employee; or

(d) a personal account of the employee within another registered scheme, which is a master trust scheme or an industry scheme, nominated by the employee.

6.5.4 A member who holds a personal account in the Scheme may, at any time, elect to transfer all accrued benefits in the personal account to:

(a) a contribution account of the member within the same registered scheme nominated by the member;

(b) a contribution account of the member within another registered scheme, nominated by the member;

(c) another personal account of the member within the same registered scheme nominated by the member; or

(d) a personal account of the member within another registered scheme, which is a master trust scheme or an industry scheme, nominated by the member.

6.5.5 In the case of a self-employed member, he may at any time elect to transfer his accrued benefits (excluding those from additional voluntary contributions) under the Scheme to another master trust scheme or, if eligible, an industry scheme. A self-employed member has the following 4 options when he ceases to be self-employed. The benefits deriving from additional voluntary contributions will be dealt with separately. Please refer to sections 6.3.6 and 6.6.3 for details:

(a) Leave the accrued benefits with the Scheme, and the member will become a personal member.

(b) If a self-employed person who is a member of a master trust scheme or an industry scheme subsequently becomes employed by an employer, transfer the accrued benefits to the contribution account in the registered scheme in which the employer is participating in relation to the person.

(c) Transfer the accrued benefits to another master trust scheme.

(d) Transfer the accrued benefits to an existing account in an industry scheme (if eligible).

If the self-employed member fails to make an election within 3 months after the Trustee has been notified of the cessation of the member's self-employment, the member's accrued benefits will be retained in his account in the Scheme. For a self-employed member who makes additional voluntary contributions, his accrued benefits from additional voluntary contributions will be retained in the additional voluntary contributions account in the Scheme until a request for withdrawal or closure of such account is received by the Trustee.

6.5.6 In relation to any transfer from one account to another account ("new account") within the Scheme as set out in sections 6.5.1 to 6.5.5 above, the accrued benefits so transferred will remain invested in the same manner as they were invested immediately before the transfer, unless otherwise instructed by or agreed with the relevant member. For the avoidance of doubt, the investment instructions applicable to the original account will not apply to future contributions or accrued benefits transferred from another scheme that are made to the new account. Unless investment instructions are received by the Trustee, future contributions or accrued benefits transferred from another scheme to the new account will be invested according to the DIS. For the avoidance of doubt, in such case, the member's existing accrued benefits held in the relevant Constituent Funds will remain so invested and will not be switched into the DIS.

6.5.7 On termination of employment (for a member who is an employee whose current employer participates in the Scheme) or cessation of self-employment (for a self-employed member), a member must make an election required under sections 6.5.1 or 6.5.5 above in the appropriate form. Unless the member has already informed the Trustee in writing of his preferred option in dealing with his accrued benefits from mandatory contributions and voluntary contributions, the Trustee will send an option election form (which will contain all the relevant options stipulated in sections 6.5.1 or 6.5.5) to the member within 30 days after notification of termination of employment or cessation of self-employment is received by the Trustee. Upon receipt of a notice of transfer, the Trustee will take all practicable steps to ensure that, within 30 days after receipt of the notice of transfer; or if an election is made by an employed member who ceases to be employed by the participating employer, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is the later, transfer the accrued benefits from mandatory contributions and voluntary contributions of the member in accordance with the member's election. Any such election made by a member is subject to, and will become effective in accordance with, the MPF legislation.

6.5.8 As soon as practicable on or after any transfer of accrued benefits is made, if the election is made by the member, the Trustee shall serve that member a statement of the transfer stating the total amount of accrued benefits transferred and other information required under section 154 of the Mandatory Provident Fund Schemes (General) Regulation ("MPF Regulation").

6.5.9 An employer must notify the Trustee of the cessation of employment of any of its employee (other than a casual employee) who is a member and the date of such cessation of employment:

(a) in the remittance statement that the employer is required to lodge with the Trustee in respect of the contribution period that ends immediately following the employee's cessation of employment; or

(b) by written notice to the Trustee no later than the date on which that remittance statement is required to be lodged, unless specifically exempted from such notification requirement under the MPF legislation.

6.5.10 In the case of the cessation of employment of any casual employee who is a member, the employer must notify the Trustee of such cessation and the date of such cessation within 30 days. This notification can be included in the remittance statement that the employer lodges with the Trustee immediately following the casual employee's cessation of employment provided that this remittance statement is lodged within 30 days after cessation of employment.

6.5.11 Where sections 12A (6A) and (6B) of the MPF Ordinance apply, subject to the MPF Regulation, the new employer (as that term is defined in the MPF Ordinance) of a member may elect to have the member's accrued benefits in the Scheme transferred to a registered scheme in which the new employer is a participant (including the new employer's Employer's Account in the Scheme) and by giving written notice of the election to the Trustee within the permitted period.

6.5.12 If the Trustee has been notified of an election made under section 145, 146, 147, 148, 150 or 150A of the MPF Regulation and, at the time of notification, contributions and/or contribution surcharges ("outstanding sums") are due for payment to the MPFA under section 7AE or 18 of the MPF Ordinance in respect of the member's account concerned and has subsequently received any amount of the outstanding sums, the Trustee will within 30 days take all reasonably practicable steps to ensure that the amount is transferred in accordance with the election.

6.5.13 Subject to the MPF Regulation, the participating employer of an employed member may elect to have the member's accrued benefits held in the contribution account in the Scheme in respect of the member's employment with that employer transferred to another registered scheme in which the participating employer is a participant by giving written notice of the election to the trustee of that registered scheme in the circumstances permitted by section 150 of the MPF Regulation.

6.5.14 In the case of a member who makes additional voluntary contributions, transfer of accrued benefits from additional voluntary contributions to another registered scheme will not be catered for. However, the member may withdraw additional voluntary contributions as he wishes (See section 6.6 (Payment of Members' Benefits) section below) or request to close his additional voluntary contributions account.

6.6 PAYMENT OF MEMBERS' BENEFITS

6.6.1 The accrued benefits from mandatory contributions and special contributions will be paid out, amongst other things, under the following circumstances:

(a) Normal retirement at age 65.

(b) Early retirement between age 60 and 65.

(c) Permanent departure from Hong Kong.

(d) Death.

(e) Terminal illness.

(f) Total incapacity.

(g) Accrued benefits are less than HK$5,000 and no mandatory contributions were paid or required to be paid by or in respect of the member during the previous 12 months, and the member has no intention to return to work in the foreseeable future and the member does not have accrued benefits kept in any other registered scheme.

(h) Offsetting severance payments or long service payments (after first offsetting severance payments or long service payments against any employer's voluntary contributions).

If you are currently investing in Capital Guaranteed Portfolio, a withdrawal of the accrued benefits on ground of terminal illness may affect your entitlement to the guarantee and you may lose your guarantee. For details please check the terms of the guarantee of the Capital Guaranteed Portfolio set out in section 3.4 above or contact our Sun Life Retirement Scheme Hotline on 3183 1900 before making any such withdrawal.

6.6.2 Subject as otherwise provided in the relevant participation form or as otherwise agreed in writing with the employer, the accrued benefits from voluntary contributions may generally be withdrawn on or after the termination of employment. In addition, notwithstanding anything contained in the relevant participation form, a member shall be entitled to withdraw his accrued benefits from voluntary contributions if his employer has failed to make any employer's voluntary contributions within six months after:

(a) if the amount of the voluntary contributions required to be made by the employer is determined by reference to the income derived from the employee's employment with the employer, the end of the period covered by the payment of such income; or

(b) if the amount of the relevant contributions required to be made by the employer is determined by reference to a period of employment of the employee with the employer, the end of such period.

