

Sun Life MPF

Basic/Comprehensive Scheme



Life's brighter under the sun

IMPORTANT NOTES

- Sun Life MPF Basic Scheme/Sun Life MPF Comprehensive Scheme (the “Scheme”) each is a mandatory provident fund scheme registered with the Mandatory Provident Fund Schemes Authority. Registration does not imply recommendation.
- 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 the MPF Scheme Brochure be invested in accordance with the default investment strategy which may not necessarily be suitable for you.
- The Sun Life MPF Basic Scheme Capital Guaranteed Portfolio / 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 (“Sun Life”). The guarantee is also given by Sun Life. Your investments in the Sun Life MPF Basic Scheme Capital Guaranteed Portfolio / Sun Life MPF Comprehensive Scheme Capital Guaranteed Portfolio, if any, are therefore subject to the credit risk of Sun Life. The guarantee is subject to qualifying conditions. Please refer to section 3.4 of the MPF Scheme Brochure for details of the credit risk, guarantee features and guarantee conditions.
- You should not invest based on this brochure alone. You should read the MPF Scheme Brochure for further details and risks involved.
- 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 MPF Scheme 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 MPF Scheme Brochure or any addendum thereto, you should seek professional advice.
- 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 benefits may suffer significant losses.

What is MPF?

MPF stands for Mandatory Provident Fund

Hong Kong has a rapidly aging population. Before the implementation of the MPF system, most of our workforce did not have any form of retirement protection. Recognizing the need to provide for the long term financial security of our workforce, the Hong Kong Government implemented the MPF system in December 2000.

Under the MPF system, members of the workforce aged between 18 and 65 are required to join an MPF scheme. MPF scheme members include full-time and part-time employees who have been employed for 60 days or more, as well as self-employed persons.

Pension Specialists at Your Service

The Trustee - Sun Life Pension Trust Limited

Sun Life Pension Trust Limited is a registered trust company, which provides corporate trust services to pension schemes and is committed to contributing its expertise to provide quality pension trust services to corporate and individual customers.

The Sponsor - Sun Life Hong Kong Limited

Sun Life Hong Kong Limited is a wholly owned subsidiary of the Sun Life Assurance Company of Canada. Today, Sun Life provides professional financial services to approximately 1.1 million Hong Kong clients through our individual life and health, pensions, group insurance and pension third-party administration business.

The Administrator - BestServe Financial Limited

With over 20 years of local experience, the Pensions Administration business of BestServe has more than 720,000 third-party customers. BestServe serves employers, employees, self-employed persons and providers of MPF/ORSO Schemes.

The Custodian - The Hongkong and Shanghai Banking Corporation Limited*

The Hongkong and Shanghai Banking Corporation Limited ("HSBC") is currently the delegated sub-custodian of the MPF schemes under the respective trusteeship and custodianship of HSBC Provident Fund Trustee (Hong Kong) Limited and HSBC Institutional Trust Services (Asia) Limited. HSBC also has experience in providing custodian services for other existing SFC authorized funds.

* With effect from 26 February 2021, the custodian of the Scheme has been changed from RBC Investor Services Trust Hong Kong Limited to HSBC.

Sun Life believes that the most important aspect of your investment is the return. Therefore, we offer you a choice of professional multi-fund managers and various MPF Schemes to meet your investment objectives, risk tolerance level and financial circumstances.

Professional Multi-Fund Managers

Schroder Investment Management (Hong Kong) Limited

Schroder Investment Management (Hong Kong) Limited (“Schroders”) is wholly owned by Schroders Plc, one of the world’s leading international asset management companies with a history of more than 200 years. Schroders Plc established its Hong Kong office in 1971.

FIL Investment Management (Hong Kong) Limited

FIL Investment Management (Hong Kong) Limited (“Fidelity”) was established in Hong Kong in 1981 and is a subsidiary of FIL Limited which has over 40 years of investment experience, serving major world markets by providing investment products and services to individuals and institutional investors outside the United States.

State Street Global Advisors Asia Limited

State Street Global Advisors Asia Limited (SSgA) is the asset management business of State Street Corporation with a heritage dating back over two centuries. SSgA makes continual investments in its asset management and client service platform resulting in a client-focused, solutions-driven orientation.

Various investment options for your different investment needs

The Scheme offers constituent funds listed below (the “Constituent Fund”).

