

SUN LIFE MPF MASTER TRUST
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH SEPTEMBER 2022

SUN LIFE MPF MASTER TRUST

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

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SUN LIFE MPF MASTER TRUST

SCHEME REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Background

Sun Life MPF Master Trust (the “Scheme”) is a master trust scheme set up for the purpose of providing benefits to members in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance”). The Scheme is established under a trust deed dated 31st January 2000 and amended from time to time, latest supplemental deed dated on 15th April 2020 between Sun Life Hong Kong Limited as sponsor and HSBC Provident Fund Trustee (Hong Kong) Limited as trustee (the “Trustee”). The Scheme is registered under Section 21 of the Ordinance.

2 Financial development

The Scheme commenced operations on 31st January 2000. The total contributions received and receivable including transfers-in and benefits paid and payable including transfers-out during the year were HK\$147,195,000 (2021: HK\$167,987,000) and HK\$133,444,000 (2021: HK\$185,776,000) respectively. The net asset value of the Scheme as at 30th September 2022 was HK\$1,757,629,000 (2021: HK\$2,293,573,000). The Scheme has 2,321 (2021: 2,336) members as at 30th September 2022.

3 Changes to the governing rules

The Scheme was established by a Trust Deed dated 31st January 2000, as amended by a Deed of Substitution dated 19th July 2000, a Supplemental Trust Deed dated 13th August 2002, a Deed of Substitution dated 3rd June 2003, a Supplemental Trust Deed dated 19th November 2008, a Deed of Substitution dated 30th September 2009, a First Supplemental Trust Deed dated 26th September 2012, a Second Supplemental Trust Deed dated 31st August 2015, a Third Supplemental Trust Deed dated 30th September 2015, a Fourth Supplemental Trust Deed dated 18th December 2015, a deed of retirement and appointment of sponsor and variation dated 1st December 2016, a Fifth Supplemental Trust Deed dated 9th December 2016 and a Sixth Supplemental Trust Deed dated on 15th April 2020.

During the financial year, the following changes were made to the governing rules and Scheme Brochure of the Scheme:

With effect from 30 June 2022, the key scheme information document (the ‘KSID’), which forms part of the offering document of the Scheme, is available. The KSID helps provide Scheme Participants with key scheme information relating to the Scheme in a simplified and standardized format prescribed by the MPFA. That said, while the KSID could facilitate Scheme Participants to obtain an overview of the key details and features of the Scheme, Scheme Participants should not make investment decisions based solely on the KSID.

In addition, the 3rd Addendum to the MPF Scheme Brochure dated March 2020 was issued on 30 September 2022, unless otherwise specified therein, to reflect the change to investment policy of the underlying approved pooled investment fund invested by Schroder MPF Hong Kong Portfolio, to enhance the risk factors applicable to the Schroder MPF Hong Kong Portfolio, and to clarify the geographical allocation of Schroder MPF Core Accumulation Fund, with effect from 30 December 2022.

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4 Major service providers

Particulars of the Trustee and service providers engaged by the Trustee for the purposes of the Scheme during the year ended 30th September 2022 are set out below.

Trustee and Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited
HSBC Main Building
1 Queen's Road Central
Hong Kong

Sponsor

Sun Life Hong Kong Limited
16th Floor
Cheung Kei Center Tower A
No. 18 Hung Luen Road
Hunghom, Kowloon
Hong Kong

Investment Manager

Schroder Investment Management (Hong Kong) Limited
Level 33
Two Pacific Place
88 Queensway
Hong Kong

Auditor

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central
Hong Kong

Administrator and Record Keeper

BestServe Financial Limited
10/F, One Harbourfront
18 Tak Fung Street
Hunghom, Kowloon
Hong Kong

Banks

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

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SCHEME REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

4 Major service providers (Continued)

Banks (Continued)

ANZ Bank
13 Floor, Three Exchange Square
8 Connaught Place
Central
Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

BNP Paribas, Hong Kong Branch
59-63/F, Two IFC
8 Finance Street
Central
Hong Kong

National Australia Bank Limited
Level 27, One Pacific Place
88 Queensway
Hong Kong

Dah Sing Bank Limited
36th Floor, Dah Sing Financial Centre
108 Gloucester Road
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
4 - 4A Des Voeux Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
18th Floor, The Center
99 Queen's Road Central
Hong Kong

Citibank, N.A.
50/F Citibank Tower, Citibank Plaza
3 Garden Road, Central
Hong Kong

Agricultural Bank of China Limited, Hong Kong Branch
25/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

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SCHEME REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

4 Major service providers (Continued)

Banks (Continued)

Bank of Communications Co., Ltd., Hong Kong Branch
20 Pedder Street
Central
Hong Kong

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower
No.3 Connaught Road Central
Hong Kong

Oversea-Chinese Banking Corporation Limited
9/F, Nine Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower,
3 Garden Road, Central,
Hong Kong

Bank accounts have been maintained with The Hongkong and Shanghai Banking Corporation Limited and Hang Seng Bank Limited which are associates of the Trustee. Mr WONG Tung Shun Peter has been the Chairman of The Hongkong and Shanghai Banking Corporation Limited with effect from 7 June 2021. His correspondence address is 1 Queen's Road Central, Hong Kong. The Chairman of Hang Seng Bank Limited is Ms Irene Lee with effect from 27 May 2021 (prior to 27 May 2021: Dr. Raymond K F Ch'ien) at 83 Des Voeux Road Central, Hong Kong.

Solicitors

Linklaters
10th Floor, Alexandra House
18 Chater Road
Hong Kong

Deacons
5th Floor, Alexandra House
18 Chater Road
Hong Kong

5 Directors of the Trustee

Directors of the Trustee during the year ended 30 September 2022 were:

Elaine Yuen Man LO	
Sau Ling TSE	
Horace Kwan Hor CHAU	
Renny Ket Liong LIE KEN JIE	
Johnny Kok Chung CHAN	
Hui Hung Luanne LIM	(resigned on 1 March 2022)
LEUNG Cheuk Yee Eunice	(appointed on 23 May 2022)

The business address of the above directors is:
HSBC Main Building
1 Queen's Road Central, Hong Kong

SUN LIFE MPF MASTER TRUST

SCHEME REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Further information

Members can obtain information about the Scheme and its operations from the Sun Life Hong Kong Limited's website at www.sunlife.com.hk. 24-hour Phone Response Services are available for MPF members and employers at 2971 0200. They may also contact BestServe Financial Limited, the Administrator of the Scheme, for information relating to members' issues.

At 30th September 2022 and during the year, the Scheme is a master trust scheme and offering the following 13 constituent funds (each refers to the "Fund").

Schroder MPF Capital Guaranteed Portfolio
Schroder MPF Conservative Portfolio
Schroder MPF RMB and HKD Fixed Income Portfolio
Schroder MPF Capital Stable Portfolio
Schroder MPF Stable Growth Portfolio
Schroder MPF Balanced Investment Portfolio
Schroder MPF Growth Portfolio
Schroder MPF International Portfolio
Schroder MPF Asian Portfolio
Schroder MPF Hong Kong Portfolio
Schroder MPF Global Fixed Income Portfolio
Schroder MPF Core Accumulation Fund
Schroder MPF Age 65 Plus Fund

Sponsoring entity: Sun Life Hong Kong Limited

Dated: 21st March 2023

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

Commentary

Sun Life MPF Master Trust (the “Scheme”) offers a choice of 13 constituent funds namely Schroder MPF Capital Guaranteed Portfolio, Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio, Schroder MPF Capital Stable Portfolio, Schroder MPF Stable Growth Portfolio, Schroder MPF Balanced Investment Portfolio, Schroder MPF Growth Portfolio, Schroder MPF International Portfolio, Schroder MPF Asian Portfolio, Schroder MPF Hong Kong Portfolio, Schroder MPF Global Fixed Income Portfolio, Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund.

There have been no changes to the respective investment policies as stated in the Offering Document of the Scheme during the financial year ended 30th September 2022.

The Trustee, HSBC Provident Fund Trustee (Hong Kong) Limited, confirmed that based on the information received from the Investment Manager, Schroder Investment Management (Hong Kong) Limited, during the year, to the best of the knowledge and belief of the Trustee, the investment policies for each constituent fund of the Scheme were complied with.

1 Statement of investment objective and policies

The Scheme offers a choice of 13 constituent funds, ranging across the risk and reward scale. Refer to page 5 for the names of the 13 constituent funds.

Each of the 13 constituent funds has a different investment policy, achieved through investing its assets into an approved pooled investment fund (each refers to the “Sub-Fund”) (other than the Schroder MPF Conservative Portfolio which invests directly in permitted investments). These policies are outlined below.

1.1 Common policies on investments which apply to each constituent fund

- (i) Each constituent fund (other than the Schroder MPF Conservative Portfolio) will invest its assets in a single pooled investment fund but may also hold cash from time to time, up to a maximum of 5% of the net asset value of each constituent fund.
- (ii) None of the constituent funds (other than the Schroder MPF Conservative Portfolio) will have direct holdings of equities or bonds, its interest in such investments being achieved through an approved pooled investment fund.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.1 Common policies on investments which apply to each constituent fund (Continued)

- (iii) None of the constituent funds will trade in futures or options, but may enter into currency forward contracts for the purposes of currency hedging. Their approved pooled investment funds may acquire futures and options for the purposes of investment or hedging subject to the restrictions in Schedule 1 to the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”).
- (iv) None of the constituent funds or their approved pooled investment funds will lend securities.
- (v) Each constituent fund is subject to the investment and borrowing restrictions in Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation.
- (vi) The intention is that the constituent funds (other than the Schroder MPF Conservative Portfolio) only invest in the underlying approved pooled investment funds which have no less than 30% in Hong Kong dollar investments. However, the constituent funds may hedge currency from time to time. The Schroder MPF Conservative Portfolio will invest directly in permitted investments and will at all times have an effective Hong Kong currency exposure of 100%.
- (vii) Investments may, however, only be acquired for the constituent funds in those countries or markets where the Trustee is satisfied that suitable arrangements can be made for their custody.

1.2 Schroder MPF Capital Guaranteed Portfolio

- (i) The objective of the constituent fund is to achieve a positive return, after expenses, for as long as the investor remains invested in the constituent fund.
- (ii) The constituent fund will invest in a single approved pooled investment fund in the form of an insurance policy, which in turn will invest in global bonds, equities and cash with the current proposed asset allocation of a range of 67% to 95%, 0% to 33% and 0% to 33% of the asset value respectively. The approved pooled investment fund is globally diversified but with a bias towards Hong Kong. The approved pooled investment fund will hold a minimum of 67% in Hong Kong dollar investments at all times through direct holdings in equities, bonds and cash and/or currency hedging.
- (iii) The single approved pooled investment fund is a Class G insurance policy and will be managed, issued and guaranteed by Sun Life Hong Kong Limited (“Sun Life”) with effect from 1st February 2021 (formerly managed, issued and guaranteed by FWD Life Insurance Company (Bermuda) Limited).
- (iv) Investments in the insurance policy (i.e. the underlying approved pooled investment fund) are held as the assets of Sun Life. In the event where Sun Life is liquidated, members may not have access to their investments temporarily, or their value may be reduced.
- (v) The constituent fund is low risk and, as such is appropriate for those who wish to ensure that their benefits are not substantially less than their contributions at the end of a 5-year period or at age 65.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.2 Schroder MPF Capital Guaranteed Portfolio (Continued)

- (vi) The overall returns of the constituent fund will be those achieved from the underlying approved pooled investment fund less expenses, charges and fees at the constituent fund level.
- (vii) An investment in the constituent fund is not guaranteed at the constituent fund level, but the underlying approved pooled investment fund in which the assets of the portfolio will be invested is a guaranteed insurance policy.
- (viii) The guarantee structure results in a dilution in performance.

1.3 Schroder MPF Conservative Portfolio

- (i) The objective of the constituent fund is to provide a return, after expenses, which matches or exceeds the Hong Kong dollar savings rate.
- (ii) The constituent fund's investments will be limited by the investment restrictions for a MPF conservative fund as defined in the MPF legislation and guidelines. In summary, these are as follows:
 - deposits, less than 12 months maturity with banks meeting specific requirements;
 - debt securities, with a maturity of 2 years or less issued by or guaranteed by the Government of the Hong Kong Special Administrative Region, 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;
 - debt securities, with a maturity of 1 year or less with a credit rating level set by the Mandatory Provident Fund Schemes Authority;
 - the average maturity of all securities must not exceed 90 days;
 - the constituent fund must be wholly invested in Hong Kong dollar currency investments.
- (iii) The constituent fund will hold a minimum of 100% in Hong Kong dollar investments at all times through direct holdings in the restricted investments shown above.
- (iv) The constituent fund is low risk and, as such, is suitable for investors with less than 3 years before retirement.
- (v) It should be noted that an investment in the constituent fund is not the same as placing funds on deposit with a bank or deposit-taking company and that there is no obligation to redeem the investment at the offer value. It should also be noted that the constituent fund is not subject to the supervision of the Hong Kong Monetary Authority.
- (vi) The long-term return is expected to be in line with deposit rates for Hong Kong dollars.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.4 Schroder MPF RMB and HKD Fixed Income Portfolio

- (i) The objective of the constituent fund is to provide a long-term return of capital growth and income in Hong Kong dollar terms through investment in a portfolio consisting mainly RMB and HKD denominated debt securities.
- (ii) The constituent fund invests in a single approved pooled investment fund, a sub-fund of the Schroder Institutional Pooled Funds namely, the RMB and HKD Fixed Income Fund, which primarily invests in fixed and floating rate debt securities denominated in Renminbi and Hong Kong dollar issued by government, quasi-government, financial and corporate issuers worldwide. It may also invest in Renminbi and Hong Kong dollar denominated money market instruments including fixed deposits, certificates of deposits, commercial papers, treasury bills and cash. The current proposed allocation of the assets is:

Asset Allocation	
Debt securities	70% to 100%
Money market instruments	0% to 30%
Currency Allocation	
Renminbi	30% to 70%
Hong Kong dollar	30% to 100%
Other currencies*	0% to 30%

* expected to be mainly US dollar but may also be other Asian currencies

- (iii) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The constituent fund is low risk and, as such, is suitable for investors with between 3 and 5 years before retirement.
- (v) The long-term return is expected to be associated primarily with the volatility and growth in the RMB and HKD denominated debt securities.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.5 Schroder MPF Capital Stable Portfolio

- (i) The objective of the constituent fund is to achieve a long-term return in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A).
- (ii) The constituent fund will invest in a single approved pooled investment fund which is a fund of funds investing in other Schroder managed funds and index-tracking collective investment schemes ("ITCIS") approved by the Mandatory Provident Fund Schemes Authority. The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The portfolio is thus globally diversified but is biased towards Hong Kong. The current proposed allocation of the assets is:

Bonds	40% to 70%
US Dollar	5% to 60%
Global currencies ex US Dollar ex Hong Kong dollar	5% to 40%
Hong Kong dollar	0% to 50%
Equities	15% to 40%
Hong Kong	0% to 20%
Asia ex Hong Kong ex Japan	0% to 15%
United States	0% to 15%
Japan	0% to 10%
Europe	0% to 10%
Others	0% to 5%
Cash or cash equivalents	0% to 30%

- (iii) The constituent fund is suitable for inclusion in a lifecycle range of products.
- (iv) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (v) The constituent fund is medium risk and, as such, is suitable for investors with between 5 and 10 years before retirement.
- (vi) The long-term return is expected to be in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A).

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.6 Schroder MPF Stable Growth Portfolio

- (i) The objective of the constituent fund is to achieve a long-term return in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).
- (ii) The constituent fund will invest in a single approved pooled investment fund which is a fund of funds investing in other Schroder managed funds and ITCIS. The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The portfolio is thus globally diversified but is biased towards Hong Kong. The current proposed allocation of the assets is:

Bonds	20% to 60%
US Dollar	5% to 55%
Global currencies ex US Dollar ex Hong Kong dollar	5% to 60%
Hong Kong dollar	0% to 30%
Equities	30% to 60%
Hong Kong	5% to 30%
Asia ex Hong Kong ex Japan	0% to 15%
United States	0% to 25%
Japan	0% to 15%
Europe	0% to 15%
Others	0% to 5%
Cash or cash equivalents	0% to 20%

- (iii) The constituent fund is suitable for inclusion in a lifecycle range of products.
- (iv) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (v) The constituent fund is medium risk and, as such, is suitable for investors with between 5 and 10 years before retirement.
- (vi) The long-term return is expected to be in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A).

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.7 Schroder MPF Balanced Investment Portfolio

- (i) The objective of the constituent 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).
- (ii) The constituent fund will invest in a single approved pooled investment fund which is a fund of funds investing in other Schroder managed funds and ITCIS. The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The portfolio is thus globally diversified but is biased towards Hong Kong. The current proposed allocation of the assets is:

Bonds	0% to 40%
US Dollar	0% to 25%
Global currencies ex US Dollar ex Hong Kong dollar	0% to 40%
Hong Kong dollar	0% to 20%
Equities	45% to 85%
Hong Kong	10% to 40%
Asia ex Hong Kong ex Japan	0% to 25%
United States	5% to 30%
Japan	0% to 20%
Europe	0% to 25%
Others	0% to 10%
Cash or cash equivalents	0% to 20%

- (iii) The constituent fund is suitable for inclusion in a lifecycle range of products.
- (iv) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (v) The risk profile of the constituent fund is relatively high and, as such, is suitable for investors with more than 10 years before retirement.
- (vi) The long-term return is expected to be modestly 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).

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.8 Schroder MPF Growth Portfolio

- (i) The objective of the constituent fund is to achieve 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).
- (ii) The constituent fund will invest in a single approved pooled investment fund which is a fund of funds investing in other Schroder managed funds and ITCIS. The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The portfolio is thus globally diversified but is biased towards Hong Kong. The current proposed allocation of the assets is:

Bonds	0% to 20%
US Dollar	0% to 15%
Global currencies ex US Dollar ex Hong Kong dollar	0% to 20%
Hong Kong dollar	0% to 10%
Equities	60% to 100%
Hong Kong	0% to 50%
Asia ex Hong Kong ex Japan	0% to 30%
United States	0% to 40%
Japan	0% to 20%
Europe	0% to 30%
Others	0% to 5%
Cash or cash equivalents	0% to 30%

- (iii) The constituent fund is suitable for inclusion in a lifecycle range of products.
- (iv) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (v) The risk profile of the constituent fund is relatively high and, as such, is suitable for investors with more than 10 years before retirement.
- (vi) The long-term return is expected to be modestly 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).

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.9 Schroder MPF International Portfolio

- (i) The objective of the constituent fund is to achieve long-term capital growth.
- (ii) The constituent fund will invest in a single approved pooled investment fund which is a fund of funds investing in other Schroder managed funds and ITCIS. The underlying investments of the portfolio will primarily include quoted securities and cash deposits worldwide. The portfolio is globally diversified. The current proposed allocation of the assets is:
- | | |
|--------------------------|-------------|
| Equities | 60% to 100% |
| Pacific ex Japan | 0% to 20% |
| United States | 10% to 70% |
| Japan | 0% to 25% |
| Europe | 10% to 50% |
| Others | 0% to 20% |
| Cash or cash equivalents | 0% to 40% |
- (iii) It will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The risk profile of the constituent fund is relatively high and, as such, is suitable for investors seeking long-term capital appreciation.
- (v) The long-term return is expected to be modestly in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).

1.10 Schroder MPF Asian Portfolio

- (i) The objective of the constituent fund is to achieve long-term capital growth.
- (ii) The constituent fund will invest in a single approved pooled investment fund and the non-cash investments of which will primarily invest in Asian (ex-Japan) equities. The approved pooled investment 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 "PRC") via the Stock Connect programme (the "Stock Connect"). The approved pooled investment fund may hold cash, bank deposits or cash equivalents for ancillary purposes. For indicative purposes, the current proposed allocation of assets of the portfolio is:
- | | |
|---------------------------|-------------|
| Equities | 60% to 100% |
| Hong Kong | 20% to 70% |
| Singapore | 0% to 30% |
| Malaysia | 0% to 20% |
| Korea | 0% to 40% |
| Taiwan | 0% to 40% |
| Thailand | 0% to 20% |
| Philippines | 0% to 10% |
| India | 0% to 40% |
| Others | 0% to 10% |
| Cash and cash equivalents | 0% to 40% |

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.10 Schroder MPF Asian Portfolio (Continued)

- (iii) The approved pooled investment fund will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The risk profile of the constituent fund is relatively high and, as such, is suitable for investors seeking long-term capital appreciation.
- (v) The long-term return is expected to be modestly in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).

1.11 Schroder MPF Hong Kong Portfolio

- (i) The objective of the constituent fund is to achieve long-term capital growth.
- (ii) The constituent fund will invest in a single approved pooled investment fund namely, the Hong Kong Equity Fund, a sub-fund of the Schroder Institutional Pooled Funds, which primarily invests in Hong Kong equities. The approved pooled investment fund may hold cash, bank deposits or cash equivalents for ancillary purposes. The current proposed allocation of the assets is:

Equities	90% to 100%
Hong Kong	90% to 100%
Cash or cash equivalents	0% to 10%

- (iii) It will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The risk profile of the constituent fund is relatively high and, as such, is suitable for investors with more than 10 years before retirement.
- (v) The long-term return is expected to be modestly in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A).

1.12 Schroder MPF Global Fixed Income Portfolio

- (i) The objective of the constituent fund is to provide security of capital and a comparatively high income return.
- (ii) The constituent fund will invest in a single approved pooled investment fund which makes direct investments primarily in fixed interest and floating rate securities, money market instruments and cash deposits while maintaining a high income yield. The approved pooled investment fund may hold cash, bank deposits or cash equivalents for ancillary purposes. The current proposed allocation of the assets is:

Bonds	70% to 100%
US Dollar	10% to 90%
Global currencies ex US Dollar	10% to 90%
Cash or cash equivalents	0% to 30%

- (iii) It will hold a minimum of 30% in Hong Kong dollar investments at all times.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.12 Schroder MPF Global Fixed Income Portfolio (Continued)

- (iv) The constituent fund is not a guaranteed fund. It cannot be guaranteed that the performance of the constituent fund will generate a return and there may be circumstances where no return is generated or the capital is lost.
- (v) The constituent fund is low risk and, as such, is suitable for investors with between 3 and 5 years before retirement.
- (vi) The long-term risk and return of the constituent fund will be associated primarily with the volatility and growth in global bonds.

1.13 Schroder MPF Core Accumulation Fund

- (i) The objective of the constituent fund is to provide capital growth to members by investing in a globally diversified manner.
- (ii) The constituent fund will invest in a single approved pooled investment fund namely, the Schroder MPF Core 60/40 Fund, which in turn invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The constituent fund will hold 60% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global fixed income and money market instruments). The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The current proposed allocation of the assets is:

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%
Equities	55% to 65%
Asia Pacific ex 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%

- (iii) It will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The risk profile of the constituent fund is relatively medium and, as such, is suitable for investors with more than 10 years before retirement.
- (v) The Investment Manager of the constituent fund will not trade in currency forwards, futures or options but the investment manager of the Schroder MPF Core 60/40 Fund (and its underlying approved pooled investment funds) may enter into currency forward contracts, futures contracts and options contracts for the account of the Schroder MPF Core 60/40 Fund (and its underlying approved pooled investment funds) for hedging purposes only. The Investment Manager of the constituent fund and the investment manager of the Schroder MPF Core 60/40 Fund (and its underlying approved pooled investment funds) does not intend to engage in securities lending or repurchase agreement.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

1 Statement of investment objective and policies (Continued)

1.14 Schroder MPF Age 65 Plus Fund

- (i) The objective of the constituent fund is to provide stable growth to members by investing in a globally diversified manner.
- (ii) The constituent fund will invest in a single approved pooled investment fund namely, the Schroder MPF Core 20/80 Fund, which in turn invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation. The constituent fund will hold 20% of its net assets in higher risk assets (such as global equities), with the remainder investing in lower risk assets (such as global fixed income and money market instruments). The underlying investments of the portfolio will primarily include quoted securities, government and corporate bonds and cash deposits worldwide. The current proposed allocation of the assets is:

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%
Equities	15% to 25%
Asia Pacific ex 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%

- (iii) It will hold a minimum of 30% in Hong Kong dollar investments at all times.
- (iv) The risk profile of the constituent fund is relatively low and, as such, is suitable for investors with 15 or less years before retirement.
- (v) The Investment Manager of the constituent fund will not trade in currency forwards, futures or options but the investment manager of the Schroder MPF Core 20/80 Fund (and its underlying approved pooled investment funds) may enter into currency forward contracts, futures contracts and options contracts for the account of the Schroder MPF Core 20/80 Fund (and its underlying approved pooled investment funds) for hedging purposes only. The Investment Manager of the constituent fund and the investment manager of the Schroder MPF Core 20/80 Fund (and its underlying approved pooled investment funds) does not intend to engage in securities lending or repurchase agreement.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022

Schroder MPF Capital Guaranteed Portfolio

Market Review

In the final quarter of 2021, global equities ended positively as investors focused on economic resilience and corporate earnings. Equities advanced despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighted. By year-end, these worries had largely subsided, while data continued to indicate that developed markets' economies overall remained stable and corporate earnings were robust. China was the worst-performing market, along with neighbouring Hong Kong, on investor fears that new lockdown restrictions would be instigated following the rapid spread of the Omicron. In fixed income, markets were buffeted over the quarter by persistent, elevated inflation, hawkish central bank policy shift and the emergence of the Omicron variant. 10-year government bond yields were largely unchanged. Yields followed a downward trajectory for most of the quarter before reversing in the final few weeks as sentiment improved.

Stepping into 2022, the portfolio has restructured to invest fully into global bonds and cash. The bond markets were volatile over the first quarter of the year. The dominated headlines in the Ukraine resulted a short-lived rotation towards safe haven assets but investors later turned their focus on inflationary pressures that is high and still rising. Government bond yields rose sharply as central banks are turning more hawkish, and markets are pricing in a faster pace of monetary normalization. The Fed's rhetoric turned more hawkish and "life-off" came as expected with the Fed implemented a 25-bps rate hike. Corporate bond saw negative returns and wider spreads, underperforming government bonds.

The bond markets remained difficult in Q2 2022 despite a rally in late June. Yields moved markedly higher but found some support on concerns over economic growth. The front-end of the US yield curve flattened with the 10-year Treasury yield rising from 2.85% to 3.01% while the 2-year from 2.56% to 2.96%. Corporate bonds saw further negative returns and underperformed government bonds as spreads widened.

Heightened market volatility continued into the third quarter of the year as global central banks and investors grapple with persistent inflation amid a slowing growth backdrop. The Fed tagged on another 75-bps increase onto existing rates in September which brought the rate to between 3.00% to 3.25%. Chair Jerome Powell stated that the Fed's outlook remains unchanged since the Jackson Hole meeting and reiterated that fighting against inflation remain their priority. The 10-year yield rose from 2.97% to 3.83% and the 2-year yield from 2.93% to 4.23% over the quarter. In UK, the budgetary announcement accelerated the sell-off in UK gilts as investors questioned the credibility of the government's fiscal framework. Elsewhere in Europe, the ECB raised interest rates by 75-bps in September after seeing the Eurozone's CPI landed at a record high of 10%. The German 10-year bund yield increased from 1.34% to 2.11% over the quarter. Corporate bonds also saw negative returns following the spiked in bond yields and wider spreads.

Market Outlook

Following the spiked in bond yields, our discussion continued to focus on the questions of "are we there yet?" as we believe that market pricing now reflects a more realistic assessment of the rate hikes required to quell inflation. The yields on offer are starting to look interesting but for now, we have chosen to stay cautious as we have yet to see evidence of a softening in the labour market which would allow the Fed to soften its stance on rates. While the outlook for the US fixed income market has improved, we are holding onto a negative stance in Europe and UK given elevated inflation, and specifically in UK where the markets may continue to struggle to keep up with the BoE and government's policies. As such we are staying negative on duration and a slight overweight in cash for now, but we start to see scenarios where returns could be positive. Overall, we continue to focus our attention on opportunities via strong asset allocation and risk management remains top of our priority.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Conservative Portfolio

Market Review

The pandemic continued to inject uncertainty into markets in the last quarter of 2021. Following which, 2022 has been earmarked by record-breaking inflation published exacerbated by the Russian-Ukraine crisis followed by aggressive central bank response in a bid to tame the unruly inflation. In addition, Europe's soaring energy crisis and lockdowns in China add further pressure on global economic growth, keeping investors in edge. As such, while equities rallied in Q4 2021, things turned south in 2022. Both equities and fixed income sold off, leaving investors with nowhere to hide. Inflationary concerns in markets shifted gears to recessionary ones instead. Yields in the front end of the US Treasury curve soared over the period.