There are potential salaries tax liabilities to the members (on the portion of accrued benefits attributable to employer's voluntary contributions) if the accrued benefits are withdrawn earlier; or if the vesting of the accrued benefits attributable to employer's voluntary contributions is more favourable than the vesting scale specified in the Inland Revenue Ordinance and withdrawal is made on the termination of employment or on other occasions other than the death, terminal illness, incapacity or retirement of the member. With the agreement of the Trustee, the employer and member may specify a retirement age other than age 65 and an early retirement age other than an age between 60 and 65, upon which the member shall be entitled to be paid the accrued benefits from voluntary contributions.

6.6.3 A self-employed person who is a member of the Scheme may withdraw voluntary contributions as he wishes, provided that the amount of each withdrawal must be HK$5,000 or more. Any withdrawal over four times within a calendar year will be subject to an administration fee of HK$200 per request, provided that such administration fee shall not apply to withdrawal where any of the voluntary contributions are held in the DIS Funds.

Any member may withdraw additional voluntary contributions as he wishes, provided that the amount of each withdrawal must be HK$3,000 or more, the withdrawal must be in a multiple of 5% of total additional voluntary contributions balance or individual fund balance; and the remaining balance of the additional voluntary contributions in his account must not be less than HK$5,000. Any withdrawal over four times within a calendar year will be subject to an administration fee of HK$200 per request, provided that such administration fee shall not apply to withdrawal where any of the additional voluntary contributions are held in the DIS Funds.

Notwithstanding the above, a member may withdraw all the voluntary contributions or additional voluntary contributions in one lump sum in accordance with the Rules governing the Scheme.

6.6.4 When a member wishes to withdraw his accrued benefits from mandatory contributions or special contributions, an appropriate withdrawal form must be completed. In addition, the relevant form prescribed by the MPFA must also be submitted, together with the necessary document in support of the claim.

6.6.5 The maximum intervals for the Trustee to effect a request for transfer to other registered MPF schemes and the actual transfer of funds to such schemes is 30 days (or such other period as permitted by the MPF legislation).

6.6.6 Withdrawal in a lump sum

6.6.6.1 Upon receiving a valid claim for payment of accrued benefits in a lump sum, the Trustee shall ensure that accrued benefits are paid to the claimant not later than the later of (i) 30 days after the claim is lodged and (ii) 30 days after the contribution day of the last contribution period that ends before the claim is lodged (or such other period as permitted by the MPF legislation). Payment may be delayed if the claimant fails to satisfy the Trustee that he or she is entitled to the benefits, or in circumstances where the Trustee has grounds to postpone payment under the MPF legislation.

6.6.7 Withdrawal by instalments

6.6.7.1 A member ("Eligible Member") who becomes entitled to benefits in respect of mandatory contributions and, where applicable, voluntary contributions upon reaching normal retirement age of 65 or upon early retirement between age 60 and 65 may elect to have his benefits ("Eligible Benefits") derived from mandatory contributions and, where applicable, voluntary contributions, paid in a lump sum or by instalments (i.e. partial withdrawal). Such election is not available in other circumstances when a member becomes entitled to benefits in respect of mandatory and/or voluntary contributions and the benefits will be paid in a lump sum only.

6.6.7.2 If an Eligible Member elects to have his Eligible Benefits paid by instalments (i.e. partial withdrawal), for each instalment, he is required to give instructions to the Trustee by submitting a separate claim form specifying the amount of withdrawal. The claim form can be downloaded from www.sunlife.com.hk or obtained by calling Sun Life Retirement Scheme Hotline on (852) 3183 1900.

6.6.7.3 To meet each withdrawal request, the Eligible Benefits in all of the Constituent Funds (including the Capital Guaranteed Portfolio) held by the Eligible Member will be realised on a pro-rata basis, or in such other manner as the Trustee shall, in consultation with the Sponsor, deem appropriate (in which case the relevant Eligible Member will be notified as soon as practicable). Such withdrawal request will apply to benefits both in respect of mandatory contributions and, where applicable, voluntary contributions in all of the Constituent Funds held by the Eligible Member, on a pro-rata basis. Benefits in each Constituent Fund held by the Eligible Member attributable to mandatory contributions and voluntary contributions will be treated separately for the purpose of calculating the proportion of the amount of the benefits to be realised. In the following illustrative example where realisation is on a pro-rata basis, the Eligible Member is entitled to Eligible Benefits in total of HK$100,000, and he has given a withdrawal request to withdraw HK$10,000 by instalment (i.e. 10% of his Eligible Benefits):

Balance before withdrawal of HK$10,000	Eligible Benefits derived from mandatory contributions	Eligible Benefits derived from voluntary contributions	Total Eligible Benefits
Constituent Fund A	HK$50,000	HK$30,000	HK$80,000
Constituent Fund B	HK$0	HK$20,000	HK$20,000
Total	**HK$50,000**	**HK$50,000**	**HK$100,000**

Withdrawal of HK$10,000	Eligible Benefits derived from mandatory contributions	Eligible Benefits derived from voluntary contributions	Total withdrawal
Constituent Fund A	HK$5,000	HK$3,000	HK$8,000
Constituent Fund B	HK$0	HK$2,000	HK$2,000
Total	**HK$5,000**	**HK$5,000**	**HK$10,000**

Balance after withdrawal of HK$10,000	Eligible Benefits derived from mandatory contributions	Eligible Benefits derived from voluntary contributions	Total Eligible Benefits
Constituent Fund A	HK$45,000	HK$27,000	HK$72,000
Constituent Fund B	HK$0	HK$18,000	HK$18,000
Total	**HK$45,000**	**HK$45,000**	**HK$90,000**

6.6.7.4 Unless otherwise agreed between the Trustee and the Eligible Member, the Trustee will pay each instalment to such Eligible Member no later than 30 days after the date on which the Eligible Member instructs the Trustee to pay that instalment. Payment may be delayed if the claimant fails to satisfy the Trustee that he or she is entitled to the benefits, or in circumstances where the Trustee has grounds to postpone payment under the MPF legislation.

6.6.7.5 In respect of withdrawal by instalments, the first 4 instalments at the minimum in any calendar year (the period from 1 January to 31 December in a year) will be effected free of charge (other than any necessary transaction costs permitted under the MPF Regulation). Thereafter, the Trustee may at its discretion charge a fee of up to HK$100 for each additional withdrawal instalment in the same calendar year. Such withdrawal fee is currently waived. Please note that bank charges may apply if Members choose to be paid the withdrawal amount directly to their bank account.

6.6.7.6 Eligible Members should note that in respect of Eligible Benefits held in the Capital Guaranteed Portfolio, the guarantee of capital will only be available at the end of every 5-year period of continuous investment (i.e. starting from the date when the member invested in the Capital Guaranteed Portfolio) or over a shorter period if the member reaches the age of 65 (**"Investment Period"**). The guaranteed amount is the value of units held in the Capital Guaranteed Portfolio at the beginning of the Investment Period, plus any contributions less any amount withdrawn during the Investment Period. The Guarantor will make up the shortfall (if any) between the guaranteed amount and the value of holdings in the Capital Guaranteed Portfolio at the end of each Investment Period, i.e. every 5-year period or on the date when the member reaches the age of 65. (For further details, please refer to section 3.4 above.) Hence if an Eligible Member withdraws any benefits from the Capital Guaranteed Portfolio, either in one lump sum or by instalments in the manner as described in this section, the amount payable will depend on the timing of the withdrawal, as follows:

(a) the withdrawal is made at the end of the Investment Period, i.e. every 5-year period or when the member reaches the age of 65: the guarantee of capital will be applicable to the benefits withdrawn, and the amount payable will be the higher of (a) the guaranteed amount and (b) the value of the units held in the Capital Guaranteed Portfolio;

(b) the withdrawal is made before the end of the Investment Period (e.g. upon early retirement between age 60 and 65 and before reaching the end of the 5-year period): the guarantee of capital will not be applicable to the benefits withdrawn, and the amount payable will be the value of the units held in the Capital Guaranteed Portfolio.