Constituent Funds*	Risk Level**	Sun Life MPF Basic Scheme	Sun Life MPF Comprehensive Scheme
MPF Conservative Portfolio	Low	✓	✓
Capital Guaranteed Portfolio	Low	✓	✓
Age 65 Plus Portfolio	Low	✓	✓
Stable Portfolio	Medium	N/A	✓
Stable Growth Portfolio	Medium	✓	✓
Core Accumulation Portfolio	Medium	✓	✓
Balanced Growth Portfolio	High	✓	✓
Growth Portfolio	High	N/A	✓
International Equity Portfolio	High	✓	✓
US & Hong Kong Equity Portfolio	High	✓	✓
Asian Equity Portfolio	High	N/A	✓
Hong Kong Equity Portfolio	High	✓	✓

* Except for MPF Conservative Portfolio (which invests directly in permissible investments), the assets of the Constituent Funds are primarily invested in approved pooled investment funds (“APIFs”) (which are approved by the Mandatory Provident Fund Schemes Authority (“MPFA”) and authorised by the Securities and Futures Commission (“SFC”) and approved index-tracking collective investment schemes (“ITCISs”) (which are approved by the MPFA). Approval by the Mandatory Provident Fund Schemes Authority do not imply official recommendation. Authorisation by the Securities and Futures Commission do not imply official recommendation.

** 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. Low risk investment portfolios are designed for clients seeking low investment return with low risk exposure. Medium risk investment portfolios are designed for clients seeking medium investment return with medium risk exposure. High risk investment portfolios are designed for clients seeking high investment return with high risk exposure.

MPF Conservative Portfolio

- Aims to achieve returns, after expenses, which match or exceed Hong Kong Dollar savings rate*
- Invests its assets directly in permissible investments by Schroders
- Investment involves risk. MPF Conservative Portfolio does not guarantee the repayment of capital

* Please note that the interest earned may be less than inflation

Capital Guaranteed Portfolio

- With capital guarantee - capital is guaranteed at the end of every 5-year period or when the member reaches the age of 65+
- Aims to achieve stable long term returns slightly in excess of Hong Kong inflation
- Assets will be invested in a single APIF in the form of insurance policy issued by Sun Life which in turn invests in an APIF in the form of a unit trust (i.e. the Schroder IPF Global Balanced Fund of Schroder Institutional Pooled Funds) managed by Schroder Investment Management (Hong Kong) Limited. Such unit trust shall in turn invest in the underlying investments
- The guarantor is Sun Life. Please refer to the MPF Scheme Brochure for details

* To qualify for the guarantee, a member must hold beneficial interests in the Capital Guaranteed Portfolio at all times in a 5-year period of continuous investment. The guarantee will also apply over a shorter period if the member reaches the age of 65. The accrued benefits at the end of the guaranteed period will not be less than, in respect of each member, the member's accrued benefits in the portfolio at the beginning of the 5-year period, plus the contributions made to the portfolio during the 5-year period, less the withdrawal amounts paid by the portfolio during the 5-year period, if any. It should be noted that if the member is unable to satisfy the qualifying conditions as stated above, the accrued benefits are fully exposed to fluctuations in the value of the fund's assets. Please also refer to section 3.4 of the MPF Scheme Brochure for details of the credit risk, guarantee features and guarantee conditions

Age 65 Plus Portfolio

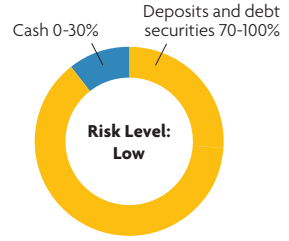
- Aims to achieve stable growth by investing in a globally diversified manner
- Assets will be invested in a single APIF managed by Schroders

Stable Portfolio

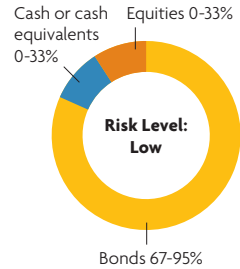
- Aims to achieve long term returns in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A)*
- Assets will be invested in a single APIF managed by Schroders

* The target long term return of the constituent fund may not be achieved due to market circumstance. It may be lower than the Hong Kong price inflation

