

11 April 2017

Sun Life MPF Master Trust

Dear Client,

According to our record, we do not receive any investment instruction from you regarding the investment of your accrued benefits in your account. Therefore, all your accrued benefits in the account were invested to the default investment arrangement of the Scheme prior to 1 April 2017 (i.e. "Default Option" (to be re-named as "Fund Cruiser")("Former Default Investment Arrangement"). With the implementation of the Mandatory Provident Fund Schemes Ordinance of Default Investment Strategy ("DIS") on 1 April 2017 ("DIS Commencement Date"), investment of your accrued benefits in the account may be affected. In this regard, we send you the enclosed DIS Re-Investment Notice (the "Notice") to explain the impact on you in this account if you do not take any action within 42 days from the date of the Notice ("Expiry Date") or if you take action only after the Expiry Date.

In addition to the Notice, this letter will highlight the following to you:-

- A. Effect on you after DIS Commencement Date**
- B. Cut-off Time to Receive your Option 2 Form**
- C. Important Notes in making your own Investment Decision**

We strongly recommend you to read the Notice and this letter carefully.

A. Effect on you after DIS Commencement Date

In summary, investment of your benefits in the account may be affected in the following ways:-

1. No action taken on or before the Expiry Date

If we do not receive the attached Option 2 Form from you on or before the Expiry Date, we will process the switching from the Former Default Investment Arrangement to DIS ("Switching") within 5 business days after the Expiry Date ("Switching Day"), provided that there is no outstanding subscription or redemption transaction in progress in your account. In the event that we cannot process the Switching on the Switching Day due to any reason beyond our control, we will process the Switching on the next available dealing day immediately after the Switching Day and after the completion of any outstanding subscription or redemption transaction in progress (if any). In addition, if we do not receive your own investment instruction in respect of future contributions and accrued benefits transferred from another registered scheme (collectively "Future Investments") of your account, your investment instruction for Future Investments will also be changed to DIS within 5 business days after the Expiry Date.

2. Action taken after the Expiry Date

If we receive any investment instruction, including switching of your accrued benefits and/or change of your investment instruction for your Future Investments, for your account after the Expiry Date, we can only carry out your instruction after the completion of the Switching on the Switching Day described in (1), provided that your investment instruction is still valid.

3. Action taken / Transaction made on or before the Expiry Date

- a) Instruction to continue investing in the Former Default Investment Arrangement

If we receive your instruction through the submission of the attached Option 2 Form to have accrued benefits and Future Investments in your account continued investing in the Former Default Investment Arrangement on or before the Expiry Date, no Switching will be performed for your

account. We will send you an acknowledgement within 7 business days after our receipt of your Option 2 Form. If you do not receive the acknowledgement from us, please contact us.

b) Other Instructions

If you perform a switching to switch part of or whole of your accrued benefits in the Former Default Investment Arrangement to any other constituent funds, any remaining accrued benefits invested in the Former Default Investment Arrangement after such switching will not be switched to DIS. If you have not given an investment instruction for Future Investment for your account, we will in this case change your investment instructions to DIS as soon as practicable after the switching is processed.

If the following transactions processed for your account on or before the Expiry Date (“Transaction”), we may switch any accrued benefits remaining in the Former Default Investment Arrangement and/or change your investment instruction for Future Investments into the DIS as soon as practicable after the Transaction is processed.

- i) You have requested us to change your investment instruction for your Future Investments either before or after 1 April 2017 and such investment instruction has been applied for allocation of your Future Investments between the DIS Commencement Date and the Expiry Date; or
- ii) Accrued benefits are transferred from your other account(s) in the same Scheme either based on your transfer election or by law when you do not give an election at the time when you change jobs.

c) Example illustrating 3(b) above

Before DIS Commencement Date

- A member has a contribution account and has not given an investment instruction since enrollment. The investment instruction was defaulted as 100% in Fund D (Fund D is the default fund prior to 1 April 2017)
- All benefits invested in Fund D and investment instruction for Future Investments is 100% in Fund D

After DIS Commencement Date and before Expiry Date

- The member instructs to switch 60% Fund D to Fund A and does not give any instruction for Future Investments.

After completion of member’s switching instruction

- The remaining 40% of benefits continue to be invested in Fund D
- The investment instruction for Future Investments of the account shall change to 100% DIS

B. Cut-off Time to Receive your Option 2 Form

You should send your Option 2 Form via channels listed in the table below. Otherwise, you may run at a risk that the Option 2 Form may not reach us or may reach us at a time later than what you expected; and in turn affect the investments of your accrued benefits and Future Investments.

The following table sets out the channels and cutoff time for receipt of your Option 2 Form. Any instruction received after the cut-off time will be considered as action taken after the Expiry Date which may affect your investments to change to DIS.

	Channels	Designated Address/Fax No.	Cut off Time for Instruction Received before Expiry Date
1	By mail (please use the enclosed pre-paid envelope and allow	BestServe Financial Limited (BestServe)	The instruction reaches the office premises of BestServe before

	adequate time for postal delivery to ensure your reply slip can duly reach the stated address on or before the cut-off time)	10/F., One Harbourfront, 18 Tak Fung Street, Hunghom, Kowloon, Hong Kong	5:45p.m. on Expiry Date.
2	In person		The instruction reaches the office premises of BestServe before 5:45p.m. on Expiry Date. The office hour of BestServe is Monday to Friday 9am to 5:45pm (except public holidays).
3	By Fax	3183 1901	The instruction is received by the designated fax number by 11:59p.m. on Expiry Date.