6.6.7.7 For the avoidance of doubt, the guarantee of capital will continue to be available to any holdings that remain in the Capital Guaranteed Portfolio at the end of every subsequent 5-year period after a member reaches the age of 65 (e.g. when the member reaches the age of 70) as long as the member has a continuous investment in the Capital Guaranteed Portfolio during the period.

6.6.7.8 Any amount withdrawn during an Investment Period will reduce the guaranteed amount that would be available at the end of the Investment Period. Please refer to Example 7 in section 3.4.13.7above for an illustrative example relating to withdrawal by instalments.

6.6.7.9 **If you are currently investing in Capital Guaranteed Portfolio, a withdrawal of the Eligible Benefits by instalment may affect your entitlement to the guarantee and you may lose your guarantee. The guarantee charge will continue to apply to investments that remain in the Capital Guaranteed Portfolio. For details, please check the terms of the guarantee of the Capital Guaranteed Portfolio set out in section 3.4 above or contact our Sun Life Retirement Scheme Hotline on (852) 3183 1900 before making any such withdrawal**.

6.6.7.10 Members should note that in the case of withdrawal of benefits by instalments, any balance remaining in a member's account will continue to be invested in the relevant Constituent Fund(s) and therefore subject to investment risks.

6.6.7.11 For the avoidance of doubt, the withdrawal arrangements as set out in this paragraph shall be without prejudice to the withdrawal arrangements for voluntary contributions as set out in sections 6.6.2 and 6.6.3.

6.6.7.12 Save as disclosed above, no fees or financial penalties shall be charged or imposed for payment of benefits other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the payment and are payable to a party other than the Trustee.

6.6.7.13 A benefit payment statement shall be issued to a member whenever accrued benefits have been paid to such member.

7 OTHER INFORMATION

7.1 MANAGEMENT AND ADMINISTRATION

The appointment and removal of any investment manager, administrator or custodian by the Trustee shall be subject to the agreement of the Sponsor.

7.2 PRICING AND VALUATION

7.2.1 Each of the Constituent Funds is divided into notional units each of which represents one undivided notional share in that constituent fund. Each such Constituent Fund is valued on each valuation day according to its net asset value, which is equal to the value of its investments less its accrued fees, charges and expenses and liabilities (and in the case of the Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio, including any smoothing adjustments as described under section 3.4.7 above). On every valuation day, the price of each notional unit (the "Unit Price") of a Constituent Fund is determined by the following formula:

Unit Price = Net asset value / No. of outstanding units

7.2.2 Each Constituent Fund will have single pricing of units on each dealing day at which subscriptions and realisations are made.

7.2.3 The contribution charge / offer spread (if any) (see section 5) is payable in addition to the Unit Price. On a realisation of units by a member, the bid spread (if any) (see section 5) will be deducted from the Unit Price. These charges do not apply to the Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio.

7.3 DEALING AND VALUATION

7.3.1 Purchase of units of the Constituent Funds will take place on the dealing day after both the contributions have been cleared and all the relevant contribution records have been received and processed by the Administrator.

7.3.2 Each of the Constituent Funds is unitized and valued daily. Units of the Constituent Funds will be issued and realised daily based on forward pricing.

7.3.3 However, where a particular valuation day and dealing day is a public holiday, a gale warning day or a black rainstorm warning day, the valuation and dealing date which would have applied on that day will be the next business day which is not a public holiday, a gale warning day or a black rainstorm warning day.

7.3.4 Any dealing instructions will be dealt with by the Trustee as soon as reasonably practicable upon receipt of complete information and, in case of subscription, subscription monies in cleared funds. If dealing instructions and, in case of subscription, subscription monies in cleared funds are received after the cut-off point for a dealing day, we do not guarantee that these dealing instructions can be carried out on such dealing day. These dealing instructions, if not carried out on such dealing day, will be carried out on the next dealing day. The cut-off point in respect of each dealing day is 5 p.m.

7.3.5 The Unit Price in relation to any dealing day is calculated by reference to the value of the Constituent Fund as at 5 p.m. on that dealing day. The Unit Price will be available by the close of business on the second business day after the relevant dealing day.

7.3.6 The value of each Constituent Fund is generally determined by using the face value of deposits, deeming interest or similar income to accrue from day to day and taking the last price quoted by the manager of the underlying APIF and the underlying approved ITCIS (or if more than one price is quoted, by reference to the last available bid price when determining value for the purpose of realising units or the last available offer price when determining value for the purpose of issuing units). The Trustee having ascertained the value of the Constituent Fund will divide this by the number of units in issue to give the net asset value per unit.

7.3.7 The issue or realisation of units on a dealing day will be at a price (the Unit Price) based on the net asset value and the number of units in issue at 5 p.m. on that dealing day.

7.3.8 Dealing and valuation days, the time as at which valuations are made and any latest time for receipt of applications and realisation requests may be changed from time to time by the Trustee.

7.3.9 Unless otherwise prohibited by the MPF legislation, dealing may be deferred or suspended and the method of valuation and daily pricing may be changed in the event of:

(a) A closure or suspension of trading on any relevant stock exchange or market, or the suspension in dealings in the units, shares or other interests of an APIF and an ITCIS, in which the Scheme invests.

(b) A breakdown in any of the means normally utilized in determining the net asset value of the funds.

(c) The value of the funds not being able to be reasonably ascertained.

(d) Circumstances existing which result in it not being reasonably practicable to dispose of investments or fairly to determine the realisation price of units in the Scheme.

(e) The remittance of any relevant currency not being able to be effected at a normal rate of exchange.

(f) A suspension being required under the MPF legislation.

7.4 DEED OF TRUST

The operation of the Scheme is in accordance with the Deed of Trust, Scheme Rules and this Brochure. Copies of all these documents are available for inspection free of charge or may be obtained at the offices of the Administrator, BestServe Financial Limited during normal business hours (a reasonable photocopying charge may apply if a copy of the Deed of Trust and Scheme Rules is requested). The Deed of Trust and Scheme Rules should be referred to and read for the full terms of the operation of the Scheme, to which members or participating employers in the Scheme shall be bound.

7.5 REPORTS AND ACCOUNTS

7.5.1 The Scheme Rules and the MPF legislation require that a member's report to be sent to each member within 3 months of the year end.

7.5.2 The year end of the Scheme and its Constituent Funds is 31 December, with the first financial period ending on 31 December 2000.

7.6 TAXATION

The statements below regarding taxation are based on professional advisers' interpretation of current tax law and practice in Hong Kong at the date of this Brochure and are subject to any subsequent changes in the law or practice (which could be made on a retroactive basis). The following statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to participate in the Scheme or to subscribe for units in a Constituent Fund and may not apply equally to all persons. It is recommended that employers, employees and self-employed persons should seek professional tax advice regarding their own particular circumstances.

7.6.1 All income and capital gains generated by assets of the Scheme are not expected to be subject to tax while the assets are held in the Scheme. However, when the accrued benefits are taken out of the Scheme by the members, they may be subject to tax.

Stamp duty

7.6.2 Any acquisition or disposal of units in Constituent Funds should not be subject to ad valorem stamp duty. Acquisition or disposal of units in APIFs and approved ITCISs by those Constituent Funds may be subject to ad valorem stamp duty charged at 0.2% of the value of the transaction. Any such stamp duty will be payable by the Trustee out of the assets of the Scheme.