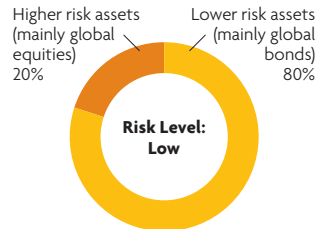
Mix of the Investment



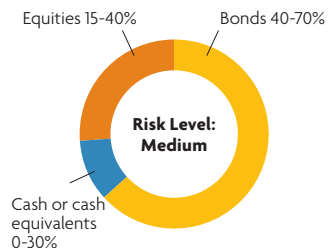
Proposed Asset Allocation of the Underlying APIF



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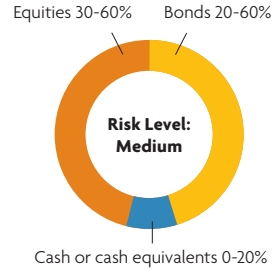


Stable Growth Portfolio

- Aims to achieve a long term return in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A)*
- Assets will be invested in a single APIF managed by Schroders

* The target long term return of the constituent fund may not be achieved due to market circumstance. It may be lower than the Hong Kong price inflation

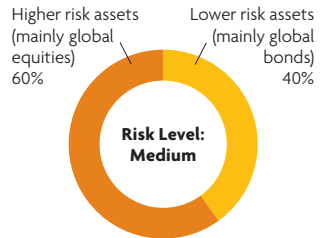
Proposed Asset Allocation of the Underlying APIF



Core Accumulation Portfolio

- Aims to achieve capital growth by investing in a globally diversified manner
- Assets will be invested in a single APIF managed by Schroders

Proposed Asset Allocation of the Underlying APIF

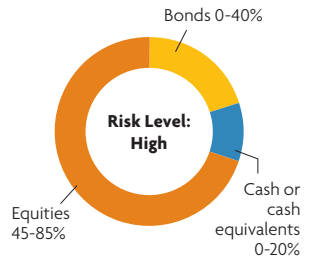


Balanced Growth Portfolio

- Aims 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 SAR)*
- Assets will be invested in a single APIF managed by Schroders

* The target long term return of the constituent fund may not be achieved due to market circumstance. It may be lower than the Hong Kong salary inflation

Proposed Asset Allocation of the Underlying APIF

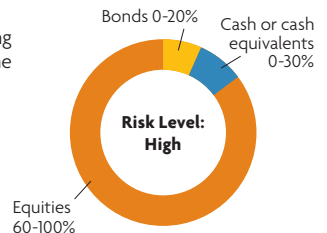


Growth Portfolio

- Aims 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 SAR)*
- Assets will be invested in a single APIF managed by Schroders

* The target long term return of the constituent fund may not be achieved due to market circumstance. It may be lower than the Hong Kong salary inflation

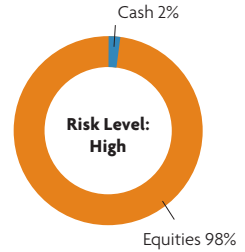
Proposed Asset Allocation of the Underlying APIF



Indicative Asset Allocation of the Underlying APIF

International Equity Portfolio

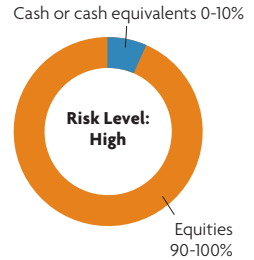
- Aims to focus investment into the global equity markets, to produce returns that are related to those achieved on the major world stock market indices and to manage the volatility of returns in the short term
- Assets will be invested in a single APIF managed by Fidelity



Asset Allocation (taking into account its investments in the underlying APIFs and/or approved ITCISs)

US & Hong Kong Equity Portfolio

- Aims to achieve long term capital appreciation
- Invests 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 SSgA having regard to the investment objective and investment policy of the US & Hong Kong Equity Portfolio)

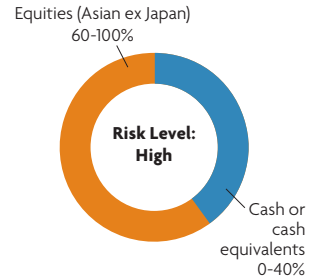


Proposed Asset Allocation of the Underlying APIF

Asian Equity Portfolio

- Aims to achieve long term capital growth. The long term return of the fund is expected to be modestly in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A)*
- Assets will be invested in a single APIF managed by Schroders