Amidst positive signals from the US economy and a tight labour market, the Fed embarked on their hiking cycle over the period. Resolute on reaching their 2% inflation objective, the hawkish Fed tightened aggressively over the period. While the labour market in the US has been flashing red hot, strains have started to appear and recessionary concerns have emerged, taking a toll on consumer and business sentiments.

The period was marked by several headwinds to the Chinese economy including zero-Covid policy, record heatwaves and a housing market slowdown. In a sign of growing policy divergence from major central banks worldwide, Chinese authorities set a dovish tone over the period in response to weaker domestic growth momentum. However, while authorities continued to sound the horn for policy support, sharp declines in housing activity as well as general activity levels given the lockdowns, countered the effects of a pro-growth stance. That said, the drips of support measures implemented by Chinese authorities while resulting in a gradual impact, would ensure growth remains supported. As such, flickers of hope for economic recovery has been signalled.

Market Outlook

The final lap before the end of 2022 continues to be marked by a volatile macro backdrop. Sticky inflation and a tight labour market remains compelling enough reasoning for global central banks' hawkish policy response. Investors remain in jitters with every hike in rates by DM central banks sending jolts through financial markets. With volatility on the ascend and sentiments on the descend, risk assets have been on the firing line. As the end of the year draws closer, liquidity conditions would dry up. As such, investors would likely remain defensive.

With Chinese authorities steadfast adherence to its zero-Covid policy and the continued drag from the housing market, sentiments have remained downcast for Asia's anchor. While drips of policy support continues to be bestowed upon the property sector, they are essentially mere drops in an ocean for the battled sector facing refinancing issues, falling sales and a liquidity crunch. That said, growth stabilization measures intended to curb the spread of the mortgage boycott faced by the property sector as well as approval of more infrastructure projects and steps taken by the PBOC to dampen downward pressure on the RMB would all ultimately prevent a growth freefall for the Chinese economy.

Asian growth remains on steady grounds hence Asian central banks remain laser focused on curbing inflationary pressures. Expectations thus, remain for further aggressive tightening by these central banks. With front end yields on a rising trajectory given a Fed pivot unforeseeable in the near term, short-dated high quality corporate bonds remain attractive for the Fund.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF RMB and HKD Fixed Income Portfolio

Market Review

The pandemic continued to inject uncertainty into markets in the last quarter of 2021. Following which, 2022 has been earmarked by record-breaking inflation published exacerbated by the Russian-Ukraine crisis followed by aggressive central bank response in a bid to tame the unruly inflation. In addition, Europe's soaring energy crisis and lockdowns in China add further pressure on global economic growth, keeping investors in edge. As such, while equities rallied in Q4 2021, things turned south in 2022. Both equities and fixed income sold off, leaving investors with nowhere to hide. Inflationary concerns in markets shifted gears to recessionary ones instead. Yields in the front end of the US Treasury curve soared over the period.

Amidst positive signals from the US economy and a tight labour market, the Fed embarked on their hiking cycle over the period. Resolute on reaching their 2% inflation objective, the hawkish Fed tightened aggressively over the period. While the labour market in the US has been flashing red hot, strains have started to appear and recessionary concerns have emerged, taking a toll on consumer and business sentiments.

The period was marked by several headwinds to the Chinese economy including zero-Covid policy, record heatwaves and a housing market slowdown. In a sign of growing policy divergence from major central banks worldwide, Chinese authorities set a dovish tone over the period in response to weaker domestic growth momentum. However, while authorities continued to sound the horn for policy support, sharp declines in housing activity as well as general activity levels given the lockdowns, countered the effects of a pro-growth stance. That said, the drips of support measures implemented by Chinese authorities while resulting in a gradual impact, would ensure growth remains supported. As such, flickers of hope for economic recovery has been signalled.

Against this backdrop, the Sub-Fund returned -3.69% (HKD, net of fees) for the year ending 30 September 2022, vs its benchmark, 50% CNH 3-month Deposit + 50% 3-month HIBOR, which returned -2.58%.

Market Outlook

The final lap before the end of 2022 continues to be marked by a volatile macro backdrop. Sticky inflation and a tight labour market remains compelling enough reasoning for global central banks' hawkish policy response. Investors remain in jitters with every hike in rates by DM central banks sending jolts through financial markets. With volatility on the ascend and sentiments on the descend, risk assets have been on the firing line. As the end of the year draws closer, liquidity conditions would dry up. As such, investors would likely remain defensive.

With Chinese authorities steadfast adherence to its zero-Covid policy and the continued drag from the housing market, sentiments have remained downcast for Asia's anchor. While drips of policy support continues to be bestowed upon the property sector, they are essentially mere drops in an ocean for the battled sector facing refinancing issues, falling sales and a liquidity crunch. That said, growth stabilization measures intended to curb the spread of the mortgage boycott faced by the property sector as well as approval of more infrastructure projects and steps taken by the PBOC to dampen downward pressure on the RMB would all ultimately prevent a growth freefall for the Chinese economy.

Asian growth remains on steady grounds hence Asian central banks remain laser focused on curbing inflationary pressures. Expectations thus, remain for further aggressive tightening by these central banks. With front end yields on a rising trajectory given a Fed pivot unforeseeable in the near term, short-dated high quality corporate bonds remain attractive for the Fund.

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INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Capital Stable Portfolio/Schroder MPF Stable Growth Portfolio/Schroder MPF Balanced Investment Portfolio/Schroder MPF Growth Portfolio

Market Review

In the final quarter of 2021, global equities ended positively as investors focused on economic resilience and corporate earnings. Equities advanced despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighted. By year-end, these worries had largely subsided, while data continued to indicate that developed markets' economies overall remained stable and corporate earnings were robust. China was the worst-performing market, along with neighbouring Hong Kong, on investor fears that new lockdown restrictions would be instigated following the rapid spread of the Omicron. In fixed income, markets were buffeted over the quarter by persistent, elevated inflation, hawkish central bank policy shift and the emergence of the Omicron variant. 10-year government bond yields were largely unchanged. Yields followed a downward trajectory for most of the quarter before reversing in the final few weeks as sentiment improved.

Stepping into the first quarter of 2022, Russia's invasion of Ukraine in late February caused a global shock. The grave human implications fed through into markets with global equities declining. Commodity prices soared given Russia is a key producer of several important commodities, which contributed a further surge in inflation as well as supply chain disruption. Developed markets equities declined as Russia-Ukraine conflict amplified existing concerns over inflation pressures. Defensive sectors including energy and utility companies were amongst the strongest performers. Share prices in China were sharply lower while shares in Hong Kong and Taiwan also fell. The number of Covid-19 cases in Hong Kong and China spiked to the highest level in more than two years with couple of cities went into lockdown. Turning to fixed income, markets were volatile over the quarter. The dominated headlines in the Ukraine resulted a short-lived rotation towards safe haven assets but investors later turned their focus on inflationary pressures that is high and still rising. Government bond yields rose sharply as central banks are turning more hawkish, and markets are pricing in a faster pace of monetary normalization. The Fed's rhetoric turned more hawkish and "life-off" came as expected with the Fed implementing a 25-bps rate hike. Corporate bond saw negative returns and wider spreads, underperforming government bonds.

Markets remained difficult in Q2 2022. Global equities declined and bonds remained under pressure as recession risks weighed on investor sentiments. US equities fell with declines seen in all main market sectors. The Fed enacted a 75-bps hike for the first time since 1994, in a bid to contain rising inflation. Fed Chair Jerome Powell conceded that it would be "very challenging" to engineer a soft landing and acknowledged that a recession is "certainly a possibility". Shares in Europe also declined. Concerns mounted over the continuity of gas supplies from Russia and the potential for gas rationing later this year. Asian equities also suffered losses with sharp falls in Korea and Taiwan amid fears that rising inflation and global supply chain problems would weaken demand for technology products. On a positive note, China rebounded in June as macroeconomic data picked up following the easing of lockdowns in some cities. In terms of fixed income, the bond markets remained under pressure despite a rally in late June. Yields moved markedly higher but found some support on concerns over economic growth. The front-end of the US yield curve flattened with the 10-year Treasury yield rising from 2.85% to 3.01% while the 2-year from 2.56% to 2.96%. Corporate bonds saw further negative returns and underperformed government bonds as spreads widened.

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INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Capital Stable Portfolio/Schroder MPF Stable Growth Portfolio/Schroder MPF Balanced Investment Portfolio/Schroder MPF Growth Portfolio (Continued)

Market Review (Continued)

Turning into the third quarter of 2022, global equities remained weak despite a temporary market rally, particularly in the US, in July. Market expectations of easing via interest rate cuts by the Fed were dashed as central banks reaffirmed their commitment to fight inflation. European equities also experienced a sharp fall amid the ongoing energy crisis which continued to be a large contributor of rising inflation and consequent fears about the outlook for economic growth. Asian equities were weaker on concerns over rising inflation, high interest rates, and fears over a global slowdown. China ended the quarter lower on the alarming spread of Covid-19 which prompted fears of further lockdowns. In fixed income, heightened market volatility continued as global central banks and investors grapple with persistent inflation amid a slowing growth backdrop. The Fed tagged on another 75-bps increase onto existing rates in September which brought the rate to between 3.00% to 3.25%. Chair Jerome Powell stated that the Fed's outlook remains unchanged since the Jackson Hole meeting and reiterated that fighting against inflation remain their priority. The 10-year yield rose from 2.97% to 3.83% and the 2-year yield from 2.93% to 4.23% over the quarter. In UK, the budgetary announcement accelerated the sell-off in UK gilts as investors questioned the credibility of the government's fiscal framework. Elsewhere in Europe, the ECB raised interest rates by 75-bps in September after seeing the Eurozone's CPI landed at a record high of 10%. The German 10-year bund yield increased from 1.34% to 2.11% over the quarter. Corporate bonds also saw negative returns following the spikes in bond yields and wider spreads.

Market Outlook

Our discussion continued to focus on the questions of "are we there yet?". Having upgraded our score on US duration last month, we considered the question of whether we should be moving to an overweight stance particularly as we believe that market pricing now reflects a more realistic assessment of the rate hikes required to quell inflation. The yields on offer are starting to look interesting but for now, we have chosen to stay neutral as we have yet to see evidence of a softening in the labour market which would allow the Fed to soften its stance on rates. While the outlook for the US fixed income market has improved, we are holding onto a negative stance in Europe and UK given elevated inflation, and specifically in UK where the markets may continue to struggle to keep up with the BoE and government's policies.

Moving onto equities, we are holding onto our view that earnings are still in the early stages of the earnings downgrade cycle, and the challenges coming from higher rates may not be over either. This has resulted in our decision to maintain an underweight in equities, but nevertheless we recognise that a significant adjustment has already occurred and there may be some higher beta opportunities should yields normalize. Within equities, we liked the US markets for its quality, but our preference has waned given the challenge of higher rates. In Europe, valuations have improved but the hawkish ECB to tame inflation, ongoing war between Russia and Ukraine, and the energy crisis are keeping us to maintain a negative view for now. Elsewhere, we are aware of the weaknesses in Asia as the semiconductor cycle may be coming towards its end which will alleviate the headwinds for the region. The China weakness due to the issues around property sector and Covid restrictions have been weighing on the region. A weaker global outlook also weakened investors' sentiments towards export and manufacturing in China. All eyes are now on the 20th National Congress to evaluate any change in stance on the country's zero-Covid policy and how policymakers work to achieve the growth target.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Capital Stable Portfolio/Schroder MPF Stable Growth Portfolio/Schroder MPF Balanced Investment Portfolio/Schroder MPF Growth Portfolio (Continued)

Market Outlook (Continued)

All in all, we are warming up on fixed income as with current yield levels we can start to see scenarios where returns could be positive. This also suggests that equities are reaching interesting levels as any relief on the interest rate front would be helpful to equity valuations. An improvement in correlation between equities and bonds can also bring better diversification effects from a Multi-Asset perspective. That being said, patience continues to be a virtue and we stress that an active asset allocation and diversified approach is warranted.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF International Portfolio

Market Review

In the final quarter of 2021, global equities ended positively as investors focused on economic resilience and corporate earnings. Equities advanced despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighted. By year-end, these worries had largely subsided, while data continued to indicate that developed markets' economies overall remained stable and corporate earnings were robust. China was the worst-performing market, along with neighbouring Hong Kong, on investor fears that new lockdown restrictions would be instigated following the rapid spread of the Omicron.

Stepping into the first quarter of 2022, Russia's invasion of Ukraine in late February caused a global shock. The grave human implications fed through into markets with global equities declining. Commodity prices soared given Russia is a key producer of several important commodities, which contributed a further surge in inflation as well as supply chain disruption. Developed markets equities declined as Russia-Ukraine conflict amplified existing concerns over inflation pressures. Defensive sectors including energy and utility companies were amongst the strongest performers. Share prices in China were sharply lower while shares in Hong Kong and Taiwan also fell. The number of Covid-19 cases in Hong Kong and China spiked to the highest level in more than two years with couple of cities went into lockdown.

Markets remained difficult in Q2 2022. Global equities declined and bonds remained under pressure as recession risks weighed on investor sentiments. US equities fell with declines seen in all main market sectors. The Fed enacted a 75-bps hike for the first time since 1994, in a bid to contain rising inflation. Fed Chair Jerome Powell conceded that it would be "very challenging" to engineer a soft landing and acknowledged that a recession is "certainly a possibility". Shares in Europe also declined. Concerns mounted over the continuity of gas supplies from Russia and the potential for gas rationing later this year. Asian equities also suffered losses with sharp falls in Korea and Taiwan amid fears that rising inflation and global supply chain problems would weaken demand for technology products. On a positive note, China rebounded in June as macroeconomic data picked up following the easing of lockdowns in some cities.

Turning into the third quarter of 2022, global equities remained weak despite a temporary market rally, particularly in the US, in July. Market expectations of easing via interest rate cuts by the Fed were dashed as central banks reaffirmed their commitment to fight inflation. European equities also experienced a sharp fall amid the ongoing energy crisis which continued to be a large contributor of rising inflation and consequent fears about the outlook for economic growth. Asian equities were weaker on concerns over rising inflation, high interest rates, and fears over a global slowdown. China ended the quarter lower on the alarming spread of Covid-19 which prompted fears of further lockdowns.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF International Portfolio (Continued)

Market Outlook

We are holding onto our view that earnings are still in the early stages of the earnings downgrade cycle, and the challenges coming from higher rates may not be over either. That being said, we recognised that a significant adjustment has already occurred and there may be some higher beta opportunities should yields normalize. Recession set to remain a key risk to monitor, however, historically speaking, we see an opportunity for high quality companies with strong balance sheets and cash levels to outperform. The quality biased of the US equity markets mean the region may deliver stronger performance when compared to other developed markets. In Europe, valuations have improved but the hawkish ECB's desire to tame inflation, ongoing war between Russia and Ukraine, and the energy crisis are keeping us to maintain a negative view for now. Elsewhere in emerging markets, valuations are increasingly attractive, but we are cautious given the weaknesses in EM Asia as the semiconductor cycle may be coming towards its end which will alleviate the headwinds for the region. The China weakness due to the issues around property sector and Covid restrictions have been weighing on the region. A weaker global outlook also weakened investors' sentiments towards export and manufacturing in China. All eyes are now on the 20th National Congress to evaluate any change in stance on the country's zero-Covid policy and how policymakers work to achieve the growth target.

Overall, current government bond yield levels suggests that equities are reaching interesting levels as any relief on the interest rate front would be helpful to equity valuations. That being said, patience continues to be a virtue. We continue to focus our attention on opportunities via strong asset allocation and risk management remains top of our priority.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Asian Portfolio

Market Review

The Sub-Fund underperformed the benchmark over the review period. From a country perspective, strong stock selection in China was the key contributor but this was counterbalanced by negative stock selection in Taiwan and India. On a sector basis, positive stock selection in the Telecommunication and Financials sectors contributed to performance, while negative stock selection in Technology, Basic Materials, and Consumer Discretionary was the key detractor.

Asia ex Japan equities recorded a modest decline in Q4 2021 (in USD terms). There was a broad market sell-off following the emergence of the Omicron variant of Covid-19 which investors feared could derail the global economic recovery. China was the worst-performing market in the index in the quarter along with neighbouring Hong Kong, on investor fears that new lockdown restrictions would be instigated following the rapid spread of the new Covid-19 variant. India and South Korea also ended the quarter in negative territory although the declines in share prices were more modest. Taiwan and Indonesia were the best-performing index markets in the fourth quarter. Share prices in Thailand, the Philippines and Malaysia also ended the quarter in positive territory.

Asia ex Japan equities experienced sharp declines in Q1 2022 (in USD terms) amid a volatile and challenging market environment as Russia launched an invasion of neighbouring Ukraine. Share prices in China were sharply lower in the quarter while shares in Hong Kong and Taiwan also fell. Share prices in South Korea were also sharply lower. However, despite the index falling sharply, there were pockets of growth such as Indonesia, which achieved solid gains in share prices during the quarter. Thailand, Malaysia and the Philippines also moved higher, although gains were more muted.

Asia ex Japan equities registered a negative return in Q2 2022 (in USD terms). Investor sentiment turned increasingly downbeat amid concerns that rising global inflation and ongoing supply chain problems, accentuated by the war in Ukraine, could tip the world into recession. South Korea was the worst-performing market, with financials, technology and energy stocks particularly badly hit amid fears of a global recession. Stocks in Taiwan were also significantly lower on fears that rising inflation and global supply chain problems would weaken demand for its technology products. China was the only index market to end the quarter in positive territory, as Covid-19 lockdown measures started to be relaxed.

Asia ex-Japan equities were weaker in Q3 2022 on investor concerns over rising inflation, higher interest rates and a global economic slowdown. The war in Ukraine and ongoing tensions between China and Taiwan also weighed on sentiment. China was the weakest index market on worries about rising interest rates overseas and the alarming spread of Covid throughout the country. South Korea and Taiwan were also notably weak. India rose on supportive economic data, despite concerns over rising interest rates at home and overseas. Indonesia also ended the period in positive territory.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Asian Portfolio (Continued)

Market Outlook

On the back of the recent softening in energy and commodity prices, there are some early signs that inflation in Asia is peaking at a lower level relative to global peers. Given weakening exchange rates, US interest rate differentials, and rising fears on external vulnerabilities across Indonesia, Philippines and India, much of Asia is unlikely to signal a more dovish stance ahead of the Federal Reserve. In the US, job openings data for September revealed a broad-based reduction (a decline of 1.1m to 10.1m) which offered some relief as it signals that interest rate hikes are working as intended. In Asia, the Reserve Bank of Australia was more dovish than expected, hiking the policy rate by 25bps as compared to market expectations of 50bps. Despite uncertainties around the Ukraine conflict and the ongoing deglobalisation of trade, we are hopeful that the most intense phase of tightening is now behind us. We continue to believe that banks are beneficiaries of rising interest rates via higher net interest margins and interest income. In our view, a short and mild slowdown in growth is unlikely to hurt bank performance. Given a few years of below-average credit growth across the region, we believe fears of sustained lower loan growth and sharply higher non-performing loans are unlikely. We continue to like banks across Singapore, India, Korea, and Indonesia for their growth or dividend yield prospects.

The ongoing zero-Covid policy remains the greatest challenge to China's domestic growth. In September, we continued to see calls for mass testing and periodic shutdowns across key cities. The government is unlikely to implement a meaningful stimulus programme given its policy focus on zero-Covid. At the margin, China continues to ease its policy tightening in order to encourage economic growth. In recent months, we have seen more relaxed regulatory oversight across internet (e.g. new game licenses), healthcare (less aggressive price cuts), and the financial sector (lower interest rates and easing mortgage norms). We have also seen a push for credit to help developers complete stalled development projects. Whilst authorities are now more able to cope with Covid disruptions, confidence and consumption on the ground remains weak. It remains difficult to predict when China will fully re-open its economy, but low vaccination rates across its elderly population remains a challenge. We continue to like A-share listed names that aligned with long term Chinese policy goals across decarbonisation (electrification, renewable energy), production localisation, and the development of domestic brands. The recent share price pullback has made A-shares more attractive, but this is balanced against a still very uncertain policy outlook.

With new US policy restrictions limiting China's access to semiconductor technology and equipment for manufacturing latest innovations on logic, memory, and supercomputing, it is increasingly difficult to predict an outcome that does not adversely impact the Technology sector. Whilst we do not own Chinese onshore semiconductor and semiconductor equipment makers, our preferred technology leaders across Korean memory and the Taiwanese technology component supply chain will be impacted. That said, given their technology leadership and global customer base, they remain well-positioned for future growth. On the back of decelerating consumer tech consumption (specifically personal computers and smartphones) and rising inventory across the component supply chain, we have further reduced our holdings in the sector across Taiwan and Korea. With share prices having corrected sharply, valuations are now starting to price in a material downcycle. However, with a risk of a negative overshoot on the downside, it is likely still a little early to position for the next cycle.

ASEAN economies have benefitted from post-Covid re-opening, which is now driving a recovery in domestic consumption and growth. Thailand is also heavily exposed to a recovery in tourism. With slowing North Asian growth and rising trade uncertainties, we have earlier added to positions in Indonesia and more recently to Thailand.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Asian Portfolio (Continued)

Market Outlook (Continued)

Asian markets (MSCI APxJ) trade at 11.0x PER on 9% consensus earnings growth expectations for 2022. Economic weakness in China is likely to weigh on earnings growth expectation of 10% which is vulnerable to further downgrades. Similarly, earnings for technology-heavy markets of Taiwan and Korea are likely to be reset lower from current flattish expectation for 2023. Earnings growth expectation for South and Southeast Asia are likely to be more resilient on stable underlying trends in their domestic economies. The volatile inflationary environment, weakening global economic growth, and further Covid disruptions are key risks for overall earnings outlook for the region.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Hong Kong Portfolio

Market Review

The Sub-Fund delivered very negative return during the year and underperformed the benchmark.

From a regional perspective, stock selection in China dragged performance the most. The underweight allocation to Hong Kong was also a detracting factor. On a sector basis, stock selection was the main performance detractor as it was weak in various sectors including consumer discretionary, energy, financials and industrial. Sector allocation was also a negative driver, due to the underweight position in financials and the overweight position in technology.

The China and Hong Kong markets dipped lower in the final quarter of 2021 amid constant regional Covid outbreaks in China. China's 'zero COVID' policy continued to trigger a series of sporadic lockdowns in major cities, that dragged on consumer confidence and domestic demand. Additionally, the ongoing liquidity concerns around Chinese property developers and the heightened US-China relations also depressed market sentiment somewhat. On the liquidity side, the more hawkish tone from the US Federal Reserve has led to some market selloffs, especially in the offshore Chinese equities markets. Onshore Chinese market was relatively more resilient, probably supported by the early evidence of policy trough.

The markets remained very volatile as it entered 2022, as it continued to be driven by macro factors including the outlook for US interest rates, geopolitical tensions and the Omicron outbreak in China. Although the market rebounded in mid-March on positive policy guidance from policymakers, the overall sentiment towards the China market remained weak in Q2 given the concerns around COVID lockdowns and its longer impact on the economy.

Sentiment towards China did not get better in Q3, as the China markets were still depressed by the twin overhangs of the 'dynamic zero' COVID policy and the ongoing contraction in property activity, both of which are depressing economic activity and seriously impacting earnings in many sectors of the market. Outside of China, the macro setup also looks increasingly challenging with global growth momentum seemed to be softening, inflation proxies remain elevated on high commodity prices and lingering supply-chain issues, and central banks and governments globally are normalizing policy and withdrawing stimulus on a record-matching pace. The divergence in the monetary-policy trajectories between China and the US during the period has also caused the RMB to decline against the dollar, which was not favourable to the China market.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Hong Kong Portfolio (Continued)

Market Outlook

Prolonged weakness and credit crunch in the real estate sector will likely remain a key challenge to China in the near-term. The Evergrande debt crisis last year renewed market concerns on property market fallout and the contagion risk to the broader economy. Recently we have also seen news that some mortgage holders were threatening to withhold payments on delayed projects where private developers' cash flow problems have slowed construction. Although currently small-scale, these protests highlight the underlying weaknesses of the sector and deteriorating confidence among consumers. With the property construction industry's scale making it vital to the overall economy, the continued downturn in sales and new housing starts remains a serious drag on economic growth.

We believe policymakers will need to prioritize assuring the public the completion of housing construction. As mortgage payments will likely resume if construction resumes, given the non-payment of mortgage is not triggered by home buyers losing the ability to service mortgages. It is also very important because mortgage is supposed to be the strongest link and source of finance in the property chain. Ultimately, it is clear that the government wants to limit the contagion and contain the issue within the property sector.

Aside from the property market weakness, the economy is also challenged by the repeated flare-ups of Covid in China. Although nationwide cases are not rising exponentially, the sporadic outbreaks and the containment of which require repeated restrictions, including new lockdowns in major cities, causing prolonged disruption to economic activities. The chance for further Covid policy relaxation in the near-term appears very slim, but markets have started to price in an element of normalization in consumption in coming quarters and there is more hope today that the Shanghai lockdown related weakness in Q2 2022 should represent the low point for growth in this cycle, and the peak of restrictions. A stronger rebound may be more possible towards year end and into 2023 in our view as authorities gain greater comfort in vaccination rates and start to further relax COVID controls.

Against the weak macro backdrop, we have started to see more policy measures announced to support the property market, increase infrastructure investment, and encourage consumption. There is also increased optimism that the regulatory squeeze on the internet platform companies may also have passed its worst as policymakers shift their focus towards supporting job creation, consumption, and investment. If we were to see a more decisive easing of liquidity in the property development sector and a pick-up in credit growth, possibly alongside a clearer indication of relaxation of the Covid-zero policy, especially after the 20th Party Congress, then there is scope for improved sentiments in China.

Outside of China, the macro setup also looks increasingly challenging with global growth momentum seemed to be softening, inflation proxies remain elevated, and central banks and governments globally are normalizing policy and withdrawing stimulus on a record-matching pace. These macro and policy headwinds have triggered investor concerns over recession risks. China and China stock markets cannot be immune if the US or other major economies run into a recession. That said, if China is able to stage a decent recovery from its current economic trough with the aid of a gradual reopening, a looser monetary policy and rising fiscal stimulus, then it is possible for China to be on a very different trajectory to the US in coming quarters.

Year-on-year comparisons will also look better in the second half of 2022. But near-term upside will still likely be capped by uncertainties around Covid development, property market and geopolitical tensions.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Global Fixed Income Portfolio

Market Review

In the final quarter of 2021, bond markets were buffeted by persistent, elevated inflation, hawkish central bank policy shift and the emergence of the Omicron variant. 10-year government bond yields were largely unchanged. Yields followed a downward trajectory for most of the quarter before reversing in the final few weeks as sentiment improved.

Stepping into 2022, the portfolio has restructured to invest fully into global bonds and cash. The bond markets were volatile over the first quarter of the year. The dominated headlines in the Ukraine resulted a short-lived rotation towards safe haven assets but investors later turned their focus on inflationary pressures that is high and still rising. Government bond yields rose sharply as central banks are turning more hawkish, and markets are pricing in a faster pace of monetary normalization. The Fed's rhetoric turned more hawkish and "life-off" came as expected with the Fed implemented a 25-bps rate hike. The bond markets remained difficult in Q2 2022 despite a rally in late June. Yields moved markedly higher but found some support on concerns over economic growth. The front-end of the US yield curve flattened with the 10-year Treasury yield rising from 2.85% to 3.01% while the 2-year from 2.56% to 2.96%.