7.6.3 If the Trustee of the Scheme acquires or disposes of Hong Kong stocks (as defined in the Stamp Duty Ordinance), ad valorem stamp duty charged at 0.2% of the value of the transaction is chargeable. The Trustee in practice has to pay half of the amount. Any such stamp duty will be payable by the Trustee out of the assets of the Scheme.

Tax implications for employers

7.6.4 Regular contributions whether mandatory or voluntary made to the Scheme by an employer in respect of an employee are deductible for profits tax purposes subject to a limit of up to 15% of the "total emoluments" of that employee. In addition any initial or lump sum contributions made to the Scheme by an employer are deductible for profits tax purposes in five equal instalments over a period of five years provided such contributions are considered not to be excessive in the circumstances.

7.6.5 Refund of unvested employer's voluntary contributions to an employer by the Trustee will be taxable in the hands of the employer, if the employer has claimed a tax deduction for profits tax purposes on the contributions.

Tax implications for employees

7.6.6 An employee will not be subject to salaries tax when an employer makes contribution to the Scheme for the employee.

7.6.7 An employee can claim a tax deduction for salaries tax purposes up to the statutory maximum amount of the mandatory contributions made by him to the Scheme.

7.6.8 When an employee receives a lump sum payout (the "Payout") from the Trustee of the Scheme, the portion of the Payout attributable to employee's contributions and mandatory contributions from the employer, and income derived from such contributions will not be subject to salaries tax.

The portion that is potentially subject to salaries tax is the amount derived from employer's voluntary contributions:

(a) If the Payout is received on retirement, death, terminal illness or incapacity of the employee, the amount derived from employer's voluntary contributions will not be taxable.

(b) If the Payout is made upon termination of the employee's services, a portion of the amount derived from the employer's voluntary contributions may be subject to salaries tax depending on the number of months the employee has worked for the employer when he terminates his services. There are special rules for determining the amount of the employer's voluntary contributions that is subject to salaries tax if the employer is not chargeable to profits tax (for example, if the employer is a tax-exempt charity).

(c) If the Payout has been made and the employee does not terminate his services with the employer, the whole amount of the Payout will be subject to salaries tax unless the employee has reached his retirement age.

Tax implications for self-employed persons

7.6.9 Mandatory contributions made by a self-employed person of up to the statutory maximum amount may be deducted from the self-employed person's business income for the purposes of calculating his profits tax liability.

For more information, please contact our Sun Life Retirement Scheme Hotline at (852) 3183 1900.

7.6.10 Automatic exchange of financial account information

The Inland Revenue Ordinance provides the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information in Tax Matters (**"AEOI"**). The AEOI requires financial institutions (**"FI"**) in Hong Kong to collect information relating to account holders with FIs, and report such information to the Inland Revenue Department of Hong Kong (**"IRD"**) which will be further exchanged with any reportable jurisdiction(s) in which those account holders are tax residents. Account holders include members and employers participating in the Scheme.

If you are not a tax resident in any jurisdiction outside Hong Kong, your MPF account information will not be reported to IRD for transmission to any tax authority outside Hong Kong.

Starting on 1 January 2020, the Scheme is required to comply with the requirements of AEOI as implemented in Hong Kong, which means that the Scheme shall collect including certain information relating to account holders and prospective participants of the Scheme and provide such information to the IRD. This information includes (but is not limited to), in respect of each account holder or, where applicable, prospective participant, his/her/its name, address, date of birth (for individuals), place of incorporation (for entities), jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s) and account information including account balance, income, and payments under the Scheme.

The AEOI rules as implemented in Hong Kong require the Scheme to, amongst other things: (i) register the Scheme's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. the interests of the account holders of the Scheme) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report the required information with respect to such Reportable Accounts to the IRD. Broadly, AEOI contemplates that Hong Kong FIs should report on account holders (individuals and entities) and controlling persons of certain entity account holders that are tax residents in a jurisdiction Hong Kong identifies as a reportable jurisdiction.

The Trustee, through whom the Scheme operates, may, to the extent not prohibited by law (including AEOI), engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each, for purposes of this section, an "authorised person") to assist the Scheme with the fulfilment of its obligations under AEOI, and to act on the Scheme's behalf in relation to its obligations under AEOI. The Trustee and its authorised persons may share with each other any information of any Reportable Account of the Scheme.

The Trustee and/or any of its authorised person(s) may require any individual or entity considered as an account holder of the Scheme under AEOI to provide a valid self-certification form and such other information which the Trustee and/or any of its authorised person(s) may require from time to time for the implementation of AEOI. In addition, where the account is an entity, the Trustee and/or its authorised person(s) may require such information on its controlling person(s).

In particular, at the time of applying to join the Sun Life Scheme, the Trustee will require, among others, valid self-certification forms from the applicant persons or entities in order to comply with applicable law. Account holders and controlling persons must update the Trustee and/or any of its authorised person(s) about any changes in circumstances which affects their tax residency status or causes the information contained in a self-certification to become incorrect. Generally, account holders and controlling persons should provide the Trustee and/or any of its authorised person(s) with a suitably updated self-certification form within 30 days of such change in circumstances. If the Trustee and/or any of its authorised person(s) do not receive the information required by the Trustee for AEOI purposes and/or any update in the changes of such information in respect of an account holder or a controlling person, the Trustee and/or any of its authorised person(s) may be required to report such person based on the information they have. If the Trustee and/or any of its authorised person(s) do not receive the information required, to the extent not prohibited by law (including AEOI), the Trustee shall has the power to, amongst others, refuse to accept any applicant to the Scheme.

The information provided herein in relation to AEOI is of a general nature only and is not intended to serve as a basis for decision making. Account holders and prospective participants of the Scheme should consult their own professional advisor(s) on the administrative and substantive implications of AEOI on their current or proposed investment in the Scheme and the relevant Constituent Fund.

7.7 ADDITIONAL INFORMATION

Governing law

7.7.1 The Scheme and its participating employers, employees and self-employed persons are subject to applicable laws of Hong Kong, notably the Mandatory Provident Fund Schemes Ordinance and the Mandatory Provident Fund Schemes (General) Regulation.

7.7.2 Guidelines on the operation of the MPF System are published by the MPFA. Such guidelines do not have the force of law but it should be noted that adherence to such guidelines may in certain circumstances be necessary for the operation of the Scheme, its Constituent Funds, the APIFs and the approved ITCISs.

7.7.3 The Scheme is also subject to the SFC Code on MPF Products, published by the SFC.

Member Services

Interactive Voice Response System

7.7.4 Members of the Scheme may use the following 24-hour interactive voice response hotline to obtain certain information about the Scheme and the Constituent Funds, including account balances or to speak to a customer service executive:

Sun Life Retirement Scheme Hotline (852) 3183 1900

In addition, an employee/self-employed person may make a switch or change his investment choices via the hotline.

Interactive Website

7.7.5 Members of the Scheme can have access to similar information as in 4 above, and an employee/self-employed person may make a switch or change his investment choices by logging on to the website address at: www.sunlife.com.hk. This website has not been reviewed by the SFC.

7.7.6 However, additional terms and conditions may apply to the use of the Interactive Voice Response System and Interactive Website.

Newspaper

7.7.7 The latest Unit Price of each Constituent Fund shall be published on “Sing Tao Daily” in Chinese and “The Standard” in English.

Soft Commission

7.7.8 The Trustee may enter into soft commission arrangements with certain counterparties under which such counterparties provide or pay for certain goods or services which may reasonably be expected to assist the Trustee in the provision of investment services to its members and which are in fact used for such purpose. The brokers with whom the Trustee has entered into such soft commission arrangements must agree to provide best execution. Before entering into any such arrangement, the Trustee will satisfy itself that these brokers’ terms-of-business and broking services involve no potential for comparative price disadvantage and that the payment of commission pursuant to such arrangements is of demonstrable benefit to the members of the Scheme.