A confirmation will be sent to you within 5 business days upon the completion of any switching and/or change of investment instruction. If you do not receive the confirmation from us, please contact us.

C. Important Notes in making your own Investment Decision

In making your investment decisions, please take note of the below:

- i) Any change of investment instructions through submitting a new investment instruction only applies to Future Investments and will therefore not affect the investments of the accrued benefits. If you switch all or part of your investments of accrued benefits by submitting a switching instruction, such switching instruction only applies to investments of accrued benefits but not Future Investments.
- ii) Any switching instruction to switch out part of your accrued benefits from Former Default Investment Arrangement to other constituents funds will be considered to have given full investment instruction to your account, with the remaining part of your accrued benefits not specified in your switching instruction continue to invest in Fund Cruiser.
- iii) Switching may result in investment gain or loss since the processes involve selling units from the Former Default Investment Arrangement and purchasing units of the DIS funds at prevailing prices on Switching Day.
- iv) In deciding your investment instructions, you are strongly advised to read the Consolidated Offering Document of the Scheme as well as the enclosed summary of key features of the Former Default Investment Arrangement and DIS.

If you have any enquiries about what is set out in the Notice and the arrangement, please contact our Sun Life MPF Master Trust Hotline at 2971 0200.

Yours faithfully,

BestServe Financial Limited
as Administrator of Sun Life MPF Master Trust

Sun Life MPF Master Trust (the “Scheme”)

**Appendix to DIS Re-investment Notice
to Members¹**

Please note the below Table A listing out the key difference between:

- The Default Investment Arrangement that you are currently investing, and
- The Default Investment Strategy that your future contributions and accrued benefits are going to invest if no specific investment instruction is received from you by the expiry date of this DRN.

Please also note the different risk and fee levels of these 2 arrangements in the below Table A for your reference.

Table A

	Former Default Investment Arrangement	The DIS										
Name and description (if applicable)	<p>Under the “Default Option” (to be re-named as “Fund Cruiser”), member’s contributions and accumulated balances will be invested in the following Constituent Funds, determined on the basis of the age of the member:</p> <table border="0"> <tr> <td style="text-align: center;">Age of member</td> <td style="text-align: center;">Constituent Fund Selected</td> </tr> <tr> <td style="text-align: center;">Below 50</td> <td style="text-align: center;">Schroder MPF Balanced Investment Portfolio (“BIP”)</td> </tr> <tr> <td style="text-align: center;">From 50 to 55</td> <td style="text-align: center;">Schroder MPF Stable Growth Portfolio (“SGP”)</td> </tr> <tr> <td style="text-align: center;">From 56 to 61</td> <td style="text-align: center;">Schroder MPF Capital Stable Portfolio (“CSP”)</td> </tr> <tr> <td style="text-align: center;">62 or over</td> <td style="text-align: center;">Schroder MPF Conservative Portfolio (“CP”)</td> </tr> </table> <p>The member’s balances and contributions will be switched automatically when he reaches the next age band as specified above from time to time.</p>	Age of member	Constituent Fund Selected	Below 50	Schroder MPF Balanced Investment Portfolio (“ BIP ”)	From 50 to 55	Schroder MPF Stable Growth Portfolio (“ SGP ”)	From 56 to 61	Schroder MPF Capital Stable Portfolio (“ CSP ”)	62 or over	Schroder MPF Conservative Portfolio (“ CP ”)	<p>The DIS is comprised of two Constituent Funds, namely Schroder MPF Core Accumulation Fund (“CAF”) and Schroder MPF Age 65 Plus Fund (“A65F”), with de-risking mechanism in accordance with pre-set allocation percentages based on member’s age</p>
Age of member	Constituent Fund Selected											
Below 50	Schroder MPF Balanced Investment Portfolio (“ BIP ”)											
From 50 to 55	Schroder MPF Stable Growth Portfolio (“ SGP ”)											
From 56 to 61	Schroder MPF Capital Stable Portfolio (“ CSP ”)											
62 or over	Schroder MPF Conservative Portfolio (“ CP ”)											

¹ Please note that references to “you” or “your” in this notice refer to, as the case may be in the relevant context, participating employers or members.

Fund Type	For BIP, SGP and CSP: Mixed assets For CP: Money market	For both CAF and A65F: Mixed assets
De-risking feature	Yes – member’s balances and contributions will be switched to a constituent fund with a relatively lower risk and return profile (as set out below in this table) when he reaches the next age band	Yes
Total management fees of the Constituent Fund and, if applicable, the Underlying Fund(s)	For BIP, SGP and CSP: Ordinary Units: 1.585% p.a. of NAV Class B Units: 1.385% p.a. of NAV For CP: Ordinary Units: 1.15% p.a. of NAV Class B Units: 1.0% p.a. of NAV	For both CAF and A65F: Ordinary Units: 0.75% p.a. of NAV Class B Units: 0.75% p.a. of NAV
Daily fees cap	No	Yes (for details, please refer to section A(c))
Risk and return profile*	BIP: relatively high SGP: medium CSP: medium CP: low	CAF: medium A65F: low
Guarantee feature	No	No

* The “Risk and return profile” indicates the expected risk and return of the relevant constituent fund relative to other constituent funds in the Scheme.

For details of the key features of the existing default investment arrangement and the DIS, please refer to the Offering Document (or contact the Trustee).