Heightened market volatility continued into the third quarter of the year as global central banks and investors grapple with persistent inflation amid a slowing growth backdrop. The Fed tagged on another 75-bps increase onto existing rates in September which brought the rate to between 3.00% to 3.25%. Chair Jerome Powell stated that the Fed's outlook remains unchanged since the Jackson Hole meeting and reiterated that fighting against inflation remain their priority. The 10-year yield rose from 2.97% to 3.83% and the 2-year yield from 2.93% to 4.23% over the quarter. In UK, the budgetary announcement accelerated the sell-off in UK gilts as investors questioned the credibility of the government's fiscal framework. Elsewhere in Europe, the ECB raised interest rates by 75-bps in September after seeing the Eurozone's CPI landed at a record high of 10%. The German 10-year bund yield increased from 1.34% to 2.11% over the quarter.

Market Outlook

Following the spikes in bond yields, our discussion continued to focus on the questions of "are we there yet?" as we believe that market pricing now reflects a more realistic assessment of the rate hikes required to quell inflation. The yields on offer are starting to look interesting but for now, we have chosen to stay cautious as we have yet to see evidence of a softening in the labour market which would allow the Fed to soften its stance on rates. While the outlook for the US bonds market has improved, we are holding onto a negative stance in Europe and UK given elevated inflation, and specifically in UK where the markets may continue to struggle to keep up with the BoE and government's policies. As such we are staying negative on duration and a slight overweight in cash for now, but we start to see scenarios where returns could be positive. Overall, we continue to focus our attention on opportunities via strong asset allocation and risk management remains top of our priority.

The portfolio is managed to deliver a return close to the market index, and thus positioning of the portfolio remains very close to the benchmark. The portfolio is also 100% hedged back to Hong Kong dollar from a currency point of view.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Core Accumulation Fund/Schroder MPF Age 65 Plus Fund

Market Review

In the final quarter of 2021, global equities ended positively as investors focused on economic resilience and corporate earnings. Equities advanced despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighted. By year-end, these worries had largely subsided, while data continued to indicate that developed markets' economies overall remained stable and corporate earnings were robust. China was the worst-performing market, along with neighbouring Hong Kong, on investor fears that new lockdown restrictions would be instigated following the rapid spread of the Omicron. In fixed income, markets were buffeted over the quarter by persistent, elevated inflation, hawkish central bank policy shift and the emergence of the Omicron variant. 10-year government bond yields were largely unchanged. Yields followed a downward trajectory for most of the quarter before reversing in the final few weeks as sentiment improved.

Stepping into the first quarter of 2022, Russia's invasion of Ukraine in late February caused a global shock. The grave human implications fed through into markets with global equities declined. Commodity prices soared given Russia is a key producer of several important commodities, which contributed a further surge in inflation as well as supply chain disruption. Developed markets equities declined as Russia-Ukraine conflict amplified existing concerns over inflation pressures. Defensive sectors including energy and utility companies were amongst the strongest performers. Share prices in China were sharply lower while shares in Hong Kong and Taiwan also fell. The number of Covid-19 cases in Hong Kong and China spiked to the highest level in more than two years with couple of cities went into lockdown. Turning to fixed income, markets were volatile over the quarter. The dominated headlines in the Ukraine resulted a short-lived rotation towards safe haven assets but investors later turned their focus on inflationary pressures that is high and still rising. Government bond yields rose sharply as central banks are turning more hawkish, and markets are pricing in a faster pace of monetary normalization. The Fed's rhetoric turned more hawkish and "life-off" came as expected with the Fed implemented a 25-bps rate hike. Corporate bond saw negative returns and wider spreads, underperforming government bonds.

Markets remained difficult in Q2 2022. Global equities declined and bonds remained under pressure as recession risks weighed on investor sentiments. US equities fell with declines seen in all main market sectors. The Fed enacted a 75-bps hike for the first time since 1994, in a bid to contain rising inflation. Fed Chair Jerome Powell conceded that it would be "very challenging" to engineer a soft landing and acknowledged that a recession is "certainly a possibility". Shares in Europe also declined. Concerns mounted over the continuity of gas supplies from Russia and the potential for gas rationing later this year. Asian equities also suffered losses with sharp falls in Korea and Taiwan amid fears that rising inflation and global supply chain problems would weaken demand for technology products. On a positive note, China rebounded in June as macroeconomic data picked up following the easing of lockdowns in some cities. In terms of fixed income, the bond markets remained under pressure despite a rally in late June. Yields moved markedly higher but found some support on concerns over economic growth. The front-end of the US yield curve flattened with the 10-year Treasury yield rising from 2.85% to 3.01% while the 2-year from 2.56% to 2.96%. Corporate bonds saw further negative returns and underperformed government bonds as spreads widened.

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INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

2 Market review and outlook for the year ended 30th September 2022 (Continued)

Schroder MPF Core Accumulation Fund/Schroder MPF Age 65 Plus Fund (Continued)

Market Review (Continued)

Turning into the third quarter of 2022, global equities remained weak despite a temporary market rally, particularly in the US, in July. Market expectations of easing via interest rate cuts by the Fed were dashed as central banks reaffirmed their commitment to fight inflation. European equities also experienced a sharp fall amid the ongoing energy crisis which continued to be a large contributor of rising inflation and consequent fears about the outlook for economic growth. Asian equities were weaker on concerns over rising inflation, high interest rates, and fears over a global slowdown. China ended the quarter lower on the alarming spread of Covid-19 which prompted fears of further lockdowns. In fixed income, heightened market volatility continued as global central banks and investors grapple with persistent inflation amid a slowing growth backdrop. The Fed tagged on another 75-bps increase onto existing rates in September which brought the rate to between 3.00% to 3.25%. Chair Jerome Powell stated that the Fed's outlook remains unchanged since the Jackson Hole meeting and reiterated that fighting against inflation remain their priority. The 10-year yield rose from 2.97% to 3.83% and the 2-year yield from 2.93% to 4.23% over the quarter. In UK, the budgetary announcement accelerated the sell-off in UK gilts as investors questioned the credibility of the government's fiscal framework. Elsewhere in Europe, the ECB raised interest rates by 75-bps in September after seeing the Eurozone's CPI landed at a record high of 10%. The German 10-year bund yield increased from 1.34% to 2.11% over the quarter. Corporate bonds also saw negative returns following the spikes in bond yields and wider spreads.

Market Outlook

Given the requirement of low benchmark relative risk of the strategy, asset allocation is maintained closed to the reference portfolio over the period. Within the equity portfolio, we continue to maintain a balanced approach with exposure to the three strategies namely value, growth, and tracking of the market beta. Looking forward, we believe earnings are still in the early stages of the earnings downgrade cycle, and the challenges coming from higher rates may not be entirely over just yet. However, we recognise that a significant adjustment in valuation has already occurred and there may be some higher beta opportunities should yields normalize. Recession is going to be a key risk to monitor, however, historically speaking, we see an opportunity for high quality companies with strong balance sheets and cash levels to outperform. The quality biased of the US equity markets mean the region may deliver stronger performance when compared to other developed markets. Overall, we expect volatility to stay on, but we are confident that the ability to allocate between growth, value, and core would allow us to better navigate under the upcoming market conditions. The bond portfolio is managed to deliver a return close to the market index, and thus positioning of the portfolio remains very close to the benchmark. The fixed income portfolio is also 100% hedged back to Hong Kong dollar from a currency point of view.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary

		Annualized return (in terms of %)			
		1 year	5 years	10 years	Since Launch
Schroder MPF Capital Guaranteed Portfolio					
- Ordinary Class		-9.10	-0.17	0.32	2.29
- Class B		-8.89	0.05	0.56	2.58
<i>Launch date: 1st December 2000</i>					
Performance Target (CPI Index Type A)		2.36	2.10	3.01	1.89
Deviation from the performance target					
- Ordinary Class	Under-perform	Under-perform	Under-perform	Under-perform	Out-perform
- Class B	Under-perform	Under-perform	Under-perform	Under-perform	Out-perform

Trustee commentary

The Fund delivered negative returns over 1 year period, but positive returns in 10 years and since launch. Although the Fund outperformed the performance target since launch, its returns did not beat the Performance Target over 1 year, 5 years and 10 years. The Fund invests in an insurance policy, which includes a guarantee. The insurance policy is an approved pooled investment fund and is issued by an insurer, i.e. Sun Life. The insurance policy invests into an underlying approved pooled investment fund and the investments of which will include global bonds, equities and cash. The Fund experienced high levels of volatility as fixed income markets were impacted by expectations of rising rates against a backdrop of rising inflation. This led to the 1-year return as at 30th September 2022 ending in negative territory, and also eroded the Fund's positive performance from earlier years. Inflation pressure has been a key focus over the year, with rising prices prompting the US FED to speed up the pace of rate hikes. US FED officials were committed to a tighter monetary policy stance, as CPI data indicates inflation to be higher than their long term goal of 2%. The FTSE World Government Bond also recorded negative return over the year ending 30th September 2022. The trustee will continue to closely monitor the performance of the fund and will discuss with the investment manager on any action to be taken, if necessary.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

Annualized return (in terms of %)				
	1 year	5 years	10 years	Since Launch
Schroder MPF Conservative Portfolio				
- Ordinary Class	0.00	0.09	0.06	0.61
- Class B	0.00	0.12	0.06	0.62
<i>Launch date: 1st December 2000</i>				
Performance Target (MPFA Prescribed Interest Rate)	0.00	0.03	0.02	0.39
Deviation from the performance target				
- Ordinary Class	In-line	Out-perform	Out-perform	Out-perform
- Class B	In-line	Out-perform	Out-perform	Out-perform
Trustee commentary	<p>The Fund delivered positive returns and outperformed the performance target in 5 years, 10 years and since launch. In addition to the time deposits, the Fund invests in money market instruments. The Fund would hold 100% of portfolio in Hong Kong dollar at all times through direct holdings. The long-term return of the Fund is expected to be in line with deposit rates on Hong Kong dollars.</p>			

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF RMB and HKD Fixed Income Portfolio				
- Ordinary Class	-4.77	0.55	0.35	1.41
- Class B	-4.66	0.70	0.52	1.66
<i>Launch date: 1st December 2000</i>				
Performance Target (Note 1)	-2.58	1.58	1.80	3.75
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	Under-perform
- Class B	Under-perform	Under-perform	Under-perform	Under-perform

Trustee commentary

The Fund delivered negative return in 1 year and positive returns in 5 years, 10 years and since launch, but underperformed the performance target in all periods under review. The Fund invests in a sub-fund under the Schroder Institutional Pooled Funds called the RMB and HKD Fixed Income Fund. The sub-fund mainly invests into fixed and floating rate debt securities denominated in CNH and HKD, and the CNH depreciated against the HKD over the last 12 months ending 30th September 2022. Among the CNH bond holdings, most of them are corporate bonds that underperformed the government bonds over the year. The market was impacted by several negative scenarios in China including the zero-COVID policy and a housing market slowdown, which impacted corporate performance negatively. The Trustee will continue to closely monitor the performance of the Fund and will discuss with the investment manager on any action to be take, if necessary.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Capital Stable Portfolio				
- Ordinary Class	-19.85	-1.93	-0.12	1.72
- Class B	-19.64	-1.72	0.10	1.98
<i>Launch date: 1st December 2000</i>				
Performance Target (CPI Index Type A)	2.36	2.10	3.01	1.89
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	Under-perform
- Class B	Under-perform	Under-perform	Under-perform	Out-perform

Trustee commentary

The Fund delivered negative returns in 1 year and 5 years, and both ordinary class and class B underperformed the performance target over all measurement periods, except for Class B since launch. The Fund's manager allocated approximately 60% on global bonds, 26% on global equities and 14% on cash/ cash equivalents as of 30 September 2022, which is aligned with the Fund's target asset allocation. The global stock markets were under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and ultimately earnings risks that look inevitable as the economic cycle slows. On the fixed income, the volatility has remained high. Government bond yields were generally higher and credit spreads wider across the global market, weighing heavily on market returns. Credit spreads widened due to fears that tighter monetary policy may undermine further economic growth prospects. The Trustee will continue to closely monitor the performance of the Fund and will discuss with the investment manager on any action to be taken, if necessary.

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INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Stable Growth Portfolio				
- Ordinary Class	-22.65	-1.40	1.08	2.50
- Class B	-22.50	-1.21	1.30	2.73
<i>Launch date: 1st December 2000</i>				
Performance Target (CPI Index Type A)	2.36	2.10	3.01	1.89
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	Out-perform
- Class B	Under-perform	Under-perform	Under-perform	Out-perform

Trustee commentary

The Fund delivered positive returns in 10 years and since launch, while delivered negative returns in 1 year and 5 years. It underperformed the performance target in all periods under review except since launch. The Fund's manager allocated around 42% on global bonds, 46% on global equities and 12% on cash/ cash equivalents as of 30 September 2022, which is aligned with the Fund's target asset allocation. The global stock markets were under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and ultimately earnings risks that look inevitable as the economic cycle slows. On the fixed income, the volatility has remained high. Government bond yields were generally higher and credit spreads wider across the global market, weighing heavily on market returns. Credit spreads widened amid fears that tighter monetary policy may undermine further economic growth prospects.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Balanced Investment Portfolio				
- Ordinary Class	-24.20	-0.78	2.33	3.18
- Class B	-24.04	-0.57	2.55	3.39
<i>Launch date: 1st December 2000</i>				
Performance Target (HK Salary Inflation Rate, Note 4)	2.30	2.43	3.27	N/A
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	N/A
- Class B	Under-perform	Under-perform	Under-perform	N/A

Trustee commentary

The Fund delivered negative returns and underperformed the performance target in 1 year and 5 years. The Fund's manager allocated 24% on global bonds, 66% on global equities and 10% on cash/ cash equivalents as of 30 September 2022, which is aligned with the target asset allocation. The global stock markets were under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and ultimately earnings risks that look inevitable as the economic cycle slows. On the fixed income, the volatility has remained high. Government bond yields were generally higher and credit spreads wider across the global market, weighing heavily on market returns. Credit spreads widened amid fears that tighter monetary policy may undermine further economic growth prospects. The Trustee will continue to closely monitor the performance of the Fund and will discuss with the investment manager on any action to be taken, if necessary.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Growth Portfolio				
- Ordinary Class	-26.88	-0.68	3.18	3.73
- Class B	-26.75	-0.48	3.40	3.90
<i>Launch date: 1st December 2000</i>				
Performance Target (HK Salary Inflation Rate, Note 4)	2.30	2.43	3.27	N/A
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	N/A
- Class B	Under-perform	Under-perform	Out-perform	N/A

Trustee commentary

The Fund delivered negative returns and underperformed the performance target in 1 year and 5 years. The Fund is globally diversified and allocates about 95% to equities; in particular Hong Kong / China stocks. In Hong Kong, share prices were sharply lower as investors continued to sell riskier assets, such as shares, for the safety of government bonds amid the threat of a recession in 2022 Q3. Shares in China also fell markedly, falling on concerns over rising interest rates overseas. The alarming spread of COVID-19 throughout the mainland China also weakened sentiment. Domestic consumption showed a slight recovery after the re-opening of Shanghai in June, but the strict zero-COVID policy still impacted economic activity across the nation. The global stock markets were under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and ultimately earnings risks that look inevitable as the economic growth slows. On the fixed income, the volatility has remained high. Government bond yields were generally higher and credit spreads wider across the global market, weighing heavily on market returns. Credit spreads widened amid fears that tighter monetary policy may undermine further economic growth prospects. The Trustee will continue to closely monitor the performance of the Fund and will discuss with the investment manager on any action to be taken, if necessary.

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INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF International Portfolio				
- Ordinary Class	-20.59	2.94	6.25	2.70
- Class B	-20.46	3.14	6.48	3.08
<i>Launch date: 1st December 2000</i>				
Performance Target (CPI Index Type A)	2.36	2.10	3.01	1.89

Deviation from the performance target

- Ordinary Class	Under-perform	Out-perform	Out-perform	Out-perform
- Class B	Under-perform	Out-perform	Out-perform	Out-perform

Trustee commentary

The Fund delivered positive returns and outperformed the performance target in all periods under review except 1 year. The Fund is globally diversified and primarily invests in equities; in particular, the US markets. In the US, market remained nervous and volatile due to inflationary pressure. US markets experienced negative returns, as the S&P 500 Index, the Nasdaq Composite and the Dow Jones Industrial Average Index decreased in the three consecutive quarters as of September 2022. The global stock markets were also under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and ultimately earnings risks that look inevitable as the economic growth slows. Global economic growth remained weak in many parts of the world. In much of the developed world, economic growth slowed to a near standstill. In Europe, electricity and gas prices soared to many times normal levels as natural gas flows from Russia continued to slow with the Nordstream 1 gas pipeline finally shutting in September. The high prices have caused some businesses to shut production. Asia equities were weaker on investor concerns over rising inflation, higher interest rates and fears over a global slowdown.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Asian Portfolio				
- Ordinary Class	-28.22	-1.65	2.54	6.41
- Class B	-28.09	-1.45	2.76	6.58
<i>Launch date: 1st December 2000</i>				
Performance Target (CPI Index Type A)	2.36	2.10	3.01	1.89
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	Out-perform
- Class B	Under-perform	Under-perform	Under-perform	Out-perform

Trustee commentary

The Fund delivered positive returns in 10 years and since launch, but negative return in 1 year and 5 years. It underperformed the performance target in all periods under review except since launch. The Fund primarily invests in Asia ex Japan equities; in particular, the Hong Kong / China markets. Asia ex Japan equities were weaker on investor concerns over rising inflation, higher interest rates and fears over a global slowdown. Russia-Ukraine conflict and ongoing tensions between China and Taiwan also weighed on investor sentiment. In the 3rd quarter of 2022, China was the weakest index market due to the strict zero-COVID policy that curbed economic activity across the nation. The alarming spread of COVID-19 throughout the mainland China also weakened sentiment. Domestic consumption showed a slight recovery after the re-opening of Shanghai in June, but the strict zero-COVID policy still impacted economic activity across the nation. Share prices in Hong Kong, Taiwan and South Korea were also weaker. India ended the quarter in positive territory, although in general, all markets reflected concerns over the pace of interest rate hikes by the US FED.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT

FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Hong Kong Portfolio				
- Ordinary Class	-36.00	-3.10	2.12	5.33
- Class B	-35.89	-2.91	2.34	5.58
<i>Launch date: 1st December 2000</i>				
Performance Target (CPI Index Type A)	2.36	2.10	3.01	1.89
Deviation from the performance target				
- Ordinary Class	Under-perform	Under-perform	Under-perform	Out-perform
- Class B	Under-perform	Under-perform	Under-perform	Out-perform

Trustee commentary

The Fund delivered positive returns in 10 years and since launch, but negative return in 1 year and 5 years. It underperformed the performance target in all periods under review except since launch. In Hong Kong, share prices were sharply lower as investors continued to sell riskier assets, such as shares, for the safety of government bonds and cash equivalents, amid the threat of a recession. Shares in China also fell markedly. China was the weakest Asian market, falling on concerns over rising interest rates overseas. The alarming spread of COVID-19 throughout the mainland China also weakened sentiment. Domestic consumption showed a slight recovery after the re-opening of Shanghai in June, but the strict zero-COVID policy still impacted economic activity across the nation.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Global Fixed Income Portfolio				
- Ordinary Class	-20.44	-3.56	N/A	-2.19
- Class B	-20.40	-3.52	N/A	-2.47
<i>Launch date: 13th January 2014</i>				
Performance Target (Note 2)	-21.49	-2.94	N/A	-1.24
Deviation from the performance target				
- Ordinary Class	Out-perform	Under-perform	N/A	Under-perform
- Class B	Out-perform	Under-perform	N/A	Under-perform

Trustee commentary

The Fund delivered negative returns in all periods under review. It also underperformed the performance target in all periods under review except 1 year. The heightened market volatility continued as central banks and investors continued to grapple with persistent inflation amid a slowing growth backdrop. Government bond yields were generally higher and credit spreads wider across the global market, weighing heavily on market returns. Core global sovereign bond yields again moved markedly higher over the year in response to continued elevated, albeit moderating and close to peaking, levels of inflation. US 10-year yields have surged by 232bps this year alone, to 3.83% as of 30 September 2022, with much underlying volatility. The government bond yields also increased in Germany (83bps to 2.20%), UK (202bps to 4.23%) and Japan (2bps to 0.25%) as of 30 September 2022. Credit spreads widened amid fears that tighter monetary policy may undermine further economic growth prospects. The Trustee will continue to closely monitor the performance of the Fund and will discuss with the investment manager on any action to be taken, if necessary.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Core Accumulation Fund				
<i>Launch date: 1st April 2017</i>	-16.55	2.21	N/A	2.74
Performance Target (Note 3)	-17.36	2.16	N/A	3.05
Deviation from the performance target	Out-perform	Out-perform	N/A	Under-perform

Trustee commentary

The Fund outperformed the performance target slightly in 1 year and 5 years, but underperformed since launch. Majority of the assets invest in higher risk assets (e.g. equities). The global stock markets were under pressure in 2022 amidst geopolitical tensions, high inflation, tightening monetary policy, and the market was sensitive to emerging risks for corporate earnings as the economic cycle slows. Similarly, for fixed income, the FTSE World Government Bond recorded negative returns over the year ending 30th September 2022. The Fund's manager allocated 38% on global bonds, 59% on global equities and 3% on cash/ cash equivalents as of 30 September 2022, which is aligned with the target asset allocation.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

3 Trustee's commentary on analysis of the investments held by the Scheme and supporting information of its commentary (Continued)

	Annualized return (in terms of %)			
	1 year	5 years	10 years	Since Launch
Schroder MPF Age 65 Plus Fund				
<i>Launch date: 1st April 2017</i>	-14.87	0.04	N/A	0.24
Performance Target (Note 3)	-15.06	0.01	N/A	0.42
Deviation from the performance target	Out-perform	Out-perform	Under-perform	Under-perform
Trustee commentary	<p>The Fund slightly outperformed the performance target in 1 year and 5 years, but underperformed since launch. Majority of the assets invest in lower risk assets, however, such assets also produced negative returns due to the rising rate environment. The volatility in fixed income market was high over the period, with government bond yields being generally higher and credit spreads wider across the global market. Credit spreads widened amid fears that tighter monetary policy may undermine further economic growth prospects. The FTSE World Government Bond recorded negative returns over the year ending 30th September 2022. The Fund's manager allocated 76% on global bonds, 20% on global equities and 4% on cash/ cash equivalents as of September 2022, which is aligned with the target asset allocation.</p>			

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4 Trustee's performance assessment framework and Trustee's action, if any, to increase efficiency of the Scheme and investment return (value) for members

The Trustee established an Investment Committee represented by members of the Board of Directors of the Trustee to review the performance of the investment managers on a regular basis. The Investment Committee established an investment performance monitoring framework to assess the overall performance and capabilities of investment managers. The framework consists of both quantitative assessments and qualitative assessments. The Investment Committee may invite the investment managers to present at the Investment Committee Meeting to share or explain their investment strategy and improvement plan(s).

Note 1: The composition of the internal benchmark used for the underlying fund is 50% CNH 3-month Deposit and 50% 3-month HIBOR since 1st October 2015. Prior to that date it was HSBC HK Bond Index.

Note 2: The internal benchmark used for the underlying fund is FTSE World Government Bond provided by the Investment Manager.

Note 3: "Core Accumulation Fund ("CAF") Reference Portfolio" and "Age 65 Plus Fund ("A65F") Reference Portfolio" are the MPF industry developed reference portfolio and published by the Hong Kong Investment Funds Association for the purpose of providing a common reference point for performance and asset allocation of the DIS constituent funds, i.e. the CAF and A65F respectively. The reference portfolio is subject to review on regular basis and may change. For more and the latest information about the reference portfolio, please visit the website of the Hong Kong Investment Funds Association at www.hkifa.org.hk.

Note 4: The HK Salary Inflation Rate is sourced from Census & Statistics Department as at 30th September 2022.

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5 Distribution of constituent funds

As at 30th September 2022, 2021 and 2020, the contributions received were allocated to the Scheme's constituent funds as follows:

	Net asset value		
	2022	2021	2020
	HK\$'000	HK\$'000	HK\$'000
Schroder MPF Capital Guaranteed Portfolio	78,813	99,723	98,317
Schroder MPF Conservative Portfolio	95,157	96,581	110,498
Schroder MPF RMB and HKD Fixed Income Portfolio	49,218	58,030	64,203
Schroder MPF Capital Stable Portfolio	79,314	94,677	94,413
Schroder MPF Stable Growth Portfolio	136,421	175,382	165,649
Schroder MPF Balanced Investment Portfolio	249,757	334,522	299,159
Schroder MPF Growth Portfolio	166,440	235,820	201,185
Schroder MPF International Portfolio	210,829	264,374	210,416
Schroder MPF Asian Portfolio	247,173	351,608	297,470
Schroder MPF Hong Kong Portfolio	257,576	377,820	331,475
Schroder MPF Global Fixed Income Portfolio	17,035	21,132	21,510
Schroder MPF Core Accumulation Fund	132,058	143,705	117,000
Schroder MPF Age 65 Plus Fund	29,769	30,817	24,564
	<u>1,749,560</u>	<u>2,284,191</u>	<u>2,035,859</u>

	% of the total investments of the Scheme		
	2022	2021	2020
	%	%	%
Schroder MPF Capital Guaranteed Portfolio	4.51	4.37	4.83
Schroder MPF Conservative Portfolio	5.44	4.23	5.43
Schroder MPF RMB and HKD Fixed Income Portfolio	2.81	2.54	3.15
Schroder MPF Capital Stable Portfolio	4.53	4.14	4.64
Schroder MPF Stable Growth Portfolio	7.80	7.68	8.14
Schroder MPF Balanced Investment Portfolio	14.28	14.65	14.69
Schroder MPF Growth Portfolio	9.51	10.32	9.88
Schroder MPF International Portfolio	12.05	11.57	10.33
Schroder MPF Asian Portfolio	14.13	15.39	14.61
Schroder MPF Hong Kong Portfolio	14.72	16.54	16.28
Schroder MPF Global Fixed Income Portfolio	0.97	0.93	1.06
Schroder MPF Core Accumulation Fund	7.55	6.29	5.75
Schroder MPF Age 65 Plus Fund	1.70	1.35	1.21
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio

6.1 Investment portfolio as at 30th September 2022

	Holdings	Fair value HK\$'000	% of net asset value
Schroder MPF Capital Guaranteed Portfolio			
Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy)	3,617,727	78,903	100.11
Total investments at cost		76,908	
Schroder MPF Conservative Portfolio			
Unlisted debt securities Hong Kong Dollar			
China Development Bank/Hong Kong Ser FRCD FRN CD 21Nov2022	4,000,000	4,006	4.21
Hong Kong Treasury Bill Ser 0% 23Nov2022	4,000,000	3,986	4.19
		7,992	8.40
Total investments at cost		8,000	

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio (Continued)

6.1 Investment portfolio as at 30th September 2022 (Continued)

	Holdings	Fair value HK\$'000	% of net asset value
Schroder MPF RMB and HKD Fixed Income Portfolio			
Schroder Institutional Pooled Funds			
- Schroder IPF RMB and HKD Fixed Income Fund	3,044,192	49,186	99.93
Total investments at cost		47,821	
Schroder MPF Capital Stable Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF Capital Stable Fund	4,262,385	79,408	100.12
Total investments at cost		81,038	
Schroder MPF Stable Growth Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF Stable Growth Fund	6,277,987	136,735	100.23
Total investments at cost		130,208	

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio (Continued)

6.1 Investment portfolio as at 30th September 2022 (Continued)

	Holdings	Fair value HK\$'000	% of net asset value
Schroder MPF Balanced Investment Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF Balanced Investment Fund	10,198,432	253,839	101.63
Total investments at cost		218,650	
Schroder MPF Growth Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF Growth Fund	6,013,471	166,633	100.12
Total investments at cost		138,289	
Schroder MPF International Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF International Fund	9,210,916	214,338	101.66
Total investments at cost		167,648	
Schroder MPF Asian Portfolio			
Schroder MPF Umbrella Fund			
- Schroder MPF Asian Fund	5,104,246	247,403	100.09
Total investments at cost		212,151	
Schroder MPF Hong Kong Portfolio			
Schroder Institutional Pooled Funds			
- Schroder IPF Hong Kong Equity Fund	4,683,291	257,637	100.02
Total investments at cost		302,854	

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio (Continued)