7.7.9 The Trustee has determined that the goods and services provided under soft commission arrangements should be limited to the following categories:

Research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications.

7.7.10 The Trustee’s soft commission arrangements will fully comply with the requirements of the relevant rules of the SFC.

7.7.11 Neither the Trustee, the investment managers nor any other service providers will retain cash rebates.

Privacy provision

7.7.12 The provision of personal data by employees, self-employed persons and individual employers is required pursuant to the MPF legislation. Provision of such data is also necessary for the performance of the functions and duties of the Trustee under the Scheme Rules, the Deed of Trust and the MPF legislation. Failure to supply any requested personal data may result in the Trustee delaying or refusing employees’, self-employed persons’ or employers’ participation in the Scheme.

7.7.13 Personal data supplied by employees, self-employed persons and individual employers shall be used by the Trustee for the purposes of performing its functions and duties under the Scheme Rules, the Deed of Trust and the MPF legislation. Any such personal data may be transferred outside Hong Kong. Subject to section 41 of the MPF Ordinance, it may also be used for:

(a) any purpose in connection with employees', self-employed persons' and individual employers' dealings or relationship with any user in relation to the Scheme;

(b) any purpose in connection with compliance with any law, regulation, codes or guidelines;

(c) any purpose in connection with the cooperation with or provision of information to any statutory, governmental, supervisory or regulatory authority, body or person (including the MPFA and the SFC);

(d) any purpose in connection with the cooperation with or provision of information to any person pursuant to any order of a court of competent jurisdiction; and/or

(e) any other purpose which may be expressly agreed to from time to time.

7.7.14 Subject to section 41 of the MPF Ordinance, personal data supplied by employees, self-employed persons and individual employers may be disclosed to (each a "User"):

(a) any Service Providers (including any investment manager, custodian, registrar and administrator appointed or engaged by the Trustee);

(b) any associate of the Trustee or of any service provider; and

(c) any duly appointed agent of the Trustee.

7.7.15 Employees, self-employed persons and individual employers have the right of access to and correction of their personal data, as set out in the Personal Data (Privacy) Ordinance (Cap.486).

Anti-money laundering

7.7.16 As part of the Trustee's responsibility to prevent money laundering, the Trustee may require additional information as necessary and may refuse to accept or process any additional voluntary contributions application, contributions or withdrawal.

Interest on deposit

7.7.17 Where any cash forming part of a Constituent Fund is placed on deposit, the Trustee shall ensure that the rate of interest received for such cash on deposit is reasonable in all the circumstances of the case taking into account the rate of interest available in the relevant market (a) at the time of the deposit, and (b) for deposits of like amount and nature.

7.8 REORGANISATION

Any reorganisation of the Scheme which involves a change in Trustee, Sponsor, Custodian, Administrator or the Investment Managers of the underlying APIFs and the underlying approved ITCISs, the merger or division of the Scheme or the merger, division or termination of its Constituent Funds will only be carried out when at least 3 months' notice is given to members, unless circumstances make it impractical to give such a notice.

8 GLOSSARY

The defined terms used in this Brochure have the following meanings:

"A65P"	the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio
"CAP"	the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio
"Default Fund"	the Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio
"Default Investment Strategy" or "DIS"	an investment strategy that complies with Part 2, Schedule 10 to the MPF Ordinance, as summarised in section 3.3.3
"DIS Funds"	the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and the Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio and the "DIS Fund" means any of them
"higher risk assets"	any assets identified as such in the guidelines issued by the MPFA (as amended from time to time), including: (a) shares; (b) warrants; (c) financial futures contracts and financial option contracts that are used other than for hedging purposes; (d) interest in an index-tracking collective investment scheme ("ITCIS") that tracks an index comprised of equities or equities-like securities; and (e) any investment approved by the MPFA under section 8(1)(c), 8(2)(b) or 8(2)(c) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation except that part of a unit trust or mutual fund authorized by the SFC that is invested in assets or securities other than those set out in paragraphs (a) to (d) above
"lower risk assets"	any assets other than higher risk assets as permitted under the Mandatory Provident Fund Schemes (General) Regulation such as bonds and money market instruments
"Pre-existing Account"	an account which exists or is set up before 1 April 2017
"Reference Portfolio"	a reference portfolio for each of the DIS Funds under the DIS developed by the MPF industry and published by the Hong Kong Investment Funds Association, to provide a common reference point for the performance and asset allocation of the DIS Fund. For further details, please refer to section 3.3.4.

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Head Office in Toronto, Canada.

Issued by Sun Life Hong Kong Limited
Printed in March 2020

9031041-E/03-2020

Sun Life
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Sun Life MPF Comprehensive Scheme (the "Scheme")
First Addendum to
MPF Scheme Brochure dated March 2020

Important :

If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

This First Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure of the Sun Life MPF Comprehensive Scheme dated March 2020, as supplemented and amended (the "**Brochure**"). Terms used in this document bear the same meaning as in the Brochure unless otherwise defined. A copy of the Brochure and the First Addendum are available upon request and free of charge, from the offices of Sun Life at 16/F, Cheung Kei Center Tower A, No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong, and from Sun Life's website at www.sunlife.com.hk or by contacting Sun Life MPF Retirement Scheme Hotline at (852) 3183 1900 .

Sun Life Hong Kong Limited and Sun Life Pension Trust Limited accept responsibility for the information contained in this document as being accurate as at the date of publication.

The following amendments to the Brochure will take effect from the respective dates set out below.

The following amendment to the Brochure shall take effect from 1 February 2021:

(1) Important Box

The last bullet point under the Important box shall be deleted and replaced with the following:

- THE SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO UNDER THE ABOVE SCHEME INVESTS ITS ASSETS SOLELY IN AN APPROVED POOLED INVESTMENT FUND IN THE FORM OF INSURANCE POLICY PROVIDED BY SUN LIFE HONG KONG LIMITED ("SLHK"). THE GUARANTEE IS ALSO GIVEN BY SLHK. YOUR INVESTMENTS IN THE SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO, IF ANY, ARE THEREFORE SUBJECT TO THE CREDIT RISK OF SLHK. THE GUARANTEE IS SUBJECT TO QUALIFYING CONDITIONS. PLEASE REFER TO SECTION 3.4 OF THE BROCHURE FOR DETAILS OF THE CREDIT RISK, GUARANTEE FEATURES AND GUARANTEE CONDITIONS.

(2) Section 1.3 - Scheme Structure

The chart under section 1.3 shall be deleted and replaced with the following:

SUN LIFE MPF COMPREHENSIVE SCHEME - CONSTITUENT FUNDS	Constituent Funds	
	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	Direct Investment
	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	Sun Life MPF Capital Guaranteed Policy
	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	Schroder MPF Core 20/80 Fund
	Sun Life MPF Comprehensive Scheme Stable Portfolio	Schroder MPF Capital Stable Fund
	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	Schroder MPF Stable Growth Fund
	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	Schroder MPF Core 60/40 Fund
	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	Schroder MPF Balanced Investment Fund
	Sun Life MPF Comprehensive Scheme Growth Portfolio	Schroder MPF Growth Fund
	Sun Life MPF Comprehensive Scheme International Equity Portfolio	Fidelity Global Investment Fund - Global Equity Fund
	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	APIFs and/or Approved ITICs
	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	Schroder MPF Asian Fund
	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	Schroder IPF Hong Kong Equity Fund

(3) <u>Section 2 – Directory</u>

The content of the box "Investment Manager and insurer of the FWD MPF Capital Guaranteed Policy (an Underlying Approved Pooled Investment Fund) shall be deleted and replaced with the following:

Investment Manager and Insurer of the Sun Life MPF Capital Guaranteed Policy (an Underlying Approved Pooled Investment Fund)

Insurer:

SUN LIFE HONG KONG LIMITED

16/F, Cheung Kei Center Tower A

No. 18 Hung Luen Road

Hunghom, Kowloon

Hong Kong

Investment Manager:

SCHRODER INVESTMENT MANAGEMENT (HONG KONG) LIMITED

Suite 3301, Level 33

Two Pacific Place

88 Queensway

Hong Kong

(4) Section 3.1 – Fund Options

The * inside the table shall be replaced with # and the sentence " * **FWD Life Insurance Company (Bermuda) Limited is the investment manager of the underlying APIF** " under the table shall be deleted.