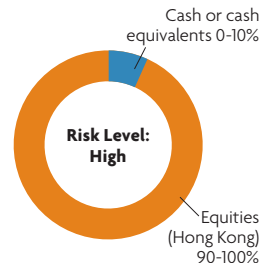
* The target long term return of the constituent fund may not be achieved due to market circumstance. It may be lower than the Hong Kong price inflation



Proposed Asset Allocation of the Underlying APIF

Hong Kong Equity Portfolio

- Aims to achieve long term capital appreciation
- Assets will be invested in a single APIF managed by Schroders



Default Investment Strategy (DIS)

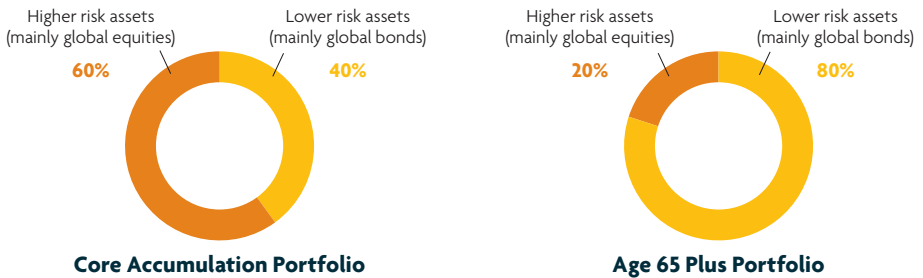
The Mandatory Provident Fund Schemes (Amendment) Bill 2015 has been passed by the Legislative Council which provides for the introduction of a Default Investment Strategy (DIS) and requires each Mandatory Provident Fund (MPF) scheme to provide the DIS. The DIS is launched on 1 April, 2017.

DIS is a highly standardized and fee-controlled MPF investment strategy designed to be consistent with the objective of building up long term retirement savings. If scheme members do not make any choices for their MPF investments, their accrued benefits and future investments (meaning future contributions and accrued benefits transferred from another MPF scheme) will be invested according to the DIS of their respective scheme. Scheme members can also choose to opt for the DIS.

Key features of the DIS

Made up of two portfolios

The DIS is made up of two mixed asset portfolios, namely the Core Accumulation Portfolio and the Age 65 Plus Portfolio ("DIS Funds"). The DIS Funds will invest in a globally diversified manner. The Core Accumulation Portfolio will invest more in higher risk assets (e.g. global equities), while the Age 65 Plus Portfolio will invest more in lower risk assets (e.g. global bonds). The investment ratios of these two DIS Funds are shown in the diagram below :



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 + or - 5%.

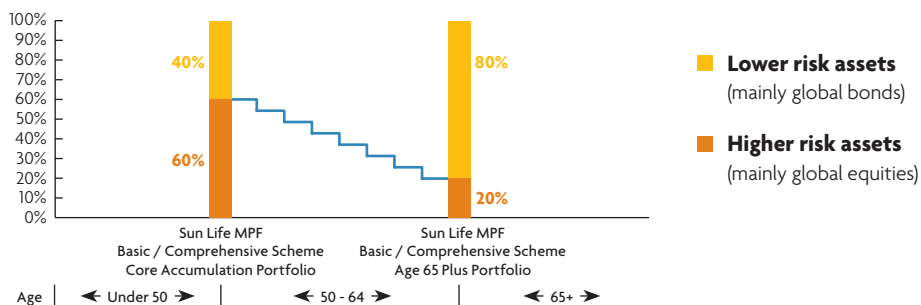
Investment principles

Age-based de-risking

As the scheme member approaches retirement age, the investment strategies will be adjusted automatically by reducing the investment in higher risk assets accordingly :

- Aged below 50: all accrued benefits and future investments will be invested in the Core Accumulation Portfolio.
- Aged between 50 and 64: all accrued benefits and future investments in the Core Accumulation Portfolio will be gradually switched to the Age 65 Plus Portfolio each year, so that the ratio of higher risk assets in DIS will fall.
- Aged 64 and above: all accrued benefits and future investments will be invested in the Age 65 Plus Portfolio.

Asset Allocation between the DIS Funds according to the DIS



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

DIS De-risking Table

Age	Sun Life MPF Basic / Comprehensive Scheme Core Accumulation Portfolio ("CAP")	Sun Life MPF Basic / 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 the CAP and A65P is made at the point of annual de-risking and the proportion of the CAP and A65P in the DIS portfolio may vary during the year due to market fluctuations.