6.1 Investment portfolio as at 30th September 2022 (Continued)

	Holdings	Fair value HK\$'000	% of net asset value
Schroder MPF Global Fixed Income Portfolio			
Schroder Institutional Pooled Funds			
- Schroder IPF Global Bond Fund	<u>1,198,381</u>	<u>16,922</u>	<u>99.34</u>
Total investments at cost		<u>20,466</u>	
Schroder MPF Core Accumulation Fund			
Schroder MPF Umbrella Fund			
- Schroder MPF Core 60/40 Fund	<u>10,746,517</u>	<u>132,182</u>	<u>100.09</u>
Total investments at cost		<u>131,602</u>	
Schroder MPF Age 65 Plus Fund			
Schroder MPF Umbrella Fund			
- Schroder MPF Core 20/80 Fund	<u>2,756,691</u>	<u>29,497</u>	<u>99.09</u>
Total investments at cost		<u>32,569</u>	

Note: Investments are accounted for on a trade date basis. The underlying approved pooled investment funds were established in Hong Kong.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio (Continued)

6.2 Movements in portfolio holdings for the year ended 30th September 2022

	30th September 2021 Holdings	Additions	Disposals	30th September 2022 Holdings
Schroder MPF Capital Guaranteed Portfolio				
Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy)	4,141,904	549,010	1,073,187	3,617,727
Schroder MPF Conservative Portfolio				
Unlisted debt securities				
Hong Kong Dollar				
China Development Bank/Hong Kong Ser FRCD FRN CD 21Nov2022	-	4,000,000	-	4,000,000
China Development Bank/Hong Kong Ser FXCD (Reg S) 0.55% CD 01Dec2021	8,000,000	-	8,000,000	-
Export-Import Bank of Korea Ser EMTN 3.92% 08Nov2021	2,000,000	-	2,000,000	-
Hong Kong Mortgage Corp Ser EMTN (Reg S) (Br) 0% 29Oct2021	7,000,000	-	7,000,000	-
Hong Kong Mortgage Corp Ser EMTN (Reg S) (Br) 0.45% 23Dec2021	6,000,000	-	6,000,000	-
Hong Kong Mortgage Corp Ser EMTN (Reg S) (Br) 0.5% 17Dec2021	4,000,000	-	4,000,000	-
Hongkong Land Notes Co L Ser EMTN (Regs) 3.86% 07Mar2022	6,000,000	-	6,000,000	-
Industrial & Commercial Bank of China/Macau (Regs) (Br) Ser FXCD 0% 24Nov2021	2,000,000	-	2,000,000	-
KDB Asia Ltd 0% CD 19Oct2021	3,000,000	-	3,000,000	-
KDB Asia Ltd Ser CD (Reg S) 0% CD 30Nov2021	3,000,000	-	3,000,000	-
Kookmin Bank Ser EMTN (Reg) (Reg S) 3.3% 13Nov2021	8,000,000	-	8,000,000	-
Link Finance Cayman 2009 Ser EMTN (Reg S) 2.4% 10Feb2022	2,000,000	-	2,000,000	-
Mizuho Bank Ltd Ser EMTN (Br) (Reg S) 2.65% 22Nov2021	3,000,000	-	3,000,000	-
Sumitomo Mitsui Bank/Hong Kong Ser FXCD (Reg S) (Br) 2.7% CD 21Feb2022	2,000,000	-	2,000,000	-
Sun Hung Kai Prop (Cap) 4% 27Oct2021	6,000,000	-	6,000,000	-
Taipei Fubon/Hong Kong Ser FXCD (Reg S) 0.1% CD 03Dec2021	5,000,000	-	5,000,000	-
Hong Kong Treasury Bill Ser 0% 23Nov2022	-	4,000,000	-	4,000,000

SUN LIFE MPF MASTER TRUST**INVESTMENT REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****6 Investment portfolio and movements of investment portfolio (Continued)****6.2 Movements in portfolio holdings for the year ended 30th September 2022
(Continued)**

	30th September 2021 Holdings	Additions	Disposals	30th September 2022 Holdings
Schroder MPF RMB and HKD Fixed Income Portfolio				
Schroder Institutional Pooled Funds - Schroder IPF RMB and HKD Fixed Income Fund	3,455,882	832,806	1,244,496	3,044,192
Schroder MPF Capital Stable Portfolio				
Schroder MPF Umbrella Fund - Schroder MPF Capital Stable Fund	4,120,840	590,877	449,332	4,262,385

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

6 Investment portfolio and movements of investment portfolio (Continued)

6.2 Movements in portfolio holdings for the year ended 30th September 2022 (Continued)

	30th September 2021 Holdings	Additions	Disposals	30th September 2022 Holdings
Schroder MPF Stable Growth Portfolio				
Schroder MPF Umbrella Fund				
- Schroder MPF Stable Growth Fund	<u>6,249,995</u>	<u>671,844</u>	<u>643,852</u>	<u>6,277,987</u>
Schroder MPF Balanced Investment Portfolio				
Schroder MPF Umbrella Fund				
- Schroder MPF Balanced Investment Fund	<u>10,298,695</u>	<u>761,020</u>	<u>861,283</u>	<u>10,198,432</u>
Schroder MPF Growth Portfolio				
Schroder MPF Umbrella Fund				
- Schroder MPF Growth Fund	<u>6,265,314</u>	<u>521,098</u>	<u>772,941</u>	<u>6,013,471</u>
Schroder MPF International Portfolio				
Schroder MPF Umbrella Fund				
- Schroder MPF International Fund	<u>9,132,949</u>	<u>1,214,793</u>	<u>1,136,826</u>	<u>9,210,916</u>
Schroder MPF Asian Portfolio				
Schroder MPF Umbrella Fund				
- Schroder MPF Asian Fund	<u>5,272,243</u>	<u>441,640</u>	<u>609,637</u>	<u>5,104,246</u>
Schroder MPF Hong Kong Portfolio				
Schroder Institutional Pooled Funds				
- Schroder IPF Hong Kong Equity Fund	<u>4,455,202</u>	<u>912,991</u>	<u>684,902</u>	<u>4,683,291</u>
Schroder MPF Global Fixed Income Portfolio				
Schroder Institutional Pooled Funds				
- Schroder IPF Global Bond Fund	<u>1,193,912</u>	<u>457,420</u>	<u>452,951</u>	<u>1,198,381</u>
Schroder MPF Core Accumulation Fund				
Schroder MPF Umbrella Fund				
- Schroder MPF Core 60/40 Fund	<u>9,816,581</u>	<u>2,561,896</u>	<u>1,631,960</u>	<u>10,746,517</u>
Schroder MPF Age 65 Plus Fund				
Schroder MPF Umbrella Fund				
- Schroder MPF Core 20/80 Fund	<u>2,455,054</u>	<u>1,309,308</u>	<u>1,007,671</u>	<u>2,756,691</u>

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table

7.1 Schroder MPF Capital Guaranteed Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(790)	(889)	(820)
Capital appreciation/(depreciation) - realised and unrealised ¹	(7,474)	2,048	5,258
Value of scheme assets derived from investments	78,903	98,412	98,379
Total net asset value	78,813	99,723	98,317
Net asset value per unit ²			
Ordinary Class (HK\$)	16.39	18.03	17.83
Class B (HK\$)	17.42	19.12	18.87
Fund expense ratio ³			
Ordinary Class	1.93%		
Class B	1.73%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.1 Schroder MPF Capital Guaranteed Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary	Class B	Ordinary	Class B	Ordinary	Class B
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	18.04	19.13	16.35	17.37	(9.1)	(8.9)
2021	18.66	19.77	17.86	18.90	1.1	1.3
2020	18.01	19.05	16.37	17.31	4.8	5.1
2019	17.15	18.11	16.19	17.06	3.3	3.5
2018	16.94	17.83	16.35	17.23	(0.4)	(0.2)
2017	16.61	17.47	15.76	16.55	1.4	1.6
2016	16.35	17.17	15.57	16.33	3.3	3.5
2015	16.66	17.44	14.04	14.68	9.7	9.8
2014	14.84	15.49	14.39	15.05	(3.1)	(2.8)
2013	15.63	16.27	14.63	15.25	(4.5)	(4.2)

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.2 Schroder MPF Conservative Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net income excluding capital appreciation/ (depreciation)	406	517	204
Income derived from investments			
Interest on debt securities	507	558	-
Interest on bank deposits	386	105	1,213
Capital appreciation/(depreciation) - realised and unrealised ¹	(403)	(518)	-
Value of scheme assets derived from investments	7,992	67,175	-
Total net asset value	95,157	96,581	110,498
Net asset value per unit ¹			
Ordinary Class (HK\$)	11.41	11.41	11.41
Class B (HK\$)	11.45	11.45	11.45
Fund expense ratio			
Ordinary Class	0.52%		
Class B	0.52%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.2 Schroder MPF Conservative Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ²	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	11.43	11.47	11.41	11.45	-	-
2021	11.41	11.45	11.40	11.45	-	-
2020	11.41	11.45	11.39	11.42	0.2	0.3
2019	11.39	11.42	11.36	11.38	0.3	0.4
2018	11.36	11.38	11.36	11.38	-	-
2017	11.36	11.38	11.36	11.38	-	-
2016	11.36	11.38	11.36	11.38	-	-
2015	11.36	11.38	11.35	11.38	0.1	0.1
2014	11.35	11.38	11.34	11.38	0.1	-
2013	11.34	11.39	11.34	11.38	-	-

¹ The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

² The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.3 Schroder MPF RMB and HKD Fixed Income Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(492)	(538)	(531)
Capital appreciation/(depreciation) - realised and unrealised ¹	(1,913)	2,909	2,837
Value of scheme assets derived from investments	49,186	58,074	64,190
Total net asset value	49,218	58,030	64,203
Net asset value per unit ²			
Ordinary Class (HK\$)	13.57	14.25	13.75
Class B (HK\$)	14.31	15.01	14.45
Fund expense ratio			
Ordinary Class	1.62%		
Class B	1.48%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.3 Schroder MPF RMB and HKD Fixed Income Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ³	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	14.49	15.27	13.50	14.24	(4.8)	(4.7)
2021	14.33	15.08	13.81	14.51	3.6	3.9
2020	13.77	14.48	13.25	13.91	3.8	3.9
2019	13.58	14.25	13.08	13.71	0.8	0.9
2018	13.71	14.36	13.09	13.72	(0.5)	(0.3)
2017	13.38	14.01	12.63	13.20	1.5	1.7
2016	13.16	13.74	12.81	13.37	(0.7)	(0.6)
2015	13.18	13.73	12.82	13.35	2.4	2.5
2014	12.88	13.42	12.58	13.09	1.0	1.2
2013	13.16	13.67	12.45	12.95	(3.2)	(3.0)

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.4 Schroder MPF Capital Stable Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(738)	(790)	(772)
Capital appreciation/(depreciation) - realised and unrealised ¹	(18,079)	4,922	6,426
Value of scheme assets derived from investments	79,408	94,779	94,183
Total net asset value	79,314	94,677	94,413
Net asset value per unit ²			
Ordinary Class (HK\$)	14.50	18.09	17.34
Class B (HK\$)	15.34	19.09	18.27
Fund expense ratio ³			
Ordinary Class	1.76%		
Class B	1.56%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.4 Schroder MPF Capital Stable Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	18.37	19.39	14.48	15.32	(19.8)	(19.7)
2021	18.92	19.94	17.29	18.22	4.3	4.5
2020	17.63	18.57	15.02	15.80	6.1	6.3
2019	16.48	17.32	15.26	16.02	3.1	3.3
2018	16.88	17.68	15.76	16.53	(0.8)	(0.6)
2017	16.15	16.91	14.60	15.27	3.8	4.0
2016	15.50	16.20	14.36	14.99	4.8	5.1
2015	15.67	16.32	14.62	15.25	(2.9)	(2.7)
2014	15.47	16.09	14.79	15.38	2.1	2.3
2013	15.18	15.74	14.33	14.88	1.0	1.4

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.5 Schroder MPF Stable Growth Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(1,342)	(1,439)	(1,310)
Capital appreciation/(depreciation) - realised and unrealised ¹	(38,611)	17,305	14,141
Value of scheme assets derived from investments	136,735	174,250	165,797
Total net asset value	136,421	175,382	165,649
Net asset value per unit ²			
Ordinary Class (HK\$)	17.14	22.16	20.22
Class B (HK\$)	18.01	23.24	21.16
Fund expense ratio ³			
Ordinary Class	1.73%		
Class B	1.53%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.5 Schroder MPF Stable Growth Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	22.60	23.70	17.14	18.01	(22.7)	(22.5)
2021	23.36	24.47	20.16	21.11	9.6	9.8
2020	20.73	21.70	16.48	17.24	8.1	8.3
2019	18.94	19.77	17.21	17.95	1.4	1.6
2018	19.96	20.78	18.20	18.98	0.3	0.5
2017	18.55	19.30	16.26	16.89	8.4	8.6
2016	17.14	17.79	15.38	15.95	6.6	6.8
2015	17.56	18.18	15.79	16.37	(4.0)	(3.7)
2014	17.09	17.67	15.95	16.48	3.6	3.8
2013	16.31	16.81	15.19	15.63	4.0	4.4

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.6 Schroder MPF Balanced Investment Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(2,529)	(2,763)	(2,350)
Capital appreciation/(depreciation) - realised and unrealised ¹	(77,870)	47,049	29,025
Value of scheme assets derived from investments	253,839	334,914	299,108
Total net asset value	249,757	334,522	299,159
Net asset value per unit ²			
Ordinary Class (HK\$)	19.80	26.12	22.76
Class B (HK\$)	20.70	27.25	23.70
Fund expense ratio ³			
Ordinary Class	1.73%		
Class B	1.53%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.6 Schroder MPF Balanced Investment Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	26.88	28.05	19.80	20.70	(24.2)	(24.0)
2021	27.88	29.05	22.73	23.67	14.8	15.0
2020	23.54	24.51	17.45	18.15	9.6	9.9
2019	21.23	22.05	18.91	19.62	(0.8)	(0.6)
2018	22.92	23.74	20.45	21.21	1.7	1.8
2017	20.76	21.48	17.54	18.12	13.1	13.4
2016	18.40	19.01	15.92	16.42	8.3	8.6
2015	19.18	19.76	16.59	17.10	(5.1)	(4.9)
2014	18.40	18.93	16.76	17.22	5.0	5.3
2013	17.17	17.62	15.45	15.81	7.1	7.5

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.7 Schroder MPF Growth Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(1,767)	(1,949)	(1,563)
Capital appreciation/(depreciation) - realised and unrealised ¹	(60,806)	42,201	20,519
Value of scheme assets derived from investments	166,633	235,137	201,261
Total net asset value	166,440	235,820	201,185
Net asset value per unit ²			
Ordinary Class (HK\$)	22.23	30.40	25.37
Class B (HK\$)	23.06	31.48	26.21
Fund expense ratio ³			
Ordinary Class	1.75%		
Class B	1.55%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.7 Schroder MPF Growth Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	31.61	32.73	22.23	23.06	(26.9)	(26.7)
2021	32.87	33.99	25.37	26.21	19.8	20.1
2020	26.44	27.32	18.20	18.78	10.3	10.5
2019	23.86	24.59	20.65	21.26	(2.7)	(2.4)
2018	26.27	26.99	22.91	23.57	2.7	2.9
2017	23.19	23.82	18.85	19.33	18.0	18.2
2016	19.76	20.25	16.46	16.85	10.1	10.4
2015	21.01	21.47	17.43	17.83	(6.3)	(6.1)
2014	19.83	20.24	17.61	17.95	6.3	6.5
2013	18.24	18.85	15.97	16.22	9.3	9.6

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.8 Schroder MPF International Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(2,065)	(2,045)	(1,599)
Capital appreciation/(depreciation) - realised and unrealised ¹	(52,423)	61,695	17,159
Value of scheme assets derived from investments	214,338	265,221	210,546
Total net asset value	210,829	264,374	210,416
Net asset value per unit ²			
Ordinary Class (HK\$)	17.89	22.53	17.57
Class B (HK\$)	19.40	24.39	18.97
Fund expense ratio ³			
Ordinary Class	1.74%		
Class B	1.54%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.8 Schroder MPF International Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	24.04	26.03	17.89	19.40	(20.6)	(20.5)
2021	23.59	25.53	17.23	18.62	28.2	28.6
2020	18.45	19.93	12.17	13.13	8.1	8.3
2019	16.61	17.88	13.85	14.91	(2.2)	(2.0)
2018	17.45	18.74	15.56	16.71	7.4	7.6
2017	15.48	16.62	12.75	13.67	16.7	17.0
2016	13.44	14.40	11.38	12.18	10.1	10.3
2015	13.71	14.65	11.82	12.64	(4.8)	(4.6)
2014	12.97	13.84	11.64	12.40	10.4	10.6
2013	11.70	12.46	9.36	9.94	17.4	18.0

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.9 Schroder MPF Asian Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(2,578)	(2,930)	(2,310)
Capital appreciation/(depreciation) - realised and unrealised ¹	(95,089)	64,903	35,428
Value of scheme assets derived from investments	247,403	352,766	297,360
Total net asset value	247,173	351,608	297,470
Net asset value per unit ²			
Ordinary Class (HK\$)	38.81	54.07	44.89
Class B (HK\$)	40.19	55.89	46.31
Fund expense ratio ³			
Ordinary Class	1.73%		
Class B	1.52%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.9 Schroder MPF Asian Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary	Class B	Ordinary	Class B	Ordinary	Class B
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	56.14	58.05	38.71	40.09	(28.2)	(28.1)
2021	62.25	64.27	45.47	46.91	20.4	20.7
2020	46.22	47.68	31.40	32.36	12.4	12.6
2019	43.99	45.25	37.03	38.05	(4.7)	(4.6)
2018	48.60	49.86	40.74	41.86	(0.6)	(0.3)
2017	43.29	44.38	31.97	32.74	20.1	20.3
2016	35.71	36.54	27.99	28.61	13.1	13.3
2015	37.87	38.64	30.04	30.67	(7.1)	(7.0)
2014	35.57	36.24	29.56	30.09	8.7	9.0
2013	32.79	33.32	28.44	28.91	1.9	2.2

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

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INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.10 Schroder MPF Hong Kong Portfolio

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/ (depreciation)	(2,757)	(3,227)	(2,411)
Capital appreciation/(depreciation) - realised and unrealised ¹	(137,330)	37,891	71,042
Value of scheme assets derived from investments	257,637	379,448	331,010
Total net asset value	257,576	377,820	331,475
Net asset value per unit ²			
Ordinary Class (HK\$)	31.10	48.59	43.81
Class B (HK\$)	32.73	51.05	45.93
Fund expense ratio ³			
Ordinary Class	1.68%		
Class B	1.48%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.10 Schroder MPF Hong Kong Portfolio (Continued)

Performance record for the past 10 years

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ⁴	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	52.01	54.65	31.03	32.66	(36.0)	(35.9)
2021	64.51	67.68	44.57	46.73	10.9	11.1
2020	46.29	48.52	29.94	31.36	25.1	25.4
2019	39.45	41.24	32.16	33.59	(3.9)	(3.7)
2018	43.74	45.61	34.01	35.51	0.1	0.3
2017	37.37	38.94	27.78	28.91	24.0	24.3
2016	30.30	31.51	23.10	24.00	11.9	12.1
2015	34.82	36.12	25.91	26.90	(6.6)	(6.4)
2014	30.76	31.86	26.18	27.08	2.6	2.8
2013	28.85	29.75	24.41	25.22	8.6	9.1

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁴ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year.

SUN LIFE MPF MASTER TRUST**INVESTMENT REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****7 Performance table (Continued)****7.11 Schroder MPF Global Fixed Income Portfolio**

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/(depreciation)	(157)	(185)	(155)
Capital appreciation/(depreciation) - realised and unrealised ¹	(3,967)	(674)	1,192
Value of scheme assets derived from investments	16,922	21,029	21,304
Total net asset value	17,035	21,132	21,510
Net asset value per unit ²			
Ordinary Class (HK\$)	8.25	10.37	10.78
Class B (HK\$)	8.04	10.10	10.49
Fund expense ratio			
Ordinary Class	0.95%		
Class B	0.91%		
Transaction costs			
Ordinary Class	-		
Class B	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.11 Schroder MPF Global Fixed Income Portfolio (Continued)

Performance record for the past 10 years/year of inception

	Highest issue price per unit		Lowest redemption price per unit		Net annualised investment return ³	
	Ordinary		Ordinary		Ordinary	
	Class HK\$	Class B HK\$	Class HK\$	Class B HK\$	Class %	Class B %
2022	10.44	10.17	8.15	7.95	(20.4)	(20.4)
2021	11.06	10.77	10.37	10.10	(3.8)	(3.7)
2020	10.91	10.61	9.93	9.66	5.6	5.6
2019	10.41	10.13	9.48	9.22	6.5	6.4
2018	10.13	9.85	9.59	9.33	(2.6)	(2.5)
2017	10.12	9.84	9.28	9.02	(2.4)	(2.4)
2016	10.17	9.88	9.46	9.18	5.1	5.3
2015	10.07	9.76	9.52	9.24	(3.3)	(3.1)
2014 (Year of inception) ⁴	10.12	9.85	9.78	7.97	(0.6)	(3.7)

¹ The constituent fund is a feeder fund which invests in an approved pooled investment fund.

² The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

³ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year. For the first financial period (13th January 2014 to 30th September 2014 for Ordinary Class and 29th January 2014 to 30th September 2014 for Class B), the initial offer price (HK\$10.00 for Ordinary Class units and HK\$10.00 for Class B units) is used and the actual net investment return is shown without annualisation.

⁴ Pursuant to the Notice to Unitholders issued by the Trustee of Schroder MPF Global Fixed Income Portfolio (the “Affected Fund”), the net asset value (“NAV”) per unit of the Affected Fund during the period from 13th January 2014 to 12th February 2014 (the “Affected Period”) was understated. The remedial action had been taken by the Trustee to ensure the interests of the unitholders in the Affected Fund would not have been affected.

SUN LIFE MPF MASTER TRUST**INVESTMENT REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****7 Performance table (Continued)****7.12 Schroder MPF Core Accumulation Fund ¹**

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/(depreciation)	(1,242)	(1,119)	(880)
Capital appreciation/(depreciation) - realised and unrealised ²	(24,571)	18,004	10,170
Value of scheme assets derived from investments	132,182	143,518	116,313
Total net asset value	132,058	143,705	117,000
Net asset value per unit (HK\$) ^{3, 4}	11.60	13.90	12.17
Fund expense ratio ⁵	0.87%		
Transaction costs	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.12 Schroder MPF Core Accumulation Fund ¹ (Continued)

Performance record for the past 10 years/year of inception

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return ⁶ %
2022	14.51	11.60	(16.5)
2021	14.35	12.00	14.2
2020	12.49	9.45	9.1
2019	11.19	9.89	2.2
2018 ⁴	11.20	10.43	5.0
2017 (Year of inception)			
Ordinary Class	-	-	-
Class B	<u>10.42</u>	<u>9.96</u>	<u>4.0</u>

¹ The constituent fund was launched on 1st April 2017.

² The constituent fund is a feeder fund which invests in an approved pooled investment fund.

³ The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

⁴ Effective from 16th July 2018, Schroder MPF Core Accumulation Fund only has one class of units and therefore not subject to any class. Prior to 16th July 2018, Schroder MPF Core Accumulation Fund only issued Class B units and those unitholders had become the unitholders of the single class of units on 16th July 2018.

⁵ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁶ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year. For the first financial period (5th of April 2017 (date of commencement of operations) to 30th September 2017) where the initial offer price of HK\$10.00 for Class B units is used and the actual net investment return is shown without annualisation.

SUN LIFE MPF MASTER TRUST**INVESTMENT REPORT
FOR THE YEAR ENDED 30TH SEPTEMBER 2022****7 Performance table (Continued)****7.13 Schroder MPF Age 65 Plus Fund ¹**

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Net loss excluding capital appreciation/(depreciation)	(274)	(233)	(155)
Capital appreciation/(depreciation) - realised and unrealised ²	(4,982)	842	1,287
Value of scheme assets derived from investments	29,497	30,615	24,312
Total net asset value	29,769	30,817	24,564
Net asset value per unit (HK\$) ^{3, 4}	10.13	11.90	11.60
Fund expense ratio ⁵	0.86%		
Transaction costs	-		

SUN LIFE MPF MASTER TRUST

INVESTMENT REPORT FOR THE YEAR ENDED 30TH SEPTEMBER 2022

7 Performance table (Continued)

7.13 Schroder MPF Age 65 Plus Fund ¹ (Continued)

Performance record for the past 10 years/year of inception

	Highest issue price per unit HK\$	Lowest redemption price per unit HK\$	Net annualised investment return ⁶ %
2022	12.15	10.09	(14.9)
2021	12.16	11.54	2.6
2020	11.70	10.40	6.1
2019	10.96	9.96	7.4
2018 ⁴	10.33	10.10	0.7
2017 (Year of inception)			
Ordinary Class	-	-	-
Class B	10.19	9.98	1.1

¹ The constituent fund was launched on 1st April 2017.

² The constituent fund is a feeder fund which invests in an approved pooled investment fund.

³ The net asset value per unit has been rounded down to the next complete cent in accordance with the Trust Deed of the Scheme.

⁴ Effective from 16th July 2018, Schroder MPF Age 65 Plus Fund only has one class of units and therefore not subject to any class. Prior to 16th July 2018, Schroder MPF Age 65 Plus Fund only issued Class B units and those unitholders had become the unitholders of the single class of units on 16th July 2018.

⁵ Further to MPFA's circular letter of 1st November 2019, there is an update on the treatment of listed real estate investment trusts for the purposes of Fund Expense Ratio calculation. The treatment shall be effective from financial periods ending on or after the issue date of the circular letter with no retrospective effect. Considering that a listed real estate investment trust ("REIT") is more akin in nature to a listed company than a traditional collective investment schemes. An investment in a listed REIT will be treated in the same way as an investment in shares of a listed company, and the fees and charges of such a REIT will not be regarded as underlying fund costs of a constituent fund.

⁶ The net annualised investment return is calculated by comparing the net asset value per unit at the end of the year against the net asset value per unit at the beginning of the year. For the first financial period (5th April 2017 (date of commencement of operations) to 30th September 2017) where the initial offer price of HK\$10.00 for Class B units is used and the actual net investment return is shown without annualisation.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Sun Life MPF Master Trust (the "Scheme") and each of its constituent funds, Schroder MPF Capital Guaranteed Portfolio, Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio, Schroder MPF Capital Stable Portfolio, Schroder MPF Stable Growth Portfolio, Schroder MPF Balanced Investment Portfolio, Schroder MPF Growth Portfolio, Schroder MPF International Portfolio, Schroder MPF Asian Portfolio, Schroder MPF Hong Kong Portfolio, Schroder MPF Global Fixed Income Portfolio, Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund, which are set out on pages 85 to 174, comprise:

- the statement of net assets available for benefits of the Scheme and the statement of financial position of each of its constituent funds as at 30 September 2022;
- the statement of comprehensive income of each of the constituent funds for the year then ended;
- the statement of changes in net assets available for benefits of the Scheme and the statement of changes in net assets attributable to members of each of its constituent funds for the year then ended;
- the statement of cash flows of the Scheme and each of its constituent funds for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme and each of its constituent funds as at 30 September 2022, and of each of their financial transactions and each of their cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 860.1 (Revised) "The Audit of Retirement Schemes" issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Scheme and each of its constituent funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST**

Report on the Audit of the Financial Statements (Continued)

Other Information

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

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

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

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

Responsibilities of the Trustee for the Financial Statements

The Trustee is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's and each of its constituent funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the Scheme and its constituent funds or to cease operations, or has no realistic alternative but to do so.

In addition, the Trustee is required to ensure that the financial statements have been properly prepared in accordance with sections 80, 81, 83 and 84 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the "General Regulation").

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 102 of the General Regulation, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Scheme and each of its constituent funds have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST**

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

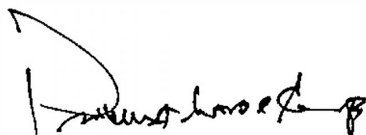
As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's and its constituent funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's and its constituent funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme and its constituent funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Matters under the General Regulation

- a. In our opinion, the financial statements of the Scheme and each of its constituent funds have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.
- b. We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.