(5) Section 3.2.2 – Statement of Investment Policy and Objectives

The first sentence under section 3.2.2.2(a) shall be deleted and replaced with the following:

"The Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio ("Capital Guaranteed Portfolio") invests its assets in Class A units of the Sun Life MPF Capital Guaranteed Policy ("Capital Guaranteed Policy").

(6) Section 3.2.2 – Statement of Investment Policy and Objectives

The 2nd paragraph under 3.2.2.2 (b) shall be deleted and replaced with the following:

"The Capital Guaranteed Policy is in an APIF managed by Schroder Investment Management (Hong Kong) Limited. SLHK is the guarantor for the Capital Guaranteed Policy. The guarantee provisions, in particular the application of the guarantee charge, may cause a dilution of performance of the Capital Guaranteed Portfolio. Please read carefully the details of the Capital Guaranteed Portfolio in section 3.4 of the Brochure."

(7) Section 3.4 - SUN LIFE MPF COMPREHENSIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

The first two paragraphs under 3.4.1 shall be deleted and replaced with the following:

"The Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio (the "Capital Guaranteed Portfolio") invests its assets in the Sun Life MPF Capital Guaranteed Policy (the "Capital Guaranteed Policy"), an insurance policy which includes a guarantee. The insurance policy is issued by the insurer, SLHK.

Investments in the insurance policy are held as the assets of SLHK. In the event where SLHK is liquidated, you may not have access to your investments temporarily, or their value may be reduced."

(8) Section 3.4 - SUN LIFE MPF COMPREHSENIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

The paragraph under 3.4.6 shall be deleted and replaced with the following:

"In case there is any shortfall, SLHK will make up the difference at the end of such 5-year period or over a shorter period if the member reaches the age of 65. **If necessary,**

SLHK **will refund the fees charged in the Capital Guaranteed Portfolio during the same period to ensure that each member's capital is fully preserved at the Constituent Fund level.**

(9) Section 3.4 - SUN LIFE MPF COMPREHSENIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

The paragraph under 3.4.7 shall be deleted and replaced with the following:

"The Capital Guaranteed Policy is expected to achieve a return in excess of the guaranteed benefits. However, SLHK (on the advice of its appointed actuary) may make adjustments to the value of the Capital Guaranteed Policy to smooth market fluctuations to enable SLHK to give the guarantee. These adjustments will be reflected in the net asset value and unit price of the Capital Guaranteed Policy**. SLHK has the right to reserve part of the Capital Guaranteed Policy for the purpose of smoothing market fluctuations to enable SLHK to give the guarantee. The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying APIFs**."

(10) Section 3.4 - SUN LIFE MPF COMPREHSENIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

The second paragraph under 3.4.13.5 Example 5, shall be deleted and replaced with the following:

"The shortfall of HK$159 (HK$50,000-HK$49,841) will be made up by SLHK and the member's accrued benefits at the end of the 5-year period is still HK$50,000."

(11) Section 3.4 - SUN LIFE MPF COMPREHSENIVE SCHEME CAPITAL GUARANTEED PORTFOLIO

The fifth paragraph under 3.4.13.6 Example 6, shall be deleted and replaced with the following:

"The amount of the guarantee payment will depend on the amount the member invested in the Capital Guaranteed Portfolio over the 5-year period of continuous investment (or sooner on reaching age 65) and its value at the end of the period. (The value of the investment at other points in time is not relevant for the purpose of determining the amount of the guarantee payment.) If at the end of the 5-year period, the value of such investment (made from mandatory contributions and voluntary contributions (less the amount withdrawn in the First Claim)) is below the guaranteed amount, the shortfall will be made up by SLHK and credited to the relevant account. Accordingly, the member's entitlement under the Capital Guaranteed Portfolio at the end of the 5-year period is the higher of (i) the value of contributions made, taking into account any investment gains and losses, less the amount withdrawn in the First Claim, and (ii) the value of the member's contributions made, less the amount withdrawn in the First Claim **("5th-year Balance")**."

(12) Section 3.4 - SUN LIFE MPF COMPREHSENIVE SCHEME CAPITAL GUARANTEED

PORTFOLIO

The last paragraph under 3.4.13.7 Example 7, shall be deleted and replaced with the following:

"The shortfall of HK$200 (HK$12,000 - HK$11,800) will be made up by SLHK and the member's accrued benefits at the end of the 5-year period would be the guaranteed amount of HK$12,000."

(13) Section 5.2.2 – Explanatory Notes

The paragraph under section 5.2.2 (vi) shall be deleted and replaced with the following:

"SLHK has the right to set aside part of the fund for the purpose of smoothing market fluctuations to enable SLHK to give the guarantee. The amount to be reserved is determined by the Guarantor having regard to various factors including market conditions, economic environment, the return, market value and nature of the assets of the underlying APIFs.)."

Sun Life Pension Trust Limited

Issue date: January 2021

Sun Life MPF Comprehensive Scheme (the "Scheme")
Second Addendum to
MPF Scheme Brochure dated March 2020

This Second Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure of the Scheme dated March 2020, as amended by the First Addendum dated January 2021(the "**MPF Scheme Brochure**"). All capitalised terms used in this Second Addendum shall have the same meaning as in the MPF Scheme Brochure, unless otherwise stated. Sun Life Pension Trust Limited accepts responsibility for the information contained in this Second Addendum as being accurate as at the date of publication.

Unless otherwise stated, page references in this Second Addendum refer to the page references of the MPF Scheme Brochure dated March 2020.

The following changes to the MPF Scheme Brochure will be effective from 26 February 2021:

1. Change of custodian

Page 2 – the second column of the row on "Custodian" under section 2 "Directory" shall be amended as follows:

"~~RBC Investor Services Trust Hong Kong Limited~~
~~41/F & 42/F One Taikoo Place, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong~~
The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong"

2. Reduction of custodian and fund accounting fee of all constituent funds

Section 5 "Fees and Charges" shall be amended as follows:

(a) Page 33 – the table headed "(C) Fees, expenses and charges of constituent funds (including fees, expenses and charges of the underlying funds)" under sub-section 5.2 "Fee Table" of this section shall be deleted in its entirety and replaced by the table in Appendix 1 to this Second Addendum.

(b) Page 37 – the table under paragraph (viii) of sub-section 5.2.2 "Explanatory Notes" of this section shall be deleted in its entirety and replaced by the table in Appendix 2 to this Second Addendum.