The above de-risking is to be carried out each year on the relevant member's birthday. If a member's birthday falls on a day which is not a dealing day, the de-risking process will be conducted in the next available dealing day.

Fee controls

The aggregate of the payments for services of DIS Funds ("service fees") 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 out-of-pocket expenses incurred by the trustee on a recurrent basis in the discharge of the trustee's duties to provide services in relation to the DIS Funds, shall not in a single year exceed 0.2% of the net asset value of each of the DIS Funds.

The services fees covered within the fee cap include all fees for services provided by trustees, administrators, investment managers, custodians, sponsors and promoters (if any), as well as similar fees chargeable to the underlying investment funds.

Flexible and Convenient Services

Online Pension Services Centre

Online Pension Services Centre is an internet tool to assist employers and members to manage their MPF account more efficiently.

Online Services for Employer

- Employer information
- Contribution history
- Online Remittance Statement
- Outstanding surcharge information
- Frequently used forms

Online Services for Members

- Change personal information
- Account transaction details and account summary
- Member Benefit Statement
- Online change of investment mandate and fund switching submission
- Online transaction log and details
- Frequently used forms

24-hour Interactive Voice Response System (IVRS) & Sun Life Retirement Scheme Hotline

You may call our Client Service Representative via Sun Life Retirement Scheme Hotline on 3183 1900 during office hours, from Monday to Friday at 9:00am to 7:00pm and Saturday at 9:00am to 1:00pm (except public holidays) or use our 24-hour IVRS offering the following services:

- Scheme account information
- Fund information and unit price
- Change of investment choices
- Forms by fax

e-Alert Services for Members and Employers

By providing your mobile phone number or email address, you can enjoy our e-Alert Services. With this value-added service, members will receive a SMS or email notification whenever their membership enrolments have been successfully completed and their transfers of accrued benefits have been successfully transferred to their MPF account. In addition, employers will receive an email notification remind for submission of Online Remittance Statement every month.

Payroll Software for Employers

We understand how busy human resources departments are handling the large amount of day-to-day work. To support you in managing MPF administrative tasks, like handling multiple MPF schemes, preparing MPF contribution, employee termination documents and keeping all contribution records, we have partnered with Asia Pacific Soft Limited to offer Alpha Human Resources Management System (AlphaHRMS)*. From now on, MPF administration will be nearly effortless.

* AlphaHRMS is an application software developed and owned by Asia Pacific Soft Limited. Asia Pacific Soft Limited is neither an agent of Sun Life Hong Kong Limited nor a member of Sun Life Financial group of companies. Use of AlphaHRMS will be subject to Asia Pacific Soft Limited's terms and conditions. Please read the terms and conditions carefully prior to deciding whether to use the AlphaHRMS.

Fees and Charges

Joining Fee	:	N/A
Annual Fee	:	N/A
Withdrawal charge	:	Currently waived ^{1&2}
Bid / Offer Spread	:	Currently waived ^{1&2}
Contribution charge	:	Currently waived ^{1&2}
Annual Management fees and Guarantee Charge (if applicable) chargeable at Constituent Funds and Underlying Funds level	:	0.733% - 2.468% ³ (for Sun Life MPF Basic Scheme) and 0.733% - 2.568% ³ (for Sun Life MPF Comprehensive Scheme) of net asset value

Other fees and charges: Please refer to the respective MPF Scheme Brochure for further details

¹ These fees & charges are currently waived until further notice by trustee.

² Contribution charge, bid/offer spread and withdrawal charge are not applicable to Sun Life MPF Basic Scheme MPF Conservative Portfolio / Sun Life MPF Comprehensive Scheme MPF Conservative Portfolio.

³ The management fee of the US & Hong Kong Equity Portfolio under the Scheme is up to 1.283% of net asset value per annum.

How to join

Please call our Sun Life Retirement Scheme Hotline at 3183 1900 or contact your MPF intermediary.

Sun Life Hong Kong Limited

(Incorporated in Bermuda with limited liability)

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Client Service

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Members of the Sun Life group of companies. Head Office in Toronto, Canada.

Issued by Sun Life Hong Kong Limited Printed in February 2021