PricewaterhouseCoopers
Certified Public Accountants


Hong Kong, 21st March 2023

SUN LIFE MPF MASTER TRUST

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS - SCHEME AS AT 30TH SEPTEMBER 2022

	Note	2022 HK\$'000	2021 HK\$'000
Assets			
Current assets			
Bank balances	6(f)	22,050	21,892
Amounts receivable on redemption of units in constituent funds		15,121	12,877
Contributions receivable			
From employers		5,036	5,581
From members		3,316	3,680
Investments in constituent funds	3	1,749,560	2,284,191
Total assets		<u>1,795,083</u>	<u>2,328,221</u>
Liabilities			
Current liabilities			
Benefits payable		8,400	2,770
Forfeitures payable		18,222	17,400
Severance payment payable		87	78
Transfers-out payable		3,339	8,929
Amounts payable on subscription of units in constituent funds		7,026	5,111
Other payables		380	360
Liabilities (excluding net assets available for benefits attributable to members)		<u>37,454</u>	<u>34,648</u>
Net assets available for benefits attributable to members		<u>1,757,629</u>	<u>2,293,573</u>

The financial statements were approved by the board of directors of HSBC Provident Fund Trustee (Hong Kong) Limited on 21st March 2023 and were signed on its behalf by:


.....
Director


.....
Director

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - SCHEME FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	2022 HK\$'000	2021 HK\$'000
Income			
Net change in unrealised appreciation/depreciation in value of investments in constituent funds		(587,665)	174,573
Net realised gain on redemption of units in constituent funds		47,818	106,414
Other income		4	-
Total investment (loss)/income		(539,843)	280,987
Expenses			
Administrative and other expenses		-	5
Net (loss)/income		(539,843)	280,982
Contributions received and receivable	8		
From employers			
Mandatory		33,217	34,870
Additional voluntary		50,938	53,908
From members			
Mandatory		31,978	33,490
Additional voluntary		18,125	19,254
		134,258	141,522
Contribution surcharge received and receivable		30	29
Transfers-in			
Group transfers-in from other schemes		-	4,424
Individual transfers-in from other schemes		12,937	22,041
		12,937	26,465
Benefits paid and payable	9		
Retirement		13,459	21,877
Early retirement		9,732	13,807
Permanent departure		19,122	27,885
Death		630	3,330
Terminal illness		-	447
Total incapacity		-	1,723
Voluntary contribution withdrawal		8,676	-
		51,619	69,069

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - SCHEME
(CONTINUED)
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

	2022 HK\$'000	2021 HK\$'000
Transfers-out		
Group transfers-out to other schemes	704	7,679
Individual transfers-out to other schemes	81,121	109,028
	<hr/>	<hr/>
	81,825	116,707
	<hr/>	<hr/>
Forfeitures	<hr/>	<hr/>
	5,710	10,460
	<hr/>	<hr/>
Severance payments, long service payments and others		
	4,172	3,845
	<hr/>	<hr/>
Change in net assets available for benefits attributable to members	(535,944)	248,917
Net assets available for benefits attributable to members at the beginning of the year		
- Members' accounts	2,293,573	2,044,656
	<hr/>	<hr/>
Net assets available for benefits attributable to members at the end of the year		
- Members' accounts	1,757,629	2,293,573
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST**STATEMENT OF CASH FLOWS - SCHEME
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

	2022 HK\$'000	2021 HK\$'000
Cash flows from operating activities		
Net (loss)/income	(539,843)	280,982
Decrease/(increase) in investments in constituent funds	534,631	(248,332)
Increase in amounts receivable on redemption of units in constituent funds	(2,244)	(8,768)
Increase in amounts payable on subscription of units in constituent funds	1,915	1,004
Increase in other payables	20	27
Net cash (used in)/generated from operating activities	(5,521)	24,913
Cash flows from financing activities		
Contributions, transfers-in and others received	148,134	168,395
Benefits, transfers-out, forfeitures and others paid	(142,455)	(192,474)
Net cash generated from/(used in) financing activities	5,679	(24,079)
Net increase in cash and cash equivalents	158	834
Cash and cash equivalents at the beginning of the year	21,892	21,058
Cash and cash equivalents at the end of the year	22,050	21,892
Analysis of balance of cash and cash equivalents:		
Bank balances	22,050	21,892

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF FINANCIAL POSITION - CONSTITUENT FUNDS

AS AT 30TH SEPTEMBER 2022

	Note	Schroder MPF Capital Guaranteed Portfolio		Schroder MPF Conservative Portfolio		Schroder MPF RMB and HKD Fixed Income Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets							
Current assets							
Bank balances		33	42	22,784	17,765	29	38
Fixed deposits with original maturity more than three months		-	-	59,374	17,893	-	-
Interest receivable on debt securities		-	-	20	399	-	-
Bank deposit interest receivable		-	-	160	7	-	-
Amounts receivable on sale of investments		1	134	-	-	237	11
Amounts receivable on subscription		-	1,406	5,500	1	659	-
Investments	3, 5(b)	78,903	98,412	7,992	67,175	49,186	58,074
Other receivables		-	-	-	1	-	-
Total assets		<u>78,937</u>	<u>99,994</u>	<u>95,830</u>	<u>103,241</u>	<u>50,111</u>	<u>58,123</u>
Liabilities							
Current liabilities							
Amounts payable on redemption		1	135	330	4,501	815	12
Amounts payable on purchase of investments		-	-	-	2,026	-	-
Accruals and other payables		123	136	343	133	78	81
Liabilities (excluding net assets attributable to members)		<u>124</u>	<u>271</u>	<u>673</u>	<u>6,660</u>	<u>893</u>	<u>93</u>
Net assets attributable to members		<u><u>78,813</u></u>	<u><u>99,723</u></u>	<u><u>95,157</u></u>	<u><u>96,581</u></u>	<u><u>49,218</u></u>	<u><u>58,030</u></u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF FINANCIAL POSITION - CONSTITUENT FUNDS AS AT 30TH SEPTEMBER 2022

	Note	Schroder MPF Capital Stable Portfolio		Schroder MPF Stable Growth Portfolio		Schroder MPF Balanced Investment Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets							
Current assets							
Bank balances		30	25	46	84	100	51
Fixed deposits with original maturity more than three months		-	-	-	-	-	-
Interest receivable on debt securities		-	-	-	-	-	-
Bank deposit interest receivable		-	-	-	-	-	-
Amounts receivable on sale of investments		-	3	86	604	222	1,812
Amounts receivable on subscription		-	-	-	1,395	1	-
Investments	3, 5(b)	79,408	94,779	136,735	174,250	253,839	334,914
Other receivables		-	-	-	-	-	-
Total assets		<u>79,438</u>	<u>94,807</u>	<u>136,867</u>	<u>176,333</u>	<u>254,162</u>	<u>336,777</u>
Liabilities							
Current liabilities							
Amounts payable on redemption		3	3	235	721	4,013	1,814
Amounts payable on purchase of investments		-	-	-	-	-	-
Accruals and other payables		<u>121</u>	<u>127</u>	<u>211</u>	<u>230</u>	<u>392</u>	<u>441</u>
Liabilities (excluding net assets attributable to members)		<u>124</u>	<u>130</u>	<u>446</u>	<u>951</u>	<u>4,405</u>	<u>2,255</u>
Net assets attributable to members		<u><u>79,314</u></u>	<u><u>94,677</u></u>	<u><u>136,421</u></u>	<u><u>175,382</u></u>	<u><u>249,757</u></u>	<u><u>334,522</u></u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF FINANCIAL POSITION - CONSTITUENT FUNDS AS AT 30TH SEPTEMBER 2022

	Note	Schroder MPF Growth Portfolio		Schroder MPF International Portfolio		Schroder MPF Asian Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets							
Current assets							
Bank balances		104	78	92	100	159	114
Fixed deposits with original maturity more than three months		-	-	-	-	-	-
Interest receivable on debt securities		-	-	-	-	-	-
Bank deposit interest receivable		-	-	-	-	-	-
Amounts receivable on sale of investments		3,929	535	271	805	585	200
Amounts receivable on subscription		147	922	1	324	1	255
Investments	3, 5(b)	166,633	235,137	214,338	265,221	247,403	352,766
Other receivables		-	-	-	-	-	-
Total assets		<u>170,813</u>	<u>236,672</u>	<u>214,702</u>	<u>266,450</u>	<u>248,148</u>	<u>353,335</u>
Liabilities							
Current liabilities							
Amounts payable on redemption		4,101	538	3,553	1,732	591	1,257
Amounts payable on purchase of investments		-	-	-	-	-	-
Accruals and other payables		<u>272</u>	<u>314</u>	<u>320</u>	<u>344</u>	<u>384</u>	<u>470</u>
Liabilities (excluding net assets attributable to members)		<u>4,373</u>	<u>852</u>	<u>3,873</u>	<u>2,076</u>	<u>975</u>	<u>1,727</u>
Net assets attributable to members		<u>166,440</u>	<u>235,820</u>	<u>210,829</u>	<u>264,374</u>	<u>247,173</u>	<u>351,608</u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

**STATEMENT OF FINANCIAL POSITION - CONSTITUENT FUNDS
AS AT 30TH SEPTEMBER 2022**

		Schroder MPF Hong Kong Portfolio		Schroder MPF Global Fixed Income Portfolio	
	Note	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets					
Current assets					
Bank balances		174	150	31	117
Fixed deposits with original maturity more than three months		-	-	-	-
Interest receivable on debt securities		-	-	-	-
Bank deposit interest receivable		-	-	-	-
Amounts receivable on sale of investments		988	264	92	-
Amounts receivable on subscription		210	228	108	13
Investments	3, 5(b)	257,637	379,448	16,922	21,029
Other receivables		-	-	-	-
Total assets		<u>259,009</u>	<u>380,090</u>	<u>17,153</u>	<u>21,159</u>
Liabilities					
Current liabilities					
Amounts payable on redemption		990	1,756	92	-
Amounts payable on purchase of investments		-	-	-	-
Accruals and other payables		443	514	26	27
Liabilities (excluding net assets attributable to members)		<u>1,433</u>	<u>2,270</u>	<u>118</u>	<u>27</u>
Net assets attributable to members		<u>257,576</u>	<u>377,820</u>	<u>17,035</u>	<u>21,132</u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF FINANCIAL POSITION - CONSTITUENT FUNDS AS AT 30TH SEPTEMBER 2022

		Schroder MPF Core Accumulation Fund		Schroder MPF Age 65 Plus Fund		Total	
	Note	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets							
Current assets							
Bank balances		34	39	7	17	23,623	18,620
Fixed deposits with original maturity more than three months		-	-	-	-	59,374	17,893
Interest receivable on debt securities		-	-	-	-	20	399
Bank deposit interest receivable		-	-	-	-	160	7
Amounts receivable on sale of investments		188	231	141	150	6,740	4,749
Amounts receivable on subscription		84	344	316	223	7,027	5,111
Investments	3, 5(b)	132,182	143,518	29,497	30,615	1,670,675	2,255,338
Other receivables		-	-	-	-	-	1
Total assets		<u>132,488</u>	<u>144,132</u>	<u>29,961</u>	<u>31,005</u>	<u>1,767,619</u>	<u>2,302,118</u>
Liabilities							
Current liabilities							
Amounts payable on redemption		233	243	149	150	15,106	12,862
Amounts payable on purchase of investments		-	-	-	-	-	2,026
Accruals and other payables		197	184	43	38	2,953	3,039
Liabilities (excluding net assets attributable to members)		<u>430</u>	<u>427</u>	<u>192</u>	<u>188</u>	<u>18,059</u>	<u>17,927</u>
Net assets attributable to members		<u>132,058</u>	<u>143,705</u>	<u>29,769</u>	<u>30,817</u>	<u>1,749,560</u>	<u>2,284,191</u>

Note: For Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund, with effect from 16th July 2018, the Class B units had become the single class of units in issue, the redeemable units were recognised as equity. Refer to note 2(q) for details.

The financial statements were approved by the board of directors of HSBC Provident Fund Trustee (Hong Kong) Limited on 21st March 2023 and were signed on its behalf by:

 Director

 Director

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	Schroder MPF Capital Guaranteed Portfolio		Schroder MPF Conservative Portfolio		Schroder MPF RMB and HKD Fixed Income Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Income							
Interest on debt securities		-	-	507	558	-	-
Interest on bank deposits		-	-	386	105	-	-
Net change in unrealised appreciation/depreciation in value of investments		(9,358)	(980)	227	(235)	(3,504)	853
Net realised gain/(loss) on sale of investments		1,884	3,028	(630)	(283)	1,591	2,056
Total investment (loss)/income		<u>(7,474)</u>	<u>2,048</u>	<u>490</u>	<u>145</u>	<u>(1,913)</u>	<u>2,909</u>
Expenses							
Investment management fee	6(a)	-	-	43	-	-	-
Trustee fee	6(b)	89	102	98	2	55	62
Administration fee	6(c)	592	684	192	-	277	311
Sponsor fee	6(d)	-	-	39	-	82	94
Legal and professional fee	6(e)	10	2	-	-	6	1
Administrative expenses	6(e)	99	101	115	144	72	70
Total operating expenses		<u>790</u>	<u>889</u>	<u>487</u>	<u>146</u>	<u>492</u>	<u>538</u>
(Decrease)/increase in net assets attributable to members		<u>(8,264)</u>	<u>1,159</u>	<u>3</u>	<u>(1)</u>	<u>(2,405)</u>	<u>2,371</u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

		Schroder MPF Capital Stable Portfolio		Schroder MPF Stable Growth Portfolio		Schroder MPF Balanced Investment Portfolio	
	Note	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Income							
Interest on debt securities		-	-	-	-	-	-
Interest on bank deposits		-	-	-	-	-	-
Net change in unrealised appreciation/depreciation in value of investments		(19,268)	1,639	(41,615)	10,233	(85,518)	33,216
Net realised gain on sale of investments		1,189	3,283	3,004	7,072	7,648	13,833
Total investment (loss)/income		<u>(18,079)</u>	<u>4,922</u>	<u>(38,611)</u>	<u>17,305</u>	<u>(77,870)</u>	<u>47,049</u>
Expenses							
Investment management fee	6(a)	-	-	-	-	-	-
Trustee fee	6(b)	88	97	162	178	304	340
Administration fee	6(c)	408	449	763	837	1,465	1,635
Sponsor fee	6(d)	132	146	242	267	456	509
Legal and professional fee	6(e)	10	2	18	3	35	6
Administrative expenses	6(e)	100	96	157	154	269	273
Total operating expenses		<u>738</u>	<u>790</u>	<u>1,342</u>	<u>1,439</u>	<u>2,529</u>	<u>2,763</u>
(Decrease)/increase in net assets attributable to members		<u>(18,817)</u>	<u>4,132</u>	<u>(39,953)</u>	<u>15,866</u>	<u>(80,399)</u>	<u>44,286</u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	Schroder MPF Growth Portfolio		Schroder MPF International Portfolio		Schroder MPF Asian Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Income							
Interest on debt securities		-	-	-	-	-	-
Interest on bank deposits		-	-	-	-	-	-
Net change in unrealised appreciation/depreciation in value of investments		(68,896)	29,070	(64,815)	43,362	(107,821)	45,740
Net realised gain on sale of investments		8,090	13,131	12,392	18,333	12,732	19,163
Total investment (loss)/income		<u>(60,806)</u>	<u>42,201</u>	<u>(52,423)</u>	<u>61,695</u>	<u>(95,089)</u>	<u>64,903</u>
Expenses							
Investment management fee	6(a)	-	-	-	-	-	-
Trustee fee	6(b)	212	239	252	253	316	365
Administration fee	6(c)	1,017	1,145	1,188	1,191	1,486	1,716
Sponsor fee	6(d)	318	358	377	380	474	547
Legal and professional fee	6(e)	24	4	29	5	35	6
Administrative expenses	6(e)	196	203	219	216	267	296
Total operating expenses		<u>1,767</u>	<u>1,949</u>	<u>2,065</u>	<u>2,045</u>	<u>2,578</u>	<u>2,930</u>
(Decrease)/increase in net assets attributable to members		<u>(62,573)</u>	<u>40,252</u>	<u>(54,488)</u>	<u>59,650</u>	<u>(97,667)</u>	<u>61,973</u>

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	Schroder MPF Hong Kong Portfolio		Schroder MPF Global Fixed Income Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Income					
Interest on debt securities		-	-	-	-
Interest on bank deposits		-	-	-	-
Net change in unrealised appreciation/depreciation in value of investments		(143,704)	6,006	(3,418)	(1,158)
Net realised gain/(loss) on sale of investments		6,374	31,885	(549)	484
Total investment (loss)/income		(137,330)	37,891	(3,967)	(674)
Expenses					
Investment management fee	6(a)	-	-	57	69
Trustee fee	6(b)	334	404	11	14
Administration fee	6(c)	1,570	1,881	71	87
Sponsor fee	6(d)	501	606	-	-
Legal and professional fee	6(e)	37	7	2	-
Administrative expenses	6(e)	315	329	16	15
Total operating expenses		2,757	3,227	157	185
(Decrease)/increase in net assets attributable to members		(140,087)	34,664	(4,124)	(859)

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF COMPREHENSIVE INCOME - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	Schroder MPF Core Accumulation Fund		Schroder MPF Age 65 Plus Fund		Total	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Income							
Interest on debt securities		-	-	-	-	507	558
Interest on bank deposits		-	-	-	-	386	105
Net change in unrealised appreciation/depreciation in value of investments		(27,944)	13,442	(4,844)	(72)	(580,478)	181,116
Net realised gain/(loss) on sale of investments		3,373	4,562	(138)	914	56,960	117,461
Total investment (loss)/income		<u>(24,571)</u>	<u>18,004</u>	<u>(4,982)</u>	<u>842</u>	<u>(522,625)</u>	<u>299,240</u>
Expenses							
Investment management fee	6(a)	365	335	81	71	546	475
Trustee fee	6(b)	146	134	32	28	2,099	2,218
Administration fee	6(c)	583	536	130	113	9,742	10,585
Sponsor fee	6(d)	-	-	-	-	2,621	2,907
Legal and professional fee	6(e)	17	2	4	1	227	39
Administrative expenses	6(e)	131	112	27	20	1,983	2,029
Total operating expenses		<u>1,242</u>	<u>1,119</u>	<u>274</u>	<u>233</u>	<u>17,218</u>	<u>18,253</u>
(Decrease)/increase in net assets attributable to members		<u>(25,813)</u>	<u>16,885</u>	<u>(5,256)</u>	<u>609</u>	<u>(539,843)</u>	<u>280,987</u>

Note: With effect from 16th July 2018, the Class B units of Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund had become the single class of units in issue, the increase in net assets attributable to members represented total comprehensive income. Refer to note 2(q) for details.

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

	Note	Schroder MPF Capital Guaranteed Portfolio		Schroder MPF Conservative Portfolio		Schroder MPF RMB and HKD Fixed Income Portfolio		Schroder MPF Capital Stable Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Balance at the beginning of the year		99,723	98,317	96,581	110,498	58,030	64,203	94,677	94,413
Proceeds from subscription of units	4	11,284	22,634	51,966	65,686	14,819	16,497	12,517	11,756
Payments on redemption of units	4	(23,930)	(22,387)	(53,393)	(79,602)	(21,226)	(25,041)	(9,063)	(15,624)
Net (redemption)/subscription		(12,646)	247	(1,427)	(13,916)	(6,407)	(8,544)	3,454	(3,868)
(Decrease)/increase in net assets attributable to members		(8,264)	1,159	3	(1)	(2,405)	2,371	(18,817)	4,132
Balance at the end of the year		78,813	99,723	95,157	96,581	49,218	58,030	79,314	94,677

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Note	Schroder MPF Stable Growth Portfolio		Schroder MPF Balanced Investment Portfolio		Schroder MPF Growth Portfolio		Schroder MPF International Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Balance at the beginning of the year		175,382	165,649	334,522	299,159	235,820	201,185	264,374	210,416
Proceeds from subscription of units	4	16,130	17,316	22,895	26,053	17,328	23,172	33,806	37,579
Payments on redemption of units	4	(15,138)	(23,449)	(27,261)	(34,976)	(24,135)	(28,789)	(32,863)	(43,271)
Net subscription / (redemption)		992	(6,133)	(4,366)	(8,923)	(6,807)	(5,617)	943	(5,692)
(Decrease)/increase in net assets attributable to members		(39,953)	15,866	(80,399)	44,286	(62,573)	40,252	(54,488)	59,650
Balance at the end of the year		136,421	175,382	249,757	334,522	166,440	235,820	210,829	264,374

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

	Note	Schroder MPF Asian Portfolio		Schroder MPF Hong Kong Portfolio		Schroder MPF Global Fixed Income Portfolio	
		2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Balance at the beginning of the year		351,608	297,470	377,820	331,475	21,132	21,510
		-----	-----	-----	-----	-----	-----
Proceeds from subscription of units	4	27,369	33,760	66,547	96,934	7,409	16,944
Payments on redemption of units	4	(34,137)	(41,595)	(46,704)	(85,253)	(7,382)	(16,463)
		-----	-----	-----	-----	-----	-----
Net (redemption)/subscription		(6,768)	(7,835)	19,843	11,681	27	481
		-----	-----	-----	-----	-----	-----
(Decrease)/increase in net assets attributable to members		(97,667)	61,973	(140,087)	34,664	(4,124)	(859)
		-----	-----	-----	-----	-----	-----
Balance at the end of the year		247,173	351,608	257,576	377,820	17,035	21,132
		=====	=====	=====	=====	=====	=====

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS - CONSTITUENT FUNDS
FOR THE YEAR ENDED 30TH SEPTEMBER 2022**

	Note	Schroder MPF Core Accumulation Fund		Schroder MPF Age 65 Plus Fund		Total	
		2022	2021	2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at the beginning of the year		143,705	117,000	30,817	24,564	2,284,191	2,035,859
		-----	-----	-----	-----	-----	-----
Proceeds from subscription of units	4	36,380	31,757	15,941	17,574	334,391	417,662
Payments on redemption of units	4	(22,214)	(21,937)	(11,733)	(11,930)	(329,179)	(450,317)
		-----	-----	-----	-----	-----	-----
Net subscription/(redemption)		14,166	9,820	4,208	5,644	5,212	(32,655)
		-----	-----	-----	-----	-----	-----
(Decrease)/increase in net assets attributable to members		(25,813)	16,885	(5,256)	609	(539,843)	280,987
		-----	-----	-----	-----	-----	-----
Balance at the end of the year		132,058	143,705	29,769	30,817	1,749,560	2,284,191
		=====	=====	=====	=====	=====	=====

Note: For Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund, with effect from 16th July 2018, the Class B units had become the single class of units in issue, the net assets attributable to members was classified as equity. Refer to note 2(q) for details.

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Schroder MPF Capital Guaranteed Portfolio		Schroder MPF Conservative Portfolio		Schroder MPF RMB and HKD Fixed Income Portfolio	
	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000	2022 HK\$'000	2021 HK\$'000
Cash flows from operating activities						
(Decrease)/increase in net assets attributable to members	(8,264)	1,159	3	(1)	(2,405)	2,371
Adjustments for:						
- Interest on debt securities	-	-	(507)	(558)	-	-
- Interest on bank deposits	-	-	(386)	(105)	-	-
Operating (loss)/profit before working capital changes	(8,264)	1,159	(890)	(664)	(2,405)	2,371
(Increase)/decrease in fixed deposits with original maturity more than three months	-	-	(41,481)	7,750	-	-
Net decrease/(increase) in investments, amounts receivable and payable on sale and purchase of investments	19,642	1,140	57,157	(65,149)	8,662	6,347
Decrease in other receivables	-	-	1	-	-	-
(Decrease)/increase in accruals and other payables	(13)	(16)	210	(101)	(3)	(19)
Cash generated from/(used in) operations	11,365	2,283	14,997	(58,164)	6,254	8,699
Interest on debt securities received	-	-	886	159	-	-
Interest on bank deposits received	-	-	233	124	-	-
Net cash generated from/(used in) operating activities	11,365	2,283	16,116	(57,881)	6,254	8,699
Cash flows from financing activities						
Proceeds from subscription of units	12,690	21,293	46,467	65,834	14,160	16,653
Payments on redemption of units	(24,064)	(23,560)	(57,564)	(75,749)	(20,423)	(25,350)
Net cash used in financing activities	(11,374)	(2,267)	(11,097)	(9,915)	(6,263)	(8,697)
Net (decrease)/increase in cash and cash equivalents	(9)	16	5,019	(67,796)	(9)	2
Cash and cash equivalents at the beginning of the year	42	26	17,765	85,561	38	36
Cash and cash equivalents at the end of the year	33	42	22,784	17,765	29	38
Analysis of balances of cash and cash equivalents:						
Bank balances	33	42	22,784	17,765	29	38

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Schroder MPF Capital Stable Portfolio		Schroder MPF Stable Growth Portfolio		Schroder MPF Balanced Investment Portfolio	
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities						
(Decrease)/increase in net assets attributable to members	(18,817)	4,132	(39,953)	15,866	(80,399)	44,286
Adjustments for:						
- Interest on debt securities	-	-	-	-	-	-
- Interest on bank deposits	-	-	-	-	-	-
Operating (loss)/profit before working capital changes	(18,817)	4,132	(39,953)	15,866	(80,399)	44,286
Increase in fixed deposits with original maturity more than three months	-	-	-	-	-	-
Net decrease/(increase) in investments, amounts receivable and payable on sale and purchase of investments	15,374	(569)	38,033	(8,732)	82,665	(37,547)
Decrease in other receivables	-	-	-	-	-	-
(Decrease)/increase in accruals and other payables	(6)	(15)	(19)	(11)	(49)	22
Cash (used in)/generated from operations	(3,449)	3,548	(1,939)	7,123	2,217	6,761
Interest on debt securities received	-	-	-	-	-	-
Interest on bank deposits received	-	-	-	-	-	-
Net cash (used in)/generated from operating activities	(3,449)	3,548	(1,939)	7,123	2,217	6,761
Cash flows from financing activities						
Proceeds from subscription of units	12,517	12,109	17,525	16,087	22,894	26,346
Payments on redemption of units	(9,063)	(15,652)	(15,624)	(23,151)	(25,062)	(33,235)
Net cash generated from/(used in) financing activities	3,454	(3,543)	1,901	(7,064)	(2,168)	(6,889)
Net increase/(decrease) in cash and cash equivalents	5	5	(38)	59	49	(128)
Cash and cash equivalents at the beginning of the year	25	20	84	25	51	179
Cash and cash equivalents at the end of the year	30	25	46	84	100	51
Analysis of balances of cash and cash equivalents:						
Bank balances	30	25	46	84	100	51

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Schroder MPF Growth Portfolio		Schroder MPF International Portfolio		Schroder MPF Asian Portfolio	
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities						
(Decrease)/increase in net assets attributable to members	(62,573)	40,252	(54,488)	59,650	(97,667)	61,973
Adjustments for:						
- Interest on debt securities	-	-	-	-	-	-
- Interest on bank deposits	-	-	-	-	-	-
Operating (loss)/profit before working capital changes	(62,573)	40,252	(54,488)	59,650	(97,667)	61,973
Increase in fixed deposits with original maturity more than three months	-	-	-	-	-	-
Net decrease/(increase) in investments, amounts receivable and payable on sale and purchase of investments	65,110	(34,396)	51,417	(55,319)	104,978	(55,553)
Decrease in other receivables	-	-	-	-	-	-
(Decrease)/increase in accruals and other payables	(42)	30	(24)	48	(86)	59
Cash generated from/(used in) operations	2,495	5,886	(3,095)	4,379	7,225	6,479
Interest on debt securities received	-	-	-	-	-	-
Interest on bank deposits received	-	-	-	-	-	-
Net cash generated from/(used in) operating activities	2,495	5,886	(3,095)	4,379	7,225	6,479
Cash flows from financing activities						
Proceeds from subscription of units	18,103	22,555	34,129	37,504	27,623	33,961
Payments on redemption of units	(20,572)	(28,368)	(31,042)	(41,815)	(34,803)	(40,518)
Net cash (used in)/generated from financing activities	(2,469)	(5,813)	3,087	(4,311)	(7,180)	(6,557)
Net increase/(decrease) in cash and cash equivalents	26	73	(8)	68	45	(78)
Cash and cash equivalents at the beginning of the year	78	5	100	32	114	192
Cash and cash equivalents at the end of the year	104	78	92	100	159	114
Analysis of balances of cash and cash equivalents:						
Bank balances	104	78	92	100	159	114

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Schroder MPF Hong Kong Portfolio		Schroder MPF Global Fixed Income Portfolio	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities				
(Decrease)/increase in net assets attributable to members	(140,087)	34,664	(4,124)	(859)
Adjustments for:				
- Interest on debt securities	-	-	-	-
- Interest on bank deposits	-	-	-	-
Operating (loss)/profit before working capital changes	(140,087)	34,664	(4,124)	(859)
Increase in fixed deposits with original maturity more than three months	-	-	-	-
Net decrease/(increase) in investments, amounts receivable and payable on sale and purchase of investments	121,087	(48,325)	4,015	275
Decrease in other receivables	-	-	-	-
(Decrease)/increase in accruals and other payables	(71)	63	(1)	(2)
Cash used in operations	(19,071)	(13,598)	(110)	(586)
Interest on debt securities received	-	-	-	-
Interest on bank deposits received	-	-	-	-
Net cash used in operating activities	(19,071)	(13,598)	(110)	(586)
Cash flows from financing activities				
Proceeds from subscription of units	66,565	97,507	7,314	17,033
Payments on redemption of units	(47,470)	(83,891)	(7,290)	(16,463)
Net cash generated from financing activities	19,095	13,616	24	570
Net increase/(decrease) in cash and cash equivalents	24	18	(86)	(16)
Cash and cash equivalents at the beginning of the year	150	132	117	133
Cash and cash equivalents at the end of the year	174	150	31	117
Analysis of balances of cash and cash equivalents:				
Bank balances	174	150	31	117

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

STATEMENT OF CASH FLOWS - CONSTITUENT FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

	Schroder MPF Core Accumulation Fund		Schroder MPF Age 65 Plus Fund		Total	
	2022	2021	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Cash flows from operating activities						
(Decrease)/increase in net assets attributable to members	(25,813)	16,885	(5,256)	609	(539,843)	280,987
Adjustments for:						
- Interest on debt securities	-	-	-	-	(507)	(558)
- Interest on bank deposits	-	-	-	-	(386)	(105)
Operating (loss)/profit before working capital changes	(25,813)	16,885	(5,256)	609	(540,736)	280,324
(Increase)/decrease in fixed deposits with original maturity more than three months	-	-	-	-	(41,481)	7,750
Net decrease/(increase) in investments, amounts receivable and payable on sale and purchase of investments	11,379	(27,239)	1,127	(6,320)	580,646	(331,387)
Decrease in other receivables	-	-	-	-	1	-
Increase/(decrease) in accruals and other payables	13	23	5	8	(86)	89
Cash used in operations	(14,421)	(10,331)	(4,124)	(5,703)	(1,656)	(43,224)
Interest on debt securities received	-	-	-	-	886	159
Interest on bank deposits received	-	-	-	-	233	124
Net cash used in operating activities	(14,421)	(10,331)	(4,124)	(5,703)	(537)	(42,941)
Cash flows from financing activities						
Proceeds from subscription of units	36,640	32,210	15,848	17,566	332,475	416,658
Payments on redemption of units	(22,224)	(21,892)	(11,734)	(11,913)	(326,935)	(441,557)
Net cash generated from/(used in) financing activities	14,416	10,318	4,114	5,653	5,540	(24,899)
Net (decrease)/increase in cash and cash equivalents	(5)	(13)	(10)	(50)	5,003	(67,840)
Cash and cash equivalents at the beginning of the year	39	52	17	67	18,620	86,460
Cash and cash equivalents at the end of the year	34	39	7	17	23,623	18,620
Analysis of balances of cash and cash equivalents:						
Bank balances	34	39	7	17	23,623	18,620

The notes on pages 108 to 174 are an integral part of the financial statements.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

1 The Scheme

Sun Life MPF Master Trust (the “Scheme”) is established and governed by its trust deed dated 31st January 2000, as amended. The Scheme is registered under Section 21 of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance”) and is required to comply with the Ordinance and the relevant regulations, guidelines and codes issued by the Mandatory Provident Fund Schemes Authority (the “MPFA”).