Sun Life Pension Trust Limited

Issue date: January 2021

Appendix 1

(C) FEES, EXPENSE AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYING FUNDS)			
Types of fees, expenses and charges	**Name of Constituent Fund**	**Current level (% of NAV per annum)**	**Deducted from**
Management fees[7] (see Notes (iv) & (v))	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	~~1.29%~~ Up to 1.273%	Relevant constituent fund assets and the underlying fund assets
	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	~~1.66%~~ Up to 1.643%	
	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	~~0.75%~~ Up to 0.733% (see Notes (iii) and (viii))	
	Sun Life MPF Comprehensive Scheme Stable Portfolio	~~1.709%~~ Up to 1.692% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	~~1.65% – 1.965%~~ Up to 1.633% - 1.948% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	~~0.75%~~ Up to 0.733% (see Notes (iii) and (viii))	
	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	~~1.709%~~ Up to 1.692% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Growth Portfolio	~~1.65% – 1.965%~~ Up to 1.633% - 1.948% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme International Equity Portfolio	~~1.97%-1.98%~~ Up to 1.953% - 1.963% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	Up to ~~1.3%~~ 1.283% (see Note (iii))	

	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	~~2.04%~~ Up to 2.023% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	~~2.03%~~ Up to 2.013% (see Note (iii))	
Guarantee charge[8]	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.22%-0.925% (see Note (vi))	Relevant underlying fund assets
Other expenses	All Constituent Funds	Other expenses to be charged to the relevant Constituent Fund and underlying fund assets include MPF Compensation Fund fees (if any), indemnity insurance charges, establishment costs, if any, audit, accounting, legal fees, expenses for publishing unit prices, cost of preparing, publishing and distributing constitutive documents, notices, forms and reports, all Constituent Funds transaction related expenses, statutory charges and any other fees and charges incurred in respect of the management and administration of the Scheme and the underlying funds. Certain recurrent out-of- pocket expenses relating to the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio are subject to a statutory annual limit of 0.20% of the net asset value of those funds and will not be charged to or imposed on the relevant fund in excess of that amount. No establishment costs will be charged to the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio.	Relevant constituent fund assets and the underlying fund assets

Appendix 2

Name of Constituent Fund	Current Level (% of NAV per annum)				
	Trustee Fee[1]	Administration Fee[2]	Custodian[4] & Fund Accounting Fee	Investment Management Fee	Sponsor Fee[6]
Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	Up to 0.30%	Up to 0.52%
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	0.06%[3]	0.40%[3]	~~0.04%~~ Up to 0.023%	0.25%[5]	N/A
Sun Life MPF Comprehensive Scheme Stable Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	0.06%[3]	0.40%[3]	~~0.04%~~ Up to 0.023%	0.25%[5]	N/A
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Growth Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme International Equity Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	Up to 0.15%	Up to 0.95%	~~Up to 0.04%~~ Up to 0.023%	0.08%[#]	N/A
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	0.15%	Up to 0.95%	~~0.04%~~ Up to 0.023%	N/A	Up to 0.52%

Sun Life MPF Comprehensive Scheme (the "Scheme")
Third Addendum to
MPF Scheme Brochure dated March 2020

This Third Addendum should be read in conjunction with and forms part of the MPF Scheme Brochure of the Scheme dated March 2020, as amended by the First Addendum dated January 2021 and the Second Addendum dated January 2021 (the "**MPF Scheme Brochure**"). All capitalised terms used in this Third Addendum shall have the same meaning as in the MPF Scheme Brochure, unless otherwise stated. Sun Life Pension Trust Limited accepts responsibility for the information contained in this Third Addendum as being accurate as at the date of publication.

Unless otherwise stated, page references in this Third Addendum refer to the page references of the MPF Scheme Brochure dated March 2020.

The following changes to the MPF Scheme Brochure will be effective from 30 December 2022:

1. Changes to the investment policy of the underlying APIF invested by Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio

Page 3 – The column related to "Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio" in the table under "3.1 FUND OPTIONS" under section 3 "FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" shall be amended as follows:

"

No.	Name of Constituent Fund	Investment Manager#	Fund Structure	Fund Descriptor	Investment Focus
10	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	Not Applicable#	Investing in a single APIF	Equity Fund - Hong Kong	90% - 100% in equities, 0% - 10% in cash or cash equivalents

"

Page 14 – the "(b) Balance of investments" under "3.2.2.10 Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio" under section 3 "FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES" shall be deleted and replaced with the following:

"**(b) Balance of investments**

The Hong Kong Equity Fund may invest up to 100% in equities and equity related securities of companies which are listed in, headquartered in or have a substantial business exposure to Hong Kong, including Chinese securities listed in Hong Kong. The Hong Kong Equity Fund invests mainly in securities of companies listed on the Stock Exchange of Hong Kong and may invest up to 20% of its net asset value in companies listed outside of Hong Kong but which are related to Hong Kong by having business exposure to Hong Kong, or in China A-Shares traded via the Stock Connect programme (the "Stock Connect"). The current proposed asset allocation of the Hong Kong Equity Fund is **(1) Equities (90%-100%)**: HK (80%-100%), Others (0%-20%), **(2) Cash or cash equivalents (0%-10%)**. The Hong Kong Equity Fund will maintain a minimum Hong Kong currency exposure of 30% at all times.

The Hong Kong Equity Fund is a sub-fund of the Schroder Institutional Pooled Funds which is an APIF managed by Schroder Investment Management (Hong Kong) Limited."

Page 14 – the following shall be inserted as a new bullet point under the last paragraph under "(f) Risks" under "3.2.2.10 Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio" under section 3 "FUND OPTIONS, INVESTMENT OBJECTIVES AND POLICIES":

"• Risks associated with ChiNext market and/or STAR Board"

2. Update of risks associated with Stock Connect and ChiNext market and/or STAR Board

Page 29 – "4.1.4 Risks associated with Stock Connect" under section 4 "RISKS" shall be deleted and replaced with the following:

"**4.1.4 Risks associated with Stock Connect**

4.1.4.1 Certain APIFs may invest in shares of companies listed on the stock exchange(s) of mainland China ("China A-Shares"). Investment in China A-Shares may be made via the Stock Connect.

4.1.4.2 The Stock Connect is a securities trading and clearing linked program with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect enables the relevant APIFs to trade eligible China A-Shares listed on the relevant stock exchange(s) in mainland China.

4.1.4.3 The relevant regulations for Stock Connect are untested and subject to change which may have potential retrospective effect. The programme is subject to quota limitations which may restrict the ability of the relevant APIFs to invest in China A-Shares through the programme on a timely basis and as a result, their ability to access the China A-Shares market (and hence to pursue the relevant investment strategy) will be adversely affected. Apart from restrictions on buying (due to quota limitations), the PRC regulations impose certain restrictions on selling (i.e. requiring that there must be sufficient China A-Shares in the account before an investor sells any China A-Share). Hence, the APIFs may not be able to dispose of holdings of China A-Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect the investment portfolio or strategies of the APIFs, for example, when the investment manager wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the relevant APIFs may be subject to a risk of price fluctuations in China A-Shares on a day that the PRC market is open for trading but the Hong Kong market is close.

4.1.4.4 Trading in securities through the Stock Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the relevant APIFs may suffer delays in recovering its losses or may not be able to fully recover their losses.

4.1.4.5 The Hong Kong Securities Clearing Company Limited ("HKSCC") holds the China A-Shares as a nominee on behalf of the relevant APIFs who is the beneficial owner of such shares. As the nominee holder HKSCC is prepared to provide assistance to beneficial owners of China A-Shares (held through the Stock Connect) where necessary subject to conditions being made, thus, the relevant APIFs may encounter difficulties or delays in any action to enforce its rights.

4.1.4.6 The Stock Connect is premised on the functioning of the operational systems of the relevant market participants and may be subject to operational risk due to these new information technology systems."