The Scheme comprises 13 (2021: 13) constituent funds (“constituent funds”) as at the end of the reporting year. Each of the constituent funds is approved by the MPFA and has its own investment policy and predetermined fees and charges. Contributions and benefits are dealt with at the scheme level whereas investments in approved pooled investment funds are dealt with at the constituent funds level.

Units of the constituent funds of the Scheme are issued in two classes, Ordinary Class and Class B, except for Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund. With effect from 16th July 2018, the Class B units of Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund had become the single class of units in issue.

The financial information of the Scheme comprises (i) the statement of net assets available for benefits as at 30th September 2022, and the statement of changes in net assets available for benefits and statement of cash flows for the year ended 30th September 2022 of the Scheme on a standalone basis; and (ii) the statement of financial position as at 30th September 2022, and the statement of comprehensive income, statement of changes in net assets attributable to members and statement of cash flows for the year ended 30th September 2022 for each of the Scheme’s constituent funds.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of financial statements of the Scheme and its constituent funds are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires Trustee to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

All references to net assets throughout the financial statements refer to net assets attributable to members unless otherwise stated. All the assets and liabilities are held for the purpose of being traded or are expected to be realised within one year.

Standards, amendments to existing standards or interpretations effective from 1st October 2021

There are no standards, amendments to standards and interpretations that are effective for annual periods beginning on 1st October 2021 that have a material effect on the financial statements of the Scheme and its constituent funds.

New standards, amendments and interpretations effective after 1st October 2021 and have not been early adopted by the Scheme and its constituent funds

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st October 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Scheme and its constituent funds.

(b) Investments

Classification

Assets

The Scheme and its constituent funds classify their investments based on both the Scheme and its constituent funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Scheme and its constituent funds primarily focus on fair value information and uses that information to assess the assets' performance and to make decisions. The Scheme and its constituent funds have not taken the option to irrevocably designate any equity or debt securities as fair value through other comprehensive income.

The Scheme is investing through the 13 constituent funds and each of the constituent funds (except for Schroder MPF Conservative Portfolio) is investing in a single approved pooled investment fund.

Investments in those approved pooled investment funds are considered to be investments in unconsolidated structured entities, refer to Note 2(c) for details. The Scheme and constituent funds have not taken the option to irrevocably designate any equity or debt securities as fair value through other comprehensive income.

As such, the Scheme and its constituent funds (except for Schroder MPF Conservative Portfolio) classify all of its investment portfolio as financial assets at fair value through profit or loss.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(b) Investments (Continued)

Recognition, derecognition and measurement

Purchases and sales of investments are accounted for on the trade date basis. Investments are initially recognised at fair value, excluding transaction costs which are expensed as incurred, and are subsequently re-measured at fair value. Realised and unrealised gains and losses on investments are included in the statement of change in net assets available for benefits of the Scheme and the statement of comprehensive income of the constituent funds in the year in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Scheme and its constituent funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the statement of changes in net assets available for benefits of the scheme within “net change in unrealised appreciation/depreciation in value of investments in constituent funds” and “net realised gain on redemption of units in constituent funds”; and in the statement of comprehensive income of the constituent funds within “net change in unrealised appreciation/depreciation in value of investments” and “net realised gain/loss on sale of investments” in the year in which they arise.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the reporting date.

Investments in constituent funds by the Scheme are valued at their respective closing net asset value per unit. Investments in approved pooled investment funds by the constituent funds are fair valued based on last traded prices. Investments in unlisted debt securities by Schroder MPF Conservative Portfolio are fair valued using quotes from brokers.

(c) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Scheme and the constituent funds consider all of their investments in other funds (“Investee Funds”) to be investments in unconsolidated structured entities. The Scheme and the constituent funds invest in Investee Funds whose objective is to achieve long term capital growth. The Investee Funds are managed by related and unrelated asset managers who apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder’s option and entitle the holder to a proportional stake in the respective funds’ net assets. The Scheme and constituent funds hold redeemable units in each of their Investee Funds.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(c) Structured entities (Continued)

The change in fair value of each Investee Fund is included in the statement of changes in net assets available for benefits of the Scheme within the “net change in unrealised appreciation/depreciation in value of investments in constituent funds” and in the statement of comprehensive income of the constituent funds in “net change in unrealised appreciation/depreciation in value of investments”.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of net assets available for benefits of the Scheme and the statement of financial position of the constituent funds when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Scheme and its constituent funds or the counterparty.

(e) Amounts receivable on sale/payable on purchase of investments

Amounts receivable on sale/payable on purchase of investments represent receivables for investments sold and payables for investments purchased that have been contracted for but not yet settled or delivered by the end of the year.

(f) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Scheme and its constituent funds shall measure the loss allowance on amounts due from counterparties at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the constituent funds shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

Receivables are classified as current assets if the collections of receivables are expected within one year or less. If not, they are presented as non-current assets.

(g) Payables and accruals

Payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Accounts payables and accruals are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(h) Income and expenses

Interest income is recognised on a time proportion basis using the effective interest method.

Other income and expenses are accounted for on an accruals basis.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(i) Translation of foreign currencies

(i) Functional and presentation currency

Items included in the financial statements of the Scheme and its constituent funds are measured using the currency of the primary economic environment in which they operate (the “functional currency”). The financial statements are presented in Hong Kong dollars, (“HK\$”) which is the functional and presentation currency of the Scheme and its constituent funds.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the year end date.

Foreign exchange gains and losses arising from translation are included in the statement of changes in net assets available for benefits for the Scheme and the statement of comprehensive income for the constituent funds.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of changes in net assets available for benefits for the Scheme and the statement of comprehensive income for the constituent funds within “net exchange gains/(losses)”.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the statement of changes in net assets available for benefits within “net realised gain on redemption of units in constituent funds” and “net change in unrealised appreciation/depreciation in value of investments in constituent funds” for the Scheme, and in the statement of comprehensive income within “net realised gain/loss on sale of investments” and “net change in unrealised appreciation/depreciation in value of investments” for the constituent funds.

(j) Contributions

Contributions are accounted for on an accruals basis.

(k) Benefits

Benefits are accounted for on an accruals basis.

(l) Transfers-in

Transfers-in amounts are recognised when the right to receive payment is established.

(m) Transfers-out

Transfers-out amounts are accounted for when the obligation to make payment is established.

(n) Forfeitures

If a member ceases to be a member, the part of the employer’s voluntary balance not otherwise disposed of in accordance with the rules of the Scheme may be either maintained in the Trustee’s account to offset against future employer’s contributions or returned to the employer.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

2 Summary of significant accounting policies (Continued)

(o) Proceeds from and payments on subscription and redemption of units

The net asset value of the constituent funds is computed on each business day. Prices for subscriptions and redemptions on each dealing day are based on the closing valuation of that dealing day.

Proceeds and payments for units subscribed and redeemed are included in the statement of changes in net assets attributable to members of the constituent funds.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, demand deposits with banks and other financial institutions with original maturities of three months or less from the date of placement, and short-term, highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

(q) Redeemable units

A constituent fund issues redeemable units, which are redeemable at the holder's option represents puttable financial instruments of a constituent fund. Puttable financial instruments are classified as equity in accordance with HKAS 32 (Amendment), "Financial instruments: Presentation" if they meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of a constituent fund.

Otherwise, puttable financial instruments are classified as financial liability.

Redeemable units for Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund are recognised as equities while redeemable units for Schroder MPF Capital Guaranteed Portfolio, Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio, Schroder MPF Capital Stable Portfolio, Schroder MPF Stable Growth Portfolio, Schroder MPF Balanced Investment Portfolio, Schroder MPF Growth Portfolio, Schroder MPF International Portfolio, Schroder MPF Asian Portfolio, Schroder MPF Hong Kong Portfolio and Schroder MPF Global Fixed Income Portfolio are recognised as financial liabilities.

The redeemable units of the constituent funds are issued or redeemed at the holder's option at prices based on the constituent funds' net asset value per unit as at the close of business on the relevant dealing day. The constituent funds' net asset value per unit is calculated by dividing the net assets attributable to the members with the total number of outstanding units.

(r) Income tax

The Scheme is registered under the Ordinance and is therefore a recognised scheme for Hong Kong profits tax purposes. The policy of the Hong Kong Inland Revenue Department ("IRD"), as set out in IRD Practice Note No. 23, is that "recognised retirement schemes and their trustees are not considered to be subject to profits tax on their investment income". Accordingly, no provision for Hong Kong profits tax has been made in the Scheme and its constituent funds' financial statements.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

3 Investments

	2022 HK\$'000	2021 HK\$'000
The Scheme		
Investments in constituent funds		
Schroder MPF Capital Guaranteed Portfolio	78,813	99,723
Schroder MPF Conservative Portfolio	95,157	96,581
Schroder MPF RMB and HKD Fixed Income Portfolio	49,218	58,030
Schroder MPF Capital Stable Portfolio	79,314	94,677
Schroder MPF Stable Growth Portfolio	136,421	175,382
Schroder MPF Balanced Investment Portfolio	249,757	334,522
Schroder MPF Growth Portfolio	166,440	235,820
Schroder MPF International Portfolio	210,829	264,374
Schroder MPF Asian Portfolio	247,173	351,608
Schroder MPF Hong Kong Portfolio	257,576	377,820
Schroder MPF Global Fixed Income Portfolio	17,035	21,132
Schroder MPF Core Accumulation Fund	132,058	143,705
Schroder MPF Age 65 Plus Fund	29,769	30,817
	<hr/>	<hr/>
Investments at fair value	1,749,560	2,284,191
	<hr/>	<hr/>
Investments at cost	1,706,818	1,653,784
	<hr/>	<hr/>
	2022 HK\$'000	2021 HK\$'000
Constituent funds		
<u>Schroder MPF Capital Guaranteed Portfolio</u>		
Sun Life MPF Capital Guaranteed Policy ¹	78,903	98,412
<u>Schroder MPF Conservative Portfolio</u>		
Unlisted debt securities	7,992	67,175
<u>Schroder MPF RMB and HKD Fixed Income Portfolio</u>		
Schroder Institutional Pooled Funds		
- Schroder IPF RMB and HKD Fixed Income Fund ²	49,186	58,074
<u>Schroder MPF Capital Stable Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Capital Stable Fund ²	79,408	94,779
<u>Schroder MPF Stable Growth Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Stable Growth Fund ²	136,735	174,250
<u>Schroder MPF Balanced Investment Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Balanced Investment Fund ²	253,839	334,914

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

3 Investments (Continued)

	2022 HK\$'000	2021 HK\$'000
Constituent funds (Continued)		
<u>Schroder MPF Growth Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Growth Fund ²	166,633	235,137
<u>Schroder MPF International Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF International Fund ²	214,338	265,221
<u>Schroder MPF Asian Portfolio</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Asian Fund ²	247,403	352,766
<u>Schroder MPF Hong Kong Portfolio</u>		
Schroder Institutional Pooled Funds		
- Schroder IPF Hong Kong Equity Fund ²	257,637	379,448
<u>Schroder MPF Global Fixed Income Portfolio</u>		
Schroder Institutional Pooled Funds		
- Schroder IPF Global Bond Fund ²	16,922	21,029
<u>Schroder MPF Core Accumulation Fund</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Core 60/40 Fund ²	132,182	143,518
<u>Schroder MPF Age 65 Plus Fund</u>		
Schroder MPF Umbrella Fund		
- Schroder MPF Core 20/80 Fund ²	29,497	30,615
Investments at fair value	<u>1,670,675</u>	<u>2,255,338</u>
Investments at cost	<u>1,568,204</u>	<u>1,572,389</u>

¹ With effect from 1st February 2021, the insurer of the policy was transferred from FWD Life Insurance Company (Bermuda) Limited to Sun Life Hong Kong Limited. This policy guarantees that the capital will be preserved at the end of every five years.

² These funds are managed by Schroder Investment Management (Hong Kong) Limited (the "Investment Manager"), the Investment Manager of the Scheme.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit

(a) Net assets attributable to members

Net assets attributable to members carried at the redemption amount that would be payable at the year end date if the members exercised the right to redeem units in the constituent funds. Redeemable units for Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund are recognised as equities while redeemable units for Schroder MPF Capital Guaranteed Portfolio, Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio, Schroder MPF Capital Stable Portfolio, Schroder MPF Stable Growth Portfolio, Schroder MPF Balanced Investment Portfolio, Schroder MPF Growth Portfolio, Schroder MPF International Portfolio, Schroder MPF Asian Portfolio, Schroder MPF Hong Kong Portfolio and Schroder MPF Global Fixed Income Portfolio are recognised as financial liabilities.

(b) Number of units in issue and net assets attributable to members per unit

The net assets attributable to members per unit are calculated by dividing the net assets attributable to members by the number of units in issue at the year end. The movement of the number of units in issue during the year and the net assets attributable to members per unit as at year end are as follows:

	Schroder MPF Capital Guaranteed Portfolio				Schroder MPF Conservative Portfolio			
	2022		2021		2022		2021	
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units
Units outstanding at the beginning of the year	3,201,889	2,193,558	3,214,686	2,171,318	3,328,681	5,114,229	3,916,724	5,743,520
Units issued	413,278	228,130	813,746	399,840	1,533,157	3,010,463	2,399,216	3,346,031
Units redeemed	(983,776)	(374,371)	(826,543)	(377,600)	(1,387,740)	(3,280,206)	(2,987,259)	(3,975,322)
Units outstanding at the end of the year	<u>2,631,391</u>	<u>2,047,317</u>	<u>3,201,889</u>	<u>2,193,558</u>	<u>3,474,098</u>	<u>4,844,486</u>	<u>3,328,681</u>	<u>5,114,229</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members per unit	<u>16.39</u>	<u>17.42</u>	<u>18.03</u>	<u>19.12</u>	<u>11.41</u>	<u>11.45</u>	<u>11.41</u>	<u>11.45</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF RMB and HKD Fixed Income Portfolio				Schroder MPF Capital Stable Portfolio			
	2022		2021		2022		2021	
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units
Units outstanding at the beginning of the year	1,340,598	2,591,932	1,462,369	3,049,093	1,664,895	3,380,046	1,591,791	3,655,541
Units issued	615,196	407,120	273,302	850,051	391,979	350,341	288,927	334,130
Units redeemed	(469,692)	(970,003)	(395,073)	(1,307,212)	(304,244)	(218,808)	(215,823)	(609,625)
Units outstanding at the end of the year	<u>1,486,102</u>	<u>2,029,049</u>	<u>1,340,598</u>	<u>2,591,932</u>	<u>1,752,630</u>	<u>3,511,579</u>	<u>1,664,895</u>	<u>3,380,046</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members per unit	<u>13.57</u>	<u>14.31</u>	<u>14.25</u>	<u>15.01</u>	<u>14.50</u>	<u>15.34</u>	<u>18.09</u>	<u>19.09</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Stable Growth Portfolio				Schroder MPF Balanced Investment Portfolio			
	2022		2021		2022		2021	
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units
Units outstanding at the beginning of the year	2,778,283	4,896,694	2,794,555	5,155,049	5,297,186	7,194,048	5,349,376	7,482,845
Units issued	389,937	384,191	309,352	445,874	426,721	511,018	439,008	529,036
Units redeemed	(347,103)	(393,016)	(325,624)	(704,229)	(579,665)	(560,611)	(491,198)	(817,833)
Units outstanding at the end of the year	<u>2,821,117</u>	<u>4,887,869</u>	<u>2,778,283</u>	<u>4,896,694</u>	<u>5,144,242</u>	<u>7,144,455</u>	<u>5,297,186</u>	<u>7,194,048</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members per unit	<u>17.14</u>	<u>18.01</u>	<u>22.16</u>	<u>23.24</u>	<u>19.80</u>	<u>20.70</u>	<u>26.12</u>	<u>27.25</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Growth Portfolio				Schroder MPF International Portfolio			
	2022		2021		2022		2021	
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units
Units outstanding at the beginning of the year	3,081,518	4,514,252	3,148,315	4,626,181	4,074,128	7,074,200	4,181,040	7,215,886
Units issued	300,264	315,850	324,312	428,701	583,624	909,543	726,882	965,322
Units redeemed	(282,849)	(601,366)	(391,109)	(540,630)	(299,147)	(1,137,452)	(833,794)	(1,107,008)
Units outstanding at the end of the year	<u>3,098,933</u>	<u>4,228,736</u>	<u>3,081,518</u>	<u>4,514,252</u>	<u>4,358,605</u>	<u>6,846,291</u>	<u>4,074,128</u>	<u>7,074,200</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members per unit	<u>22.23</u>	<u>23.06</u>	<u>30.40</u>	<u>31.48</u>	<u>17.89</u>	<u>19.40</u>	<u>22.53</u>	<u>24.39</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Asian Portfolio				Schroder MPF Hong Kong Portfolio			
	2022		2021		2022		2021	
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units
Units outstanding at the beginning of the year	2,323,024	4,043,123	2,351,910	4,142,774	2,647,183	4,880,732	2,475,965	4,853,988
Units issued	204,058	330,052	239,725	359,421	677,271	887,605	767,594	985,370
Units redeemed	(325,411)	(350,065)	(268,611)	(459,072)	(338,436)	(737,637)	(596,376)	(958,626)
Units outstanding at the end of the year	<u>2,201,671</u>	<u>4,023,110</u>	<u>2,323,024</u>	<u>4,043,123</u>	<u>2,986,018</u>	<u>5,030,700</u>	<u>2,647,183</u>	<u>4,880,732</u>
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Net assets attributable to members per unit	<u>38.81</u>	<u>40.19</u>	<u>54.07</u>	<u>55.89</u>	<u>31.10</u>	<u>32.73</u>	<u>48.59</u>	<u>51.05</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Global Fixed Income Portfolio				Schroder MPF Core Accumulation Fund	
	2022		2021		2022	2021
	Ordinary Class Units	Class B Units	Ordinary Class Units	Class B Units	Units	Units
Units outstanding at the beginning of the year	1,151,304	909,047	1,097,153	922,995	10,336,375	9,613,790
Units issued	202,677	611,820	985,250	607,379	2,706,175	2,341,535
Units redeemed	(315,455)	(468,687)	(931,099)	(621,327)	(1,660,306)	(1,618,950)
	<u>1,038,526</u>	<u>1,052,180</u>	<u>1,151,304</u>	<u>909,047</u>	<u>11,382,244</u>	<u>10,336,375</u>
Units outstanding at the end of the year						

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Global Fixed Income Portfolio				Schroder MPF Core Accumulation Fund	
	2022		2021		2022	2021
	Ordinary Class HK\$	Class B HK\$	Ordinary Class HK\$	Class B HK\$	HK\$	HK\$
Net assets attributable to members per unit (i)	8.25	8.04	10.37	10.10	11.60	13.90
Adjustment for different basis adopted for establishment cost per unit (ii)	-	-	0.00	0.00	-	-
Net assets attributable to members per unit (iii)	<u>8.25</u>	<u>8.04</u>	<u>10.37</u>	<u>10.10</u>	<u>11.60</u>	<u>13.90</u>

(i) Net Assets Value (“NAV”) is calculated according to HKFRSs.

(ii) In accordance with the Scheme’s consolidated offering document, the establishment cost of Schroder MPF Global Fixed Income Portfolio will be amortised over five years from the third anniversary of the commencement date of Schroder MPF Global Fixed Income Portfolio. However, the accounting policy of the constituent funds for the purpose of financial statements preparation in compliance with HKFRSs is to expense the establishment cost in the statement of comprehensive income as incurred. The differences between expensing the establishment cost as incurred in accordance with HKFRSs and capitalisation and amortisation of the establishment cost indicated in the Scheme’s consolidated offering document resulted in adjustments in the net asset attributable to members. This resulted in a decrease of HK\$Nil (2021: a decrease of HK\$2,000) in the statement of financial position as at 30th September 2022 and an increase of HK\$2,000 (2021: an increase of HK\$6,000) is recognised in the statement of comprehensive income for the year ended 30th September 2022 of Schroder MPF Global Fixed Income Portfolio.

(iii) NAV is calculated according to the conditions stated in the Scheme’s consolidated offering document.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

4 Number of units in issue and net assets attributable to members per unit (Continued)

(b) Number of units in issue and net assets attributable to members per unit (Continued)

	Schroder MPF Age 65 Plus Fund	
	2022	2021
	Units	Units
Units outstanding at the beginning of the year	2,588,839	2,116,117
Units issued	1,400,418	1,473,586
Units redeemed	(1,053,235)	(1,000,864)
	<hr/>	<hr/>
Units outstanding at the end of the year	2,936,022	2,588,839
	<hr/>	<hr/>
	HK\$	HK\$
Net assets attributable to members per unit	10.13	11.90
	<hr/>	<hr/>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management

(a) Strategy in using financial instruments

The investment objective of Schroder MPF Capital Guaranteed Portfolio is to achieve a positive return, after expenses, for as long as the investor remains invested in the constituent fund. The investment objective of Schroder MPF Conservative Portfolio is to provide a return, after expenses, which matches or exceeds the Hong Kong dollar savings rate. The investment objective of Schroder MPF RMB and HKD Fixed Income Portfolio is to provide a long term return of capital growth and income in Hong Kong dollars terms through investment in a portfolio consisting mainly of RMB and HKD denominated debt securities. The investment objective of Schroder MPF Capital Stable Portfolio is to achieve a long-term return in line with Hong Kong price inflation (as measured by the Consumer Price Index Type A). The investment objective of Schroder MPF Stable Growth Portfolio is to achieve a long-term return in excess of Hong Kong price inflation (as measured by the Consumer Price Index Type A). The investment objective of Schroder MPF Balanced Investment Portfolio and Schroder MPF Growth Portfolio 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). The investment objective of Schroder MPF International Portfolio, Schroder MPF Asian Portfolio and Schroder MPF Hong Kong Portfolio is to achieve long-term capital growth. The investment objective of Schroder MPF Global Fixed Income Portfolio is to provide security of capital and a comparatively high income return. The investment objective of Schroder MPF Core Accumulation Fund is to provide capital growth to members by investing in a globally diversified manner. The investment objective of Schroder MPF Age 65 Plus Fund is to provide stable growth to members by investing in a globally diversified manner.

Except for the Schroder MPF Conservative Portfolio that invests directly in permitted investments, other constituent funds achieve their respective investment objectives through investing in approved pooled investment funds that are either unit trusts or insurance policies which ultimately invest in equities, debt securities and money market instruments in designated markets. The constituent funds are therefore exposed to market price risk, interest rate risk, credit and custody risk, liquidity risk and currency risk arising from the financial instruments held.

The risks and the respective risk management policies employed by the Scheme and its constituent funds to manage these risks are discussed below:

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

All investments present a risk of loss of capital. The constituent funds' market price risk is managed through diversification of the underlying investment portfolio of the approved pooled investment funds held. The constituent funds' overall market positions are monitored on a regular basis by the Investment Manager.

As at year end, the overall market exposures for the constituent funds were as follows:

Schroder MPF Capital Guaranteed Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy)	78,903	76,908	100.11%	98,412	87,059	98.69%

Schroder MPF Capital Guaranteed Portfolio invests in Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy) (the "insurance policy") which in turn invests in listed/quoted equities and debt securities.

The following table shows the net market exposures of the investments in the insurance policy:

	% of total investments of the insurance policy	
	2022	2021
Sun Life MPF Capital Guaranteed Policy		
Asia Pacific (excl. Japan and Hong Kong)	6.03%	3.86%
Europe	29.68%	32.86%
Hong Kong	1.43%	5.90%
Japan	6.72%	7.90%
United States	55.58%	45.76%
Others	0.56%	0.56%
	<u>100.00%</u>	<u>96.84%</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Conservative Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Unlisted debt securities	7,992	8,000	8.40%	67,175	67,410	69.55%

The following table shows the net market exposures of the investments in debt securities:

	% of net assets of the underlying funds	
	2022	2021
Schroder MPF Conservative Portfolio		
Unlisted debt securities		
Asia Pacific	8.40%	69.55%

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF RMB and HKD Fixed Income Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder Institutional Pooled Funds – Schroder IPF RMB and HKD Fixed Income Fund	49,186	47,821	99.93%	58,074	53,205	100.08%

Schroder MPF RMB and HKD Fixed Income Portfolio invests in a single approved pooled investment fund, a sub-fund of the Schroder Institutional Pooled Funds – Schroder IPF RMB and HKD Fixed Income Fund (the “underlying fund”) which in turns invests in RMB and HKD denominated debt securities and money market instruments including fixed deposits, certificates of deposits, commercial papers, treasury bills and cash.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder Institutional Pooled Funds – Schroder IPF RMB and HKD Fixed Income Fund		
Listed/quoted debt securities		
Australia	4.53%	-
British Virgin Islands	8.73%	8.02%
Canada	-	8.30%
Cayman Islands	4.00%	2.09%
China	6.76%	12.57%
Hong Kong	33.92%	25.27%
Macao	-	8.31%
Netherlands	5.92%	-
Singapore	4.48%	13.51%
South Korea	3.99%	15.60%
United Arab Emirates	8.62%	-
United Kingdom	12.96%	-
	93.91%	93.67%
Foreign exchange forward contracts	0.70%	(0.15%)
	94.61%	93.52%

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Capital Stable Portfolio

<u>Held for trading</u>	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
Schroder MPF Umbrella Fund – Schroder MPF Capital Stable Fund	79,408	81,038	100.12%	94,779	77,141	100.11%

Schroder MPF Capital Stable Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF Capital Stable Fund (the “underlying fund”). The underlying fund invests in a portfolio of approved pooled investment funds which in turns invest in listed/quoted equities and debt securities.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Capital Stable Fund		
Approved index tracking funds		
Hong Kong	1.40%	0.54%
United States	5.00%	9.66%
	6.40%	10.20%
Approved pooled investment funds		
Asia Pacific	35.96%	33.77%
Europe	18.30%	23.98%
United States	27.78%	25.67%
Others	1.28%	1.58%
	83.32%	85.00%
Foreign exchange forward contracts	0.57%	0.07%
Futures	0.28%	0.07%
	90.57%	95.34%

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Stable Growth Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF Stable Growth Fund	136,735	130,208	100.23%	174,250	126,108	99.35%

Schroder MPF Stable Growth Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF Stable Growth Fund (the “underlying fund”). The underlying fund invests in a portfolio of approved pooled investment funds which in turns invest in listed/quoted equities and debt securities.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Stable Growth Fund		
Approved index tracking funds		
Hong Kong	1.77%	0.47%
United States	4.68%	8.68%
	6.45%	9.15%
Approved pooled investment funds		
Asia Pacific	41.81%	39.41%
Europe	17.63%	24.83%
United States	24.81%	21.60%
Others	1.09%	0.44%
	85.34%	86.28%
Foreign exchange forward contracts	0.53%	0.06%
Futures	0.19%	-
	92.51%	95.49%

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Balanced Investment Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF Balanced Investment Fund	253,839	218,650	101.63%	334,914	214,207	100.12%

Schroder MPF Balanced Investment Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF Balanced Investment Fund (the “underlying fund”). The underlying fund invests in a portfolio of approved pooled investment funds which in turns invest in listed/quoted equities and debt securities.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund – Schroder MPF Balanced Investment Fund		
Approved index tracking funds		
Hong Kong	2.41%	0.47%
United States	5.42%	7.25%
	7.83%	7.72%
Approved pooled investment funds		
Asia Pacific	46.42%	44.02%
Europe	16.16%	23.63%
United States	23.11%	20.95%
Others	0.88%	0.23%
	86.57%	88.83%
Foreign exchange forward contracts	0.60%	0.12%
Futures	0.41%	-
	95.41%	96.67%

Schroder MPF Growth Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF Growth Fund	166,633	138,289	100.12%	235,137	137,897	99.71%

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Growth Portfolio (Continued)

Schroder MPF Growth Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF Growth Fund (the “underlying fund”). The underlying fund invests in a portfolio of approved pooled investment funds which in turns invest in listed/quoted equities and debt securities.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Growth Fund		
Approved index tracking funds		
Hong Kong	2.52%	0.47%
United States	7.94%	8.44%
	<hr/>	<hr/>
	10.46%	8.91%
Approved pooled investment funds		
Asia Pacific	53.02%	53.16%
Europe	14.76%	20.00%
United States	18.63%	17.45%
Others	0.38%	0.04%
	<hr/>	<hr/>
	86.79%	90.65%
Foreign exchange forward contracts	0.67%	0.08%
Futures	0.02%	-
	<hr/>	<hr/>
	97.94%	99.64%
	<hr/>	<hr/>

Schroder MPF International Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF International Fund	<u>214,338</u>	<u>167,648</u>	<u>101.66%</u>	<u>265,221</u>	<u>153,716</u>	<u>100.32%</u>

Schroder MPF International Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF International Fund (the “underlying fund”). The underlying fund invests in a portfolio of approved pooled investment funds which in turns invest in listed equities.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF International Portfolio (Continued)

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF International Fund		
Approved index tracking funds		
Hong Kong	2.66%	1.48%
United States	17.53%	17.43%
	<hr/>	<hr/>
	20.19%	18.91%
Approved pooled investment funds		
Asia Pacific	14.44%	14.26%
Europe	11.72%	15.10%
United States	51.09%	51.47%
	<hr/>	<hr/>
	77.25%	80.83%
Foreign exchange forward contracts	0.56%	0.13%
	<hr/>	<hr/>
	98.00%	99.87%
	<hr/> <hr/>	<hr/> <hr/>

Schroder MPF Asian Portfolio

	2022			2021		
	Fair value	Cost	% of net	Fair value	Cost	% of net
<u>Held for trading</u>	HK\$'000	HK\$'000	assets	HK\$'000	HK\$'000	assets
Schroder MPF Umbrella Fund – Schroder MPF Asian Fund	247,403	212,151	100.09%	352,766	209,693	100.33%
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Schroder MPF Asian Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund - Schroder MPF Asian Fund (the “underlying fund”) which in turns invests in listed equities and debt securities.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Asian Portfolio (Continued)

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Asian Fund		
Listed equities		
Asia Pacific	93.79%	95.14%
United States	0.50%	1.94%
	<hr/>	<hr/>
	94.29%	97.08%
Listed debt securities		
Asia Pacific	-	0.02%
	<hr/>	<hr/>
	94.29%	97.10%
	<hr/>	<hr/>

Schroder MPF Hong Kong Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder Institutional Pooled Funds – Schroder IPF Hong Kong Equity Fund	<u>257,637</u>	<u>302,854</u>	<u>100.02%</u>	<u>379,448</u>	<u>280,961</u>	<u>100.43%</u>

Schroder MPF Hong Kong Portfolio invests in a single approved pooled investment fund, a sub-fund of the Schroder Institutional Pooled Funds – Schroder IPF Hong Kong Equity Fund (the “underlying fund”) which in turns mainly invests in Hong Kong equities.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Hong Kong Portfolio (Continued)

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder Institutional Pooled Funds - Schroder IPF Hong Kong Equity Fund		
Listed equities		
Hong Kong	93.74%	94.32%
United States	4.87%	4.48%
	<u>98.61%</u>	<u>98.80%</u>

Schroder MPF Global Fixed Income Portfolio

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder Institutional Pooled Funds – Schroder IPF Global Bond Fund	<u>16,922</u>	<u>20,466</u>	<u>99.34%</u>	<u>21,029</u>	<u>21,155</u>	<u>99.51%</u>

Schroder MPF Global Fixed Income Portfolio invests in a single approved pooled investment fund, a sub-fund of Schroder Institutional Pooled Funds - Schroder IPF Global Bond Fund (the “underlying fund”) which in turns invests in listed/quoted debt securities and derivative financial instruments.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Global Fixed Income Portfolio (Continued)

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder Institutional Pooled Funds - Schroder IPF		
Global Bond Fund		
Listed/quoted debt securities		
Australia	1.21%	1.65%
Austria	0.51%	0.64%
Belgium	0.78%	1.05%
British Virgin Islands	0.94%	0.92%
Canada	7.69%	7.70%
Cayman island	0.29%	0.28%
China	1.20%	0.68%
Denmark	0.09%	0.11%
Finland	0.52%	0.65%
France	4.07%	5.33%
Germany	7.20%	11.12%
Hong Kong	7.43%	4.71%
Ireland	0.53%	0.64%
Italy	2.26%	1.70%
Japan	13.08%	16.79%
Luxembourg	5.05%	5.74%
Netherlands	2.28%	2.42%
Norway	0.12%	0.13%
Philippines	1.86%	2.44%
Singapore	1.34%	1.07%
South Korea	8.34%	4.89%
Spain	1.09%	1.34%
United Kingdom	3.89%	5.53%
United States	24.96%	21.86%
	<hr/>	<hr/>
Foreign exchange forward contracts	96.73%	99.39%
Futures	-	(0.07%)
	0.21%	0.11%
	<hr/>	<hr/>
	96.94%	99.43%
	<hr/>	<hr/>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Core Accumulation Fund

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF Core 60/40 Fund	132,182	131,602	100.09%	143,518	114,994	99.87%

Schroder MPF Core Accumulation Fund invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund – Schroder MPF Core 60/40 Fund (the “underlying fund”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Core 60/40 Fund		
Asia Pacific	13.99%	13.45%
Europe	23.06%	27.26%
United States	60.73%	56.87%
Others	-	0.18%
	<u>97.78%</u>	<u>97.76%</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Age 65 Plus Fund

	2022			2021		
	Fair value HK\$'000	Cost HK\$'000	% of net assets	Fair value HK\$'000	Cost HK\$'000	% of net assets
<u>Held for trading</u>						
Schroder MPF Umbrella Fund – Schroder MPF Core 20/80 Fund	29,497	32,569	99.09%	30,615	28,843	99.34%

Schroder MPF Age 65 Plus Fund invests in a single approved pooled investment fund, a sub-fund of Schroder MPF Umbrella Fund – Schroder MPF Core 20/80 Fund (the “underlying fund”) which in turns invests in two approved pooled investment funds as allowed under the Mandatory Provident Fund Schemes (General) Regulation.

The following table shows the net market exposures of the investments in the underlying fund:

	% of net assets of the underlying fund	
	2022	2021
Schroder MPF Umbrella Fund - Schroder MPF Core 20/80 Fund		
Asia Pacific	13.75%	11.97%
Europe	28.29%	35.47%
United States	55.83%	50.40%
Others	-	0.06%
	<u>97.87%</u>	<u>97.90%</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

The table below summarises the impact on the constituent funds' net assets attributable to members as a result of increases/(decreases) of the key indices to which the constituent funds' underlying investments are exposed. The analysis is based on the assumption that the indices had increased/(decreased) by the respective percentage with all other variables held constant and the fair value of the constituent funds' investments moved according to the historical correlation with the indices. Market price risk for the Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio and Schroder MPF Global Fixed Income Portfolio are disclosed in note 5(c) under interest rate risk.

Constituent funds	Benchmark components	Change in benchmark component by 2022	Impact on net assets attributable to members 2022 HK\$'000	Change in benchmark component by 2021	Impact on net assets attributable to members 2021 HK\$'000
Schroder MPF Capital Guaranteed Portfolio (Note ¹)	-	5%	3,945	5%	4,921
Schroder MPF Capital Stable Portfolio	FTSE MPF Asia Pacific ex JP ex HK, FTSE MPF China, FTSE Europe, FTSE MPF Hong Kong, FTSE Japan, FTSE N. America, MSCI AC Asia ex Japan Index, S&P 500 Index, MSCI Australia Index, MSCI Europe Investable Market Index, MSCI China Index (Note)	7%	1,563	6%	1,848

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Constituent funds	Benchmark components	Change in benchmark component by 2022	Impact on net assets attributable to members 2022 HK\$'000	Change in benchmark component by 2021	Impact on net assets attributable to members 2021 HK\$'000
Schroder MPF Stable Growth Portfolio	FTSE MPF Asia Pacific ex JP ex HK, FTSE MPF China, FTSE Europe, FTSE MPF Hong Kong, FTSE Japan, FTSE N. America, MSCI AC Asia ex Japan Index, S&P 500 Index, MSCI Australia Index, MSCI Europe Investable Market Index, MSCI China Index (Note)	9%	6,056	8%	7,554
Schroder MPF Balanced Investment Portfolio	FTSE MPF Asia Pacific ex JP ex HK, FTSE MPF China, FTSE Europe, FTSE MPF Hong Kong, FTSE Japan, FTSE N. America, MSCI AC Asia ex Japan Index, S&P 500 Index, MSCI Australia Index, MSCI Europe Investable Market Index, MSCI Japan Index, MSCI China Index (Note)	10%	17,934	10%	25,068

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Constituent funds	Benchmark components	Change in benchmark component by 2022	Impact on net assets attributable to members 2022 HK\$'000	Change in benchmark component by 2021	Impact on net assets attributable to members 2021 HK\$'000
Schroder MPF Growth Portfolio	FTSE MPF Asia Pacific ex JP ex HK, FTSE MPF China, FTSE Europe, FTSE MPF Hong Kong, FTSE Japan, FTSE N. America, MSCI AC Asia ex Japan Index, S&P 500 Index, MSCI Australia Index, MSCI Europe Investable Market Index, MSCI Japan Index, MSCI China Index (Note)	13%	20,377	13%	29,435
Schroder MPF International Portfolio	FTSE MPF Asia Pacific ex JP ex HK, FTSE MPF China, FTSE Europe, FTSE MPF Hong Kong, FTSE Japan, FTSE N. America, MSCI AC Asia ex Japan Index, S&P 500 Index, MSCI Korea 25/50 Index, MSCI Australia Index, MSCI Europe Investable Market Index, MSCI Japan Index, MSCI Canada Index, MSCI China Index, Hang Seng Index (Note)	18%	37,237	13%	34,098

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Constituent funds	Benchmark components	Change in benchmark component by 2022	Impact on net assets attributable to members 2022 HK\$'000	Change in benchmark component by 2021	Impact on net assets attributable to members 2021 HK\$'000
Schroder MPF Asian Portfolio	FTSE MPF Asia Pacific ex JP ex AU ex NZ	5%	11,146	5%	16,351
Schroder MPF Hong Kong Portfolio	FTSE MPF Hong Kong	5%	14,117	5%	19,870
Schroder MPF Core Accumulation Fund	FTSE MPF All world IDX	13%	9,790	9%	7,519
Schroder MPF Age 65 Plus Fund	FTSE MPF All world IDX	8%	454	4%	247

Note¹ - The Schroder MPF Capital Guaranteed Portfolio provides a guarantee payable upon 5 years of continuous investment or over a lesser period if the member reaches 65. The analysis is based on the assumption that with all other variables held constant and the fair value of the policy's investments will be impacted by the same extent as the market movement.

Note² - The composition of benchmark components depends on the weighted investment holdings of the respective underlying funds.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

The Investment Manager has used its view of what would be a “reasonable shift” in each key market to estimate the change for use in the market sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in market index % are revised annually depending on the Investment Manager’s current view of market volatility and other relevant factors.

Each constituent fund’s investments in Investee Funds are subject to the terms and conditions of the respective Investee Funds’ offering documents and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The right of the constituent fund to request redemption of its investments in the Investee Funds is on daily basis.

Each constituent fund’s maximum exposure to loss from its interests in Investee Funds equal the total fair value of its investments in Investee Funds.

Once the constituent fund has disposal of its shares in an Investee Fund, the constituent fund ceases to be exposed to any risk from that Investee Fund.

Each constituent fund’s holding in an Investee Fund, as a percentage of the Investee Fund’s total net asset value, will vary from time to time dependent on the volume of subscriptions and redemptions at the Investee Fund level. It is possible that each constituent fund, may, at any point of time, hold a majority of an Investee Fund’s total units in issue.

The exposure to investments in Investee Funds at fair value by strategy employed is disclosed in the following table. These investments are included in “investments” in the statement of financial position of each of the constituent fund.

Schroder MPF Capital Guaranteed Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$’000	% of net assets		Fair value HK\$’000	% of net assets
Capital Guaranteed Insurance Policy	1	78,903	100.11%	1	98,412	98.69%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$7,474,000 (2021: total net gains incurred HK\$2,048,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF RMB and HKD Fixed Income Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$’000	% of net assets		Fair value HK\$’000	% of net assets
Fixed income fund	1	49,186	99.93%	1	58,074	100.08%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$1,913,000 (2021: total net gains incurred HK\$2,909,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Capital Stable Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Multi-Asset Fund	1	79,408	100.12%	1	94,779	100.11%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$18,079,000 (2021: total net gains incurred HK\$4,922,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF Stable Growth Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Multi-Asset Fund	1	136,735	100.23%	1	174,250	99.35%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$38,611,000 (2021: total net gains incurred HK\$17,305,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF Balanced Investment Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Multi-Asset Fund	1	253,839	101.63%	1	334,914	100.12%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$77,870,000 (2021: total net gains incurred HK\$47,049,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Growth Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Multi-Asset Fund	1	166,633	100.12	1	235,137	99.71%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$60,806,000 (2021: total net gains incurred HK\$42,201,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF International Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Equity fund	1	214,338	101.66%	1	265,221	100.32%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$52,423,000 (2021: total net gains incurred HK\$61,695,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF Asian Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Equity fund	1	247,403	100.09%	1	352,766	100.33%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$95,089,000 (2021: total net gains incurred HK\$64,903,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Hong Kong Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Equity fund	1	257,637	100.02%	1	379,448	100.43%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$137,330,000 (2021: total net gains incurred HK\$37,891,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF Global Fixed Income Portfolio

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Fixed income fund	1	16,922	99.34%	1	21,029	99.51%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$3,967,000 (2021: total net gains incurred HK\$674,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

Schroder MPF Core Accumulation Fund

Quoted investment funds	Number of Investee Funds	2022		Number of Investee Funds	2021	
		Fair value HK\$'000	% of net assets		Fair value HK\$'000	% of net assets
Multi-Asset Fund	1	132,182	100.09%	1	143,518	99.87%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$24,571,000 (2021: total net gains incurred HK\$18,004,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(b) Market price risk (Continued)

Schroder MPF Age 65 Plus Fund

Quoted investment funds	Number of Investee Funds	2022	% of net assets	Number of Investee Funds	2021	% of net assets
		Fair value HK\$'000			Fair value HK\$'000	
Multi-Asset Fund	1	29,497	99.09%	1	30,615	99.34%

During the year ended 30th September 2022 total net losses incurred on investments in Investee Fund was HK\$4,982,000 (2021: total net gains incurred HK\$842,000). As at 30th September 2022 and 30th September 2021 there were no capital commitment obligations and no amounts due to Investee Funds for unsettled purchases.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

As at 30th September 2022 and 2021, the majority of the financial assets and liabilities of the Scheme, Schroder MPF Capital Guaranteed Portfolio, Schroder MPF International Portfolio, Schroder MPF Asian Portfolio and Schroder MPF Hong Kong Portfolio are non-interest bearing. As a result, the Scheme and these constituent funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

For the Schroder MPF Conservative Portfolio, Schroder MPF RMB and HKD Fixed Income Portfolio, Schroder MPF Capital Stable Portfolio, Schroder MPF Stable Growth Portfolio, Schroder MPF Balanced Investment Portfolio, Schroder MPF Growth Portfolio, Schroder MPF Global Fixed Income Portfolio, Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund, the underlying investment funds invest partly in debt securities and money market instruments. These constituent funds are therefore exposed to risk due to fluctuations in the prevailing levels of market interest rates.

At year end, should the relevant market interest rates have moved down by 120 basis points (2021: 40 basis point) for the above mentioned 9 constituent funds except Schroder MPF Conservative Portfolio and Schroder MPF RMB and HKD Fixed Income Portfolio have moved down by 50 basis points and 20 basis points (2021: 5 basis points and 10 basis points) respectively with all other variables held constant, the impacts on the net assets attributable to members of these 9 (2021: 9) constituent funds are shown at the table below. The same change in opposite direction would cause the opposite movement in the net assets attributable to members by equal amounts.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(c) Interest rate risk (Continued)

Constituent funds	Basis points 2022	Basis points 2021	Estimated impact 2022 HK\$'000	Estimated impact 2021 HK\$'000
Schroder MPF Conservative Portfolio	50	5	55	7
Schroder MPF RMB and HKD Fixed Income Portfolio	20	10	146	42
Schroder MPF Capital Stable Portfolio	120	40	3,451	2,048
Schroder MPF Stable Growth Portfolio	120	40	4,138	2,631
Schroder MPF Balanced Investment Portfolio	120	40	4,375	2,708
Schroder MPF Growth Portfolio	120	40	636	514
Schroder MPF Global Fixed Income Portfolio	120	40	1,218	700
Schroder MPF Core Accumulation Fund	120	40	4,277	1,762
Schroder MPF Age 65 Plus Fund	120	40	1,935	775

The Investment Manager has used its view of what would be a “reasonable possible shift” in the market interest rates to estimate the change for use in the interest rate risk sensitivity analysis above.

Disclosures above are shown in absolute terms, changes and impacts could be positive or negative. Changes in basis points are revised annually depending on the Investment Manager’s current view of market interest rate sensitivity and other relevant factors.

(d) Credit and custody risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Scheme and its constituent funds.

The Scheme and its constituent funds’ financial assets which are potentially subject to concentrations of credit risk consist principally of bank deposits and assets held with the banks and the custodian.

The Scheme and its constituent funds limit their exposure to credit risk by depositing and transacting the majority of its investments and contractual commitment activities with banks, custodian and counterparties with high credit ratings and that the Scheme and its constituent funds consider to be well established.

The Scheme’s financial assets that are potentially subject to concentration of credit risk consist principally of bank deposits of HK\$22,050,000 (2021: HK\$21,892,000) which are placed with The Hongkong and Shanghai Banking Corporation Limited with credit rating issued by S&P at the year end of A-1+ (2021: A-1+).

The constituent funds’ financial assets which are potentially subject to concentration of credit risk consist principally of bank deposits and investments held with the custodians. Indirect credit risk from the underlying funds are managed by the investment manager of the underlying funds.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

The table below summarises the deposits placed with banks and investments placed with custodian at 30th September 2022 and 2021:

Schroder MPF Capital Guaranteed Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	78,903	A-1+	S&P
- Cash (Note)	33	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	98,412	A-1+	S&P
- Cash (Note)	42	A-1+	S&P

Schroder MPF Conservative Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	7,992	A-1+	S&P
- Cash (Note)	5,024	A-1+	S&P
<u>Banks</u>			
Agricultural Bank of China	7,856	A-1	S&P
ANZ Bank	2,805	P-1	Moody's
Bank of China, Hong Kong Branch	5,506	A-1	S&P
BNP Paribas, Hong Kong Branch	8,524	A-1	S&P
China Construction Bank (Asia)	8,136	A-1	S&P
CIMB Bank Berhad, Hong Kong Branch	6,513	A-2	S&P
Dah Sing Bank Limited	7,320	P-1	Moody's
DBS Bank Ltd	8,526	A-1+	S&P
Industrial and Commercial Bank of China (Asia)	7,413	A-1	S&P
Oversea-Chinese Banking Corporation Ltd	8,021	A-1+	S&P
Standard Chartered Bank	6,514	A-1	S&P
	<hr/> 77,134 <hr/>		

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF Conservative Portfolio (Continued)

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	67,175	A-1+	S&P
- Cash (Note)	6,264	A-1+	S&P
<u>Banks</u>			
Agricultural Bank of China Limited, Hong Kong Branch	9,439	A-1	S&P
China Construction Bank (Asia) Corporation Limited	10,055	A-1	S&P
Dah Sing Bank Limited	1,900	P-1	Moody's
Oversea-Chinese Banking Corporation Limited	8,000	A-1+	S&P
	<u>29,394</u>		

Schroder MPF RMB and HKD Fixed Income Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	49,186	A-1+	S&P
- Cash (Note)	29	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	58,074	A-1+	S&P
- Cash (Note)	38	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF Capital Stable Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	79,408	A-1+	S&P
- Cash (Note)	30	A-1+	S&P

At 30th September 2021

Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited

- Investments	94,779	A-1+	S&P
- Cash (Note)	25	A-1+	S&P

Schroder MPF Stable Growth Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	136,735	A-1+	S&P
- Cash (Note)	46	A-1+	S&P

At 30th September 2021

Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited

- Investments	174,250	A-1+	S&P
- Cash (Note)	84	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF Balanced Investment Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	253,839	A-1+	S&P
- Cash (Note)	100	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	334,914	A-1+	S&P
- Cash (Note)	51	A-1+	S&P

Schroder MPF Growth Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	166,633	A-1+	S&P
- Cash (Note)	104	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	235,137	A-1+	S&P
- Cash (Note)	78	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF International Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	214,338	A-1+	S&P
- Cash (Note)	92	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	265,221	A-1+	S&P
- Cash (Note)	100	A-1+	S&P

Schroder MPF Asian Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	247,403	A-1+	S&P
- Cash (Note)	159	A-1+	S&P
At 30th September 2021			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	352,766	A-1+	S&P
- Cash (Note)	114	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF Hong Kong Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	257,637	A-1+	S&P
- Cash (Note)	174	A-1+	S&P

At 30th September 2021

<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	379,448	A-1+	S&P
- Cash (Note)	150	A-1+	S&P

Schroder MPF Global Fixed Income Portfolio

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	16,922	A-1+	S&P
- Cash (Note)	31	A-1+	S&P

At 30th September 2021

<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	21,029	A-1+	S&P
- Cash (Note)	117	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

Schroder MPF Core Accumulation Fund

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	132,182	A-1+	S&P
- Cash (Note)	34	A-1+	S&P

At 30th September 2021

Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited

- Investments	143,518	A-1+	S&P
- Cash (Note)	39	A-1+	S&P

Schroder MPF Age 65 Plus Fund

	HK\$'000	Credit rating	Source of credit rating
At 30th September 2022			
<u>Custodian</u>			
HSBC Provident Fund Trustee (Hong Kong) Limited			
- Investments	29,497	A-1+	S&P
- Cash (Note)	7	A-1+	S&P

At 30th September 2021

Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited

- Investments	30,615	A-1+	S&P
- Cash (Note)	17	A-1+	S&P

Note: Balance represented cash balances held with the Custodian on behalf of the Constituent Funds and placed at The Hongkong and Shanghai Banking Corporation Limited with a credit rating of A-1+ (2021: A-1+).

All constituent funds (other than the Schroder MPF Capital Guaranteed Portfolio and Schroder MPF Conservative Portfolio) invested in approved pooled investment funds as at 30th September 2022 and 2021, managed by Schroder Investment Management (Hong Kong) Limited, also the Investment Manager of the Scheme and its constituent funds. As such, these constituent funds are not exposed to significant credit risk.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(d) Credit and custody risk (Continued)

As at 30th September 2022 and 2021, Schroder MPF Capital Guaranteed Portfolio invested in an insurance policy issued by a reputable insurer, Sun Life Hong Kong Limited. Sun Life Hong Kong Limited is a part of Sun Life Group whose long-term credit rating is A3 (2021: A3) by Moody's. As such, Schroder MPF Capital Guaranteed Portfolio is not exposed to significant credit risk.

The maximum exposure to credit risk at year end is the carrying amount of the financial assets as shown on the statement of net assets available for benefits for the Scheme and the statement of financial position for the constituent funds.

The Scheme and its constituent funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. As at 30th September 2022 and 2021, the bank balances, amounts receivable on redemption of units in constituent funds, contribution receivable, fixed deposits with original maturity more than three months, interest receivable on debt securities, bank deposit interest receivable, amounts receivable on sale of investments, amounts receivable on subscription and other receivables can be realised within three months. Management considers the probability of default to be insignificant as the counterparties generally have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme and its constituent funds.

(e) Liquidity risk

Liquidity risk is the risk that the Scheme and its constituent funds will encounter difficulty in settling a liability.

In accordance with the Mandatory Provident Fund legislation, for the Scheme, the maximum intervals for a request for redemption and the actual payment of accrued benefits (whether from mandatory or voluntary contributions) and a request by the Trustee of the Scheme for redemption and the actual payment to the Trustee of the Scheme of redemption proceeds of the underlying pooled investment funds of any constituent fund will be thirty days.

The constituent funds are exposed to daily cash redemptions of units in the constituent funds. The constituent funds invest the majority of their assets in investments that are considered to be readily realisable.

The financial liabilities of the Scheme and its constituent funds as at 30th September 2022 and 2021 were due within 1 month based on the remaining period at the year end date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Units are redeemed on demand at members' option of the constituent funds. However, the Trustee does not envisage that the contractual maturity of less than one month for net assets attributable to members will be representative of the actual cash outflows, as members typically retain them for the long term. As at 30th September 2022, one individual member held more than 10% of Schroder MPF Global Fixed Income Portfolio's units and one individual member held more than 10% of Schroder MPF RMB and HKD Fixed Income Portfolio's units (2021: one individual members held more than 10% of Schroder MPF Global Fixed Income Portfolio's units).