Page 29 – The following shall be inserted as a new risk factor at the end of the section 4.1 "RISK FACTORS":

"**4.1.7 Risks associated with ChiNext market and/or STAR Board**

4.1.7.1 Certain APIFs may invest in the ChiNext market of the Shenzhen Stock Exchange and/or Science and Technology Innovation Board of the Shanghai Stock Exchange ("**STAR Board**"). Investments in the ChiNext market and/or STAR Board may result in significant losses for the relevant APIFs and their investor.

- Higher fluctuation on stock prices and liquidity risk: Listed companies on ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main boards.

- Over-valuation risk: Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

- Differences in regulation: The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards.
- Delisting risk: It may be more common and faster for companies listed on ChiNext market and/or STAR Board to delist. ChiNext market and STAR Board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the relevant APIFs if the companies that they invest in are delisted.

- Concentration risk (Applicable to STAR Board): STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the relevant APIFs to higher concentration risk."

3. Removal of certain flat fees payable by certain Constituent Funds

Page 33 – the table headed "(C) Fees, expenses and charges of constituent funds (including fees, expenses and charges of the underlying funds)" under "5.2 Fee Table" under section 5 "FEES AND CHARGES" shall be deleted and replaced with the following:

"

(C) FEES, EXPENSE AND CHARGES OF CONSTITUENT FUNDS (INCLUDING FEES, EXPENSES AND CHARGES OF THE UNDERLYINGFUNDS)			
Types of fees, expenses and charges	Name of Constituent Fund	Current level (% of NAV per annum)	Deducted from
	Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio	Up to 1.273%	
	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	Up to 1.643%	
	Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	Up to 0.733% (see Notes (iii) and (viii))	

Management fees[7] (see Notes (iv))	Sun Life MPF Comprehensive Scheme Stable Portfolio	Up to 1.692% (see Note (iii))	Relevant constituent fund assets and the underlying fund assets
	Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	Up to 1.633% - 1.948% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	Up to 0.733% (see Notes (iii) and (viii))	
	Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	Up to 1.692% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Growth Portfolio	Up to 1.633% - 1.948% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme International Equity Portfolio	Up to 1.953% - 1.963% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	Up to 1.283% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	Up to 2.023% (see Note (iii))	
	Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	Up to 2.013% (see Note (iii))	
Guarantee charge[8]	Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	0.22%-0.925% (see Note (vi))	Relevant underlying fund assets
Other expenses	All Constituent Funds	Other expenses to be charged to the relevant Constituent Fund and underlying fund assets include MPF Compensation Fund fees (if any), indemnity insurance charges, establishment costs, if any, audit, accounting, legal fees, expenses for publishing unit prices, cost of preparing, publishing and distributing constitutive documents, notices, forms and reports, all Constituent Funds transaction related expenses, statutory charges and any other fees and charges incurred in respect of the management and administration of the Scheme and the underlying funds. Certain recurrent out-of-pocket expenses relating to the	Relevant constituent fund assets and the underlying fund assets

		Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio are subject to a statutory annual limit of 0.20% of the net asset value of those funds and will not be charged to or imposed on the relevant fund in excess of that amount. No establishment costs will be charged to the Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio and Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio.	

"

Page 36 – Paragraph (v) under "5.2.2 Explanatory Notes" under section 5 "FEES AND CHARGES" shall be deleted and replaced with the following:

"(v) [DELETED]"

Sun Life Pension Trust Limited

Issue date: 30 September 2022

Sun Life 永明金融

ON-GOING COST ILLUSTRATIONS FOR SUN LIFE MPF COMPREHENSIVE SCHEME (the "Scheme")

ABOUT THIS ILLUSTRATION

Issue date: June 2023

This is an illustration of the total effect of fees, expenses and charges on each HK$1,000 contributed in the funds named below. The fees, expenses and charges of a fund are one of the factors that you should consider in making investment decisions across funds. You should however also consider other important information such as the risks of the fund, the nature of the fund, the attributes of relevant parties, the range and quality of services being offered and, most importantly, your own personal circumstances and expectations. The information about fees, expenses and charges set out in this table is intended to help you compare the cost of investing in one constituent fund with the cost of investing in other constituent funds.

The Illustration has been prepared based on some assumptions that are the same for all funds. The Illustration assumes the following:

(a) a gross contribution of HK$1,000 is made in the respective constituent fund now and, being eligible to do so, you withdraw all of your accrued benefits arising from this contribution at the end of each time period indicated;

(b) for the purpose of this illustration only, the contribution has a 5% gross return each year [It is important that you note that the assumed rate of return used in this document is for illustrative and comparative purposes only. The return is neither guaranteed nor based on past performance. The actual return may be different.]; and

(c) the expenses of the funds (expressed as a percentage called the "fund expense ratio" below) remain the same for each fund for all the periods shown in this illustration.

BASED ON THE ABOVE ASSUMPTIONS, YOUR COSTS ON EACH HK$1,000 CONTRIBUTED ARE ILLUSTRATED IN THE FOLLOWING TABLE. PLEASE NOTE THAT THE ACTUAL COSTS WILL DEPEND ON VARIOUS FACTORS AND MAY BE DIFFERENT FROM THE NUMBERS SHOWN BELOW.

Name of constituent fund	Fund expense ratio for the financial period ended December 2022	Cost on each HK$1,000 contributed		
		After 1 year (HK$)	After 3 years (HK$)	After 5 years (HK$)
Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio	2.22%	23	72	123
Sun Life MPF Comprehensive Scheme Age 65 Plus Portfolio	0.90%	9	30	51
Sun Life MPF Comprehensive Scheme Stable Portfolio	1.85%	19	60	103
Sun Life MPF Comprehensive Scheme Stable Growth Portfolio	1.96%	21	64	109
Sun Life MPF Comprehensive Scheme Core Accumulation Portfolio	0.81%	9	27	46
Sun Life MPF Comprehensive Scheme Balanced Growth Portfolio	1.80%	19	58	101
Sun Life MPF Comprehensive Scheme Growth Portfolio	1.93%	20	63	108
Sun Life MPF Comprehensive Scheme International Equity Portfolio	2.01%	21	65	112
Sun Life MPF Comprehensive Scheme US & Hong Kong Equity Portfolio	1.20%	13	39	68
Sun Life MPF Comprehensive Scheme Asian Equity Portfolio	2.12%	22	69	118
Sun Life MPF Comprehensive Scheme Hong Kong Equity Portfolio	2.07%	22	67	115

Note: The example does not take into account any fee rebates that may be offered to certain members of the Scheme.

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Illustrative Example For Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio of Sun Life MPF Comprehensive Scheme (the "Scheme")

Issue date: June 2022

PURPOSE OF THE EXAMPLE

This example is intended to help you compare the total amounts of annual fees and charges payable under the Scheme with those under other registered schemes.

THIS EXAMPLE ASSUMES THAT :

Your MPF Account Activities

(a) your monthly relevant income is HK$8,000
(b) you have put all your accrued benefits into the MPF Conservative Portfolio; you have not switched your accrued benefits to other constituent funds during the financial period
(c) you have not transferred any accrued benefits into or out of the Scheme during the financial period

Your Company Profile

(d) 5 employees (including yourself) of your employer participate in the Scheme
(e) the monthly relevant income of each employee is HK$8,000
(f) no voluntary contribution is made
(g) each of the other 4 employees has the same MPF account activities as yours

Investment Return and Savings Rate

(h) the monthly rate of investment return is 0.5% on total assets
(i) the prescribed savings rate is 3.25% per annum throughout the financial period

Based on these assumptions, the ***total amounts of annual fees*** you need to pay under the Scheme in one financial period would be: HK$57.

Warning : This is just an illustrative example. The actual amounts of fees you need to pay may be ***higher or lower***, depending on your choice of investments and activities taken during the financial period.

9031046 / 06-2022