The Scheme and its constituent funds manage their liquidity risk by investing in investments that they expect to be able to liquidate within 1 month or less. The expected liquidity of all assets of the Scheme and its constituent funds is less than 1 month.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(f) Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

As at 30th September 2022 and 2021, the Scheme and its constituent funds did not have any assets or liabilities denominated in currencies other than their functional currency, HK\$. As a result, the Scheme and its constituent funds have no currency exposure.

(g) Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as trading securities) are based on quoted market prices at the close of trading on the year end date. The constituent funds utilise the last traded market price as its fair valuation inputs for both financial assets and financial liabilities.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the constituent funds for similar financial instruments.

HKFRS 13 requires the constituent funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the constituent funds. The constituent funds consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

The following table analyses within the fair value hierarchy the constituent funds' investments (by class) measured at fair value at 30th September 2022 and 2021:

Schroder MPF Capital Guaranteed Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy)	-	78,903	-	78,903
Total financial assets at fair value through profit or loss	-	78,903	-	78,903

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Sun Life MPF Capital Guaranteed Policy (formerly known as FWD MPF Capital Guaranteed Policy)	-	98,412	-	98,412
Total financial assets at fair value through profit or loss	-	98,412	-	98,412

Schroder MPF Conservative Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Unlisted debt securities		7,992		7,992
Total financial assets at fair value through profit or loss	-	7,992	-	7,992

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF Conservative Portfolio (Continued)

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Unlisted debt securities	-	67,175	-	67,175
Total financial assets at fair value through profit or loss	-	67,175	-	67,175

Schroder MPF RMB and HKD Fixed Income Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder Institutional Pooled Funds – Schroder IPF RMB and HKD Fixed Income Fund	49,186	-	-	49,186
Total financial assets at fair value through profit or loss	49,186	-	-	49,186

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder Institutional Pooled Funds – Schroder IPF RMB and HKD Fixed Income Fund	58,074	-	-	58,074
Total financial assets at fair value through profit or loss	58,074	-	-	58,074

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF Capital Stable Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder MPF Umbrella Fund – Schroder MPF Capital Stable Fund	79,408	-	-	79,408
Total financial assets at fair value through profit or loss	<u>79,408</u>	<u>-</u>	<u>-</u>	<u>79,408</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder MPF Umbrella Fund – Schroder MPF Capital Stable Fund	94,779	-	-	94,779
Total financial assets at fair value through profit or loss	<u>94,779</u>	<u>-</u>	<u>-</u>	<u>94,779</u>

Schroder MPF Stable Growth Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder MPF Umbrella Fund – Schroder MPF Stable Growth Fund	136,735	-	-	136,735
Total financial assets at fair value through profit or loss	<u>136,735</u>	<u>-</u>	<u>-</u>	<u>136,735</u>

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder MPF Umbrella Fund – Schroder MPF Stable Growth Fund	174,250	-	-	174,250
Total financial assets at fair value through profit or loss	<u>174,250</u>	<u>-</u>	<u>-</u>	<u>174,250</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF Balanced Investment Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Balanced Investment Fund	253,839	-	-	253,839
Total financial assets at fair value through profit or loss	<u>253,839</u>	<u>-</u>	<u>-</u>	<u>253,839</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Balanced Investment Fund	334,914	-	-	334,914
Total financial assets at fair value through profit or loss	<u>334,914</u>	<u>-</u>	<u>-</u>	<u>334,914</u>

Schroder MPF Growth Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Growth Fund	166,633	-	-	166,633
Total financial assets at fair value through profit or loss	<u>166,633</u>	<u>-</u>	<u>-</u>	<u>166,633</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Growth Fund	235,137	-	-	235,137
Total financial assets at fair value through profit or loss	<u>235,137</u>	<u>-</u>	<u>-</u>	<u>235,137</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF International Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
International Fund	214,338	-	-	214,338
Total financial assets at fair value through profit or loss	<u>214,338</u>	<u>-</u>	<u>-</u>	<u>214,338</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
International Fund	265,221	-	-	265,221
Total financial assets at fair value through profit or loss	<u>265,221</u>	<u>-</u>	<u>-</u>	<u>265,221</u>

Schroder MPF Asian Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Asian Fund	247,403	-	-	247,403
Total financial assets at fair value through profit or loss	<u>247,403</u>	<u>-</u>	<u>-</u>	<u>247,403</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF				
Asian Fund	352,766	-	-	352,766
Total financial assets at fair value through profit or loss	<u>352,766</u>	<u>-</u>	<u>-</u>	<u>352,766</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF Hong Kong Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder Institutional Pooled Funds – Schroder IPF Hong Kong Equity Fund	257,637	-	-	257,637
Total financial assets at fair value through profit or loss	<u>257,637</u>	<u>-</u>	<u>-</u>	<u>257,637</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder Institutional Pooled Funds – Schroder IPF Hong Kong Equity Fund	379,448	-	-	379,448
Total financial assets at fair value through profit or loss	<u>379,448</u>	<u>-</u>	<u>-</u>	<u>379,448</u>

Schroder MPF Global Fixed Income Portfolio

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder Institutional Pooled Funds – Schroder IPF Global Bond Fund	16,922	-	-	16,922
Total financial assets at fair value through profit or loss	<u>16,922</u>	<u>-</u>	<u>-</u>	<u>16,922</u>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading Schroder Institutional Pooled Funds – Schroder IPF Global Bond Fund	21,029	-	-	21,029
Total financial assets at fair value through profit or loss	<u>21,029</u>	<u>-</u>	<u>-</u>	<u>21,029</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Schroder MPF Core Accumulation Fund

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF Core				
60/40 Fund	132,182	-	-	132,182
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets at fair value through profit or loss	132,182	-	-	132,182
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF Core				
60/40 Fund	143,518	-	-	143,518
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets at fair value through profit or loss	143,518	-	-	143,518
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Schroder MPF Age 65 Plus Fund

At 30th September 2022

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF Core				
20/80 Fund	29,497	-	-	29,497
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets at fair value through profit or loss	29,497	-	-	29,497
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

At 30th September 2021

Assets	<u>Level 1</u> HK\$'000	<u>Level 2</u> HK\$'000	<u>Level 3</u> HK\$'000	<u>Total balance</u> HK\$'000
Held for trading				
Schroder MPF Umbrella				
Fund – Schroder MPF Core				
20/80 Fund	30,615	-	-	30,615
	<hr/>	<hr/>	<hr/>	<hr/>
Total financial assets at fair value through profit or loss	30,615	-	-	30,615
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(g) Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include quoted investment funds. The constituent funds do not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As of 30th September 2022 and 2021, the constituent funds did not hold any investments classified in level 3.

For the year ended 30th September 2022 and 2021, there were no transfers between levels of investments held by the constituent funds.

The financial assets and liabilities included in the statement of financial position, other than investments, are carried at amortised cost; their carrying values are a reasonable approximation of fair value. There are no other assets or liabilities not measured at fair value but for which the fair value is disclosed.

(h) Capital risk management

The capital of the constituent funds is represented by the units in the constituent funds, and shown as net assets attributable to members in the statement of financial position. The amount of net assets attributable to members for each constituent fund can change significantly on a daily basis as the constituent funds are subject to daily subscriptions and redemptions at the discretion of members. Subscriptions and redemptions of units during the year are shown in the statement of changes in net assets attributable to members. The constituent funds' objectives when managing capital is to safeguard their ability to continue as a going concern in order to provide retirement benefits to members and benefits for other stakeholders and to maintain a strong capital base to support the investment activities of the constituent funds.

In order to maintain or adjust the capital structure, the policy of the constituent funds is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets; and
- redeem and issue units in accordance with the trust deed of the Scheme.

The Trustee and the Investment Manager monitor capital on the basis of the value of net assets attributable to members.

(i) Financial instruments by category of the Scheme and the constituent funds

Financial assets

Apart from investments as disclosed in the statement of financial position, all other financial assets as disclosed in the statement of financial position, including fixed deposits with original maturity more than three months, bank deposit interest receivable, amounts receivable on sale of investments, amounts receivable on subscription, other receivables and bank balances are categorised as "financial assets at amortised cost".

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

5 Financial risk management (Continued)

(i) Financial instruments by category of the Scheme and the constituent funds (Continued)

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including amounts payable on redemption, amounts payable on purchase of investments and accruals and other payables are categorised as “other financial liabilities at amortised cost”.

6 Transactions with related parties/associates

Except as disclosed in Note 3 and below, the Scheme and its constituent funds did not have any transactions with related parties, including the Trustee, the Sponsor, the Investment Manager and their associates or delegates of the Investment Manager during the year ended 30th September 2022 and 2021. Associates or delegates of the Investment Manager or Trustee are those as defined in the Ordinance established by the MPFA.

All related party transactions were entered into in the ordinary course of business and on normal commercial terms.

(a) Investment management fee

The Investment Manager, Schroder Investment Management (Hong Kong) Limited, is entitled to receive a fee calculated daily at 0.25% per annum of the net asset value of the Schroder MPF Conservative Portfolio, Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund and 0.30% per annum of the net asset value of the Schroder MPF Global Fixed Income Portfolio.

There is no investment management fee charged to any other constituent funds of the Scheme for the year ended 30th September 2022 and 2021.

The investment management fee payables as at year end were as follows:

	2022 HK\$'000	2021 HK\$'000
Schroder MPF Conservative Portfolio	42	-
Schroder MPF Global Fixed Income Portfolio	4	5
Schroder MPF Core Accumulation Fund	28	30
Schroder MPF Age 65 Plus Fund	6	6

SUN LIFE MPF MASTER TRUST**NOTES TO THE FINANCIAL STATEMENTS****6 Transactions with related parties/associates (Continued)****(b) Trustee fee**

The Trustee, HSBC Provident Fund Trustee (Hong Kong) Limited, is entitled to receive a fee calculated daily at 0.1% per annum of the net asset value of the respective constituent funds, except for Schroder MPF Conservative Portfolio which is calculated daily at 0.15% per annum of the net asset value of the constituent fund and for Schroder MPF Global Fixed Income Portfolio which is calculated daily at 0.06% per annum of the net asset value of the constituent fund.

The trustee fee payables as at year end were as follows:

	2022 HK\$'000	2021 HK\$'000
Schroder MPF Capital Guaranteed Portfolio	<u>7</u>	<u>8</u>
Schroder MPF Conservative Portfolio	<u>36</u>	<u>-</u>
Schroder MPF RMB and HKD Fixed Income Portfolio	<u>4</u>	<u>5</u>
Schroder MPF Capital Stable Portfolio	<u>7</u>	<u>8</u>
Schroder MPF Stable Growth Portfolio	<u>12</u>	<u>15</u>
Schroder MPF Balanced Investment Portfolio	<u>22</u>	<u>28</u>
Schroder MPF Growth Portfolio	<u>15</u>	<u>20</u>
Schroder MPF International Portfolio	<u>19</u>	<u>22</u>
Schroder MPF Asian Portfolio	<u>22</u>	<u>30</u>
Schroder MPF Hong Kong Portfolio	<u>23</u>	<u>32</u>
Schroder MPF Global Fixed Income Portfolio	<u>1</u>	<u>1</u>
Schroder MPF Core Accumulation Fund	<u>11</u>	<u>12</u>
Schroder MPF Age 65 Plus Fund	<u>2</u>	<u>3</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

6 Transactions with related parties/associates (Continued)

(c) Administration fee

The Administrator, BestServe Financial Limited, is entitled to receive a fee calculated daily, of the net assets of the respective constituent funds. For the Schroder MPF Conservative Portfolio, the Sponsor, Sun Life Hong Kong Limited shall pay to the Administrator any shortfall between (a) the amount received by the Administrator and (b) 75% of the Administration fee which would have been payable to the Administrator. For the year ended 30th September 2022 and 2021, no shortfall payment was made by the Sponsor to the Administrator.

The administration fee rates are as follows:

	Ordinary Class	Class B
Schroder MPF Capital Guaranteed Portfolio	0.75%	0.55%
Schroder MPF Conservative Portfolio	0.60%	0.45%
Schroder MPF RMB and HKD Fixed Income Portfolio	0.60%	0.45%
Schroder MPF Capital Stable Portfolio	0.60%	0.40%
Schroder MPF Stable Growth Portfolio	0.60%	0.40%
Schroder MPF Balanced Investment Portfolio	0.60%	0.40%
Schroder MPF Growth Portfolio	0.60%	0.40%
Schroder MPF International Portfolio	0.60%	0.40%
Schroder MPF Asian Portfolio	0.60%	0.40%
Schroder MPF Hong Kong Portfolio	0.60%	0.40%
Schroder MPF Global Fixed Income Portfolio	0.40%	0.35%

For the year ended 30th September 2022 and 2021, the administration fee was charged at 0.40% per annum to Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund respectively.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

6 Transactions with related parties/associates (Continued)

(c) Administration fee (Continued)

The administration fee payables as at year end were as follows:

	2022 HK\$'000	2021 HK\$'000
Schroder MPF Capital Guaranteed Portfolio	<u>43</u>	<u>54</u>
Schroder MPF Conservative Portfolio	<u>111</u>	<u>-</u>
Schroder MPF RMB and HKD Fixed Income Portfolio	<u>21</u>	<u>24</u>
Schroder MPF Capital Stable Portfolio	<u>31</u>	<u>37</u>
Schroder MPF Stable Growth Portfolio	<u>55</u>	<u>70</u>
Schroder MPF Balanced Investment Portfolio	<u>106</u>	<u>137</u>
Schroder MPF Growth Portfolio	<u>72</u>	<u>96</u>
Schroder MPF International Portfolio	<u>89</u>	<u>106</u>
Schroder MPF Asian Portfolio	<u>102</u>	<u>141</u>
Schroder MPF Hong Kong Portfolio	<u>109</u>	<u>149</u>
Schroder MPF Global Fixed Income Portfolio	<u>6</u>	<u>7</u>
Schroder MPF Core Accumulation Fund	<u>45</u>	<u>48</u>
Schroder MPF Age 65 Plus Fund	<u>10</u>	<u>10</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

6 Transactions with related parties/associates (Continued)

(d) Sponsor fee

The Sponsor is entitled to receive a fee for providing client servicing, members' communication and investor education services to the Scheme and providing ancillary services to the Trustee.

The sponsor fee was separately presented from the administrative expenses and charged by the Sponsor directly. Refer to Note 6(e) for details.

The sponsor fee rates are as follows:

	Ordinary Class	Class B
Schroder MPF Conservative Portfolio	0.15%	0.15%
Schroder MPF RMB and HKD Fixed Income Portfolio	0.15%	0.15%
Schroder MPF Capital Stable Portfolio	0.15%	0.15%
Schroder MPF Stable Growth Portfolio	0.15%	0.15%
Schroder MPF Balanced Investment Portfolio	0.15%	0.15%
Schroder MPF Growth Portfolio	0.15%	0.15%
Schroder MPF International Portfolio	0.15%	0.15%
Schroder MPF Asian Portfolio	0.15%	0.15%
Schroder MPF Hong Kong Portfolio	0.15%	0.15%

Except for the above, there is no sponsor fee charged to any other constituent funds of the Scheme for the year ended 30th September 2022 and 2021.

The sponsor fee payables to the Sponsor as at year end were as follows:

	2022 HK\$'000	2021 HK\$'000
Schroder MPF Conservative Portfolio	<u>31</u>	<u>-</u>
Schroder MPF RMB and HKD Fixed Income Portfolio	<u>6</u>	<u>7</u>
Schroder MPF Capital Stable Portfolio	<u>10</u>	<u>12</u>
Schroder MPF Stable Growth Portfolio	<u>18</u>	<u>22</u>
Schroder MPF Balanced Investment Portfolio	<u>33</u>	<u>43</u>
Schroder MPF Growth Portfolio	<u>22</u>	<u>30</u>
Schroder MPF International Portfolio	<u>28</u>	<u>34</u>
Schroder MPF Asian Portfolio	<u>32</u>	<u>45</u>
Schroder MPF Hong Kong Portfolio	<u>35</u>	<u>48</u>

SUN LIFE MPF MASTER TRUST**NOTES TO THE FINANCIAL STATEMENTS****6 Transactions with related parties/associates (Continued)****(e) Administrative expenses**

The Sponsor is entitled to receive an reimbursement in respect of legal and professional fee and all other administrative expenses paid on behalf of the constituent funds such as auditor's remuneration, fund publication costs, accounting, stamp duties, printing, publishing of notices, compensation fund levy paid to the MPFA, regulatory charges and safe custody and bank charges (if applicable) except for Schroder MPF Conservative Portfolio which is calculated daily at a maximum of 0.25% per annum of the net asset value of the respective constituent funds in order to cap charges to a maximum amount (the "cap amount").

The administrative expenses payables to the Sponsor as at year end were as follows:

	2022 HK\$'000	2021 HK\$'000
Schroder MPF Capital Guaranteed Portfolio	<u>73</u>	<u>74</u>
Schroder MPF Conservative Portfolio	<u>123</u>	<u>133</u>
Schroder MPF RMB and HKD Fixed Income Portfolio	<u>47</u>	<u>45</u>
Schroder MPF Capital Stable Portfolio	<u>73</u>	<u>70</u>
Schroder MPF Stable Growth Portfolio	<u>126</u>	<u>123</u>
Schroder MPF Balanced Investment Portfolio	<u>231</u>	<u>233</u>
Schroder MPF Growth Portfolio	<u>163</u>	<u>168</u>
Schroder MPF International Portfolio	<u>184</u>	<u>182</u>
Schroder MPF Asian Portfolio	<u>228</u>	<u>254</u>
Schroder MPF Hong Kong Portfolio	<u>276</u>	<u>285</u>
Schroder MPF Global Fixed Income Portfolio	<u>15</u>	<u>14</u>
Schroder MPF Core Accumulation Fund	<u>113</u>	<u>94</u>
Schroder MPF Age 65 Plus Fund	<u>25</u>	<u>19</u>

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

6 Transactions with related parties/associates (Continued)

(f) Bank balances

As at 30th September 2022, the Scheme and its constituent funds placed bank deposits amounted to HK\$22,050,000 (2021: HK\$21,892,000) and HK\$5,863,000 (2021: HK\$7,119,000) respectively with related companies of the Trustee. Refer to Note 5(d) for details. For the year ended 30th September 2022, interest income amounted to HK\$12 (2021: HK\$3) and HK\$237 (2021: HK\$58) have been earned by the Scheme and its constituent funds from the bank deposits placed with the related companies of the Trustee.

7 Payments charged to default investments strategy (“DIS”) constituent funds or scheme or members who invest in the constituent funds

In accordance with the Mandatory Provident Fund legislation, the aggregate of the payments for services of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund must not, in a single day, exceed a daily rate of 0.75% per annum of the net asset value of each of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund 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, the Custodian and the Sponsor and/or promoter (if any) of each of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund and its underlying investment fund(s), and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of each of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund and its underlying investment fund(s), but do not include any out-of-pocket expenses incurred by each of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund and their underlying investment fund(s).

In accordance with the Mandatory Provident Fund legislation, the total amount of all payments that are charged to or imposed on a DIS constituent fund or members who invest in a DIS constituent 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 relation to a DIS constituent fund, shall not in a single year exceed 0.2% of the net asset value of each of the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus 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 constituent fund in connection with recurrent acquisition of investments for the DIS constituent 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 constituent fund.

Out-of-pocket expenses that are not incurred on a recurrent basis may still be charged to or imposed on a DIS constituent fund and such out-of-pocket expenses are not subject to the above statutory limit.

Payment for services, out-of-pocket expenses and other payment charged to the Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPF Ordinance.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

7 Payments charged to default investments strategy (“DIS”) constituent funds or scheme or members who invest in the constituent funds (Continued)

	Schroder MPF Core Accumulation Fund		Schroder MPF Age 65 Plus Fund	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Payments for services				
- Investment management fee	365	335	81	71
- Trustee fee	146	134	32	28
- Administration fee	583	536	130	113
Total payments services	1,094	1,005	243	212
Out-of-pocket expenses				
- Listing fee expenses	14	15	-	-
- Auditor fee expenses	110	91	25	19
- Professional fee expenses	17	2	4	1
- Printing fee expenses	6	6	2	1
- SFC annual fee expenses	1	-	-	-
Total out-of-pocket expenses	148	114	31	21
Total payments	1,242	1,119	274	233
Out-of-pocket expenses expressed as a percentage of average net asset value as at the last dealing day of each month of the constituent funds	0.10%	0.09%	0.09%	0.07%

8 Contributions

Mandatory contributions for both the employers and members are equal to 5% of the members' relevant income up to HK\$30,000 per month but in respect of members earning less than HK\$7,100 per month, the members' mandatory contribution is nil.

Self-employed persons must contribute 5% of their relevant income subject to a maximum contribution of HK\$1,500 per month to the Scheme unless their relevant income is less than HK\$7,100 per month.

Any contributions made to the Scheme by the employers or members in excess of their mandatory contributions are additional voluntary contributions.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

9 Benefits

Members will become entitled to benefits in respect of mandatory contributions to the Scheme in the circumstances set out in the Ordinance. Currently, these circumstances include where the members (i) reach the age of 65; (ii) permanently cease employment after reaching the age of 60; (iii) become totally incapacitated; (iv) permanently depart from Hong Kong; (v) die or (vi) have the right to claim a small balance or (vii) get terminal - illness pursuant to the Ordinance.

With effect from 1 February 2016, under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 - section 15 Withdrawal of Accrued Benefits, the scheme member can choose one of the following ways to manage MPF benefits: (a) withdraw MPF benefits by instalments, (b) withdraw all MPF benefits in a lump sum and (c) retain all the MPF benefits in the account for continuous investment.

Members will become entitled to benefits in respect of voluntary contributions to the Scheme in circumstances set out in the trust deed and the relevant participation agreement.

10 Reconciliation of movement in liabilities arising from financing activities

The Scheme

	Benefits payable HK\$'000	Forfeitures payable HK\$'000	Severance payment payable HK\$'000	Transfers-out payable HK\$'000
Beginning balance as at 30th September 2021 and 1st October 2021	2,770	17,400	78	8,929
Charged to statement of changes in net assets available for benefits	51,619	5,710	4,172	81,825
Cash outflow	(45,989)	(4,888)	(4,163)	(87,415)
Ending balance as at 30th September 2022	8,400	18,222	87	3,339

The Scheme

	Benefits payable HK\$'000	Forfeitures payable HK\$'000	Severance payment payable HK\$'000	Transfers-out payable HK\$'000
Beginning balance as at 30th September 2020 and 1st October 2020	5,076	12,248	-	4,246
Charged to statement of changes in net assets available for benefits	69,069	10,460	3,845	116,707
Cash outflow	(71,375)	(5,308)	(3,767)	(112,024)
Ending balance as at 30th September 2021	2,770	17,400	78	8,929

11 Bank loans, overdrafts and other borrowings

The Scheme and its constituent funds had no bank loans, overdrafts or other borrowings as at 30th September 2022 and 2021.

SUN LIFE MPF MASTER TRUST

NOTES TO THE FINANCIAL STATEMENTS

12 Accrued benefits

The total accrued benefits vested in the members' accounts amounted to HK\$1,722,850,000 as at 30th September 2022 (2021: HK\$2,246,653,000).

13 Soft commission arrangements

During the year ended 30th September 2022 and 2021, the Investment Manager and its associates did not enter into any soft commission arrangements with brokers in relation to dealings in the assets of the Scheme and its constituent funds.

14 Security lending arrangements

During the year ended 30th September 2022 and 2021, the Scheme and its constituent funds did not enter into any security lending arrangements.

15 Negotiability of assets

As at 30th September 2022 and 2021, there was no statutory or contractual requirement restricting the negotiability of the assets of the Scheme and its constituent funds.

16 Commitments

The Scheme and its constituent funds had no commitments as at 30th September 2022 and 2021.

17 Contingent liabilities

The Scheme and its constituent funds had no contingent liabilities as at 30th September 2022 and 2021.

18 Marketing expenses

There have been no advertising expenses, promotional expenses or commissions or brokerage fees paid and payable to the MPF intermediaries deducted from the Scheme or its constituent funds during the year ended 30th September 2022 and 2021.

19 Approval of financial statements

The financial statements were approved by the Trustee on 21st March 2023.

SUN LIFE MPF MASTER TRUST

INDEPENDENT AUDITOR'S ASSURANCE REPORT

FOR THE YEAR ENDED

30TH SEPTEMBER 2022

INDEPENDENT AUDITOR’S ASSURANCE REPORT TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST

We have audited the financial statements of Sun Life MPF Master Trust and each of its constituent funds (hereafter referred to as the “Scheme”) for the year ended 30th September 2022 in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 860.1 (Revised) “The Audit of Retirement Schemes” (“PN 860.1 (Revised)”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and have issued an unqualified auditor’s report thereon dated 21st March 2023.

Pursuant to section 102 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation (the “General Regulation”), we are required to report whether the Scheme complied with certain requirements of the Hong Kong Mandatory Provident Fund Schemes Ordinance (the “Ordinance”) and the General Regulation.

Trustee’s Responsibility

The General Regulation requires the Trustee to ensure that:

- (a) proper accounting and other records are kept in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme;
- (b) the requirements specified in the guidelines made by the Mandatory Provident Fund Schemes Authority (the “MPFA”) under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation are complied with;
- (c) the requirements under sections 34DB(1)(a), (b), (c) and (d), 34DC(1), 34DD(1) and (4) of the Ordinance are complied with; and
- (d) the Scheme assets are not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor’s Responsibility

Our responsibility is to report solely to the Trustee, in accordance with section 102 of the General Regulation, on the Scheme’s compliance with the above requirements based on the results of the procedures performed by us, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT AUDITOR'S ASSURANCE REPORT TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST (CONTINUED)

Auditor's Responsibility (Continued)

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

We have planned and performed such procedures as we considered necessary with reference to the procedures recommended in PN 860.1 (Revised), which included reviewing, on a test basis, evidence obtained from the Trustee regarding the Scheme's compliance with the above requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

Based on the foregoing:

- (a) in our opinion:
 - (i) proper accounting and other records have been kept during the year ended 30th September 2022 in respect of the constituent funds of the Scheme, the Scheme assets and all financial transactions entered into in relation to the Scheme; and
 - (ii) the requirements specified in the guidelines made by the MPFA under section 28 of the Ordinance with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part X of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 30th September 2022, 31st May 2022 and 31st December 2021; and
 - (iii) the requirements specified in the Ordinance under sections 34DB(1)(a), (b), (c) and (d), 34DC(1) and 34DD(1) and (4)(a) with respect to the investment of accrued benefits and control of payment for services relating to Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund have been complied with, in all material respects, as at 30th September 2022, 31st May 2022 and 31st December 2021; and
 - (iv) the requirements specified in section 34DD(4)(b) of the Ordinance with respect to the control of out-of-pocket expenses of Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund have been complied with, in all material respects, as at 30th September 2022.
- (b) as at 30th September 2022, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

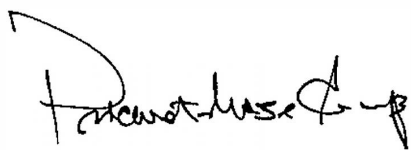
**INDEPENDENT AUDITOR'S ASSURANCE REPORT
TO THE TRUSTEE OF SUN LIFE MPF MASTER TRUST
(CONTINUED)**

Other Matter

The requirements specified in the Ordinance under sections 34DI(1) and (2) and 34DK(2) with respect to the transfer of accrued benefits to an account and specified notice, and 34DJ(2), (3), (4) and (5) with respect to locating scheme members relating to Schroder MPF Core Accumulation Fund and Schroder MPF Age 65 Plus Fund are not applicable to the Trustee during the year ended 30th September 2022 as the Trustee has completed the relevant transitional provisions during the years ended 30th September 2017 and 30th September 2018. Accordingly, there is no reporting on these sections.

Intended Users and Purpose

This report is intended solely for submission by the Trustee to the MPFA pursuant to section 102 of the General Regulation, and is not intended to be, and should not be, used by anyone for any other purpose.

A handwritten signature in black ink, appearing to read "PricewaterhouseCoopers", with a large, stylized initial "P" at the start.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21st March 2023