

**Important Notes:**

- Sun Life Rainbow MPF Scheme (the “Scheme”) is a mandatory provident fund scheme.
- Investment involves risks and not all investment choices available under the Scheme would be suitable for everyone. There is no assurance on investment returns and your investments/accrued benefits may suffer significant loss.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.
- Members reaching 65th birthday or early retiring on reaching age 60 may apply (in such form and on such conditions as the Trustee may from time to time determine but subject to the Mandatory Provident Fund Schemes Ordinance and the Mandatory Provident Fund Schemes (General) Regulation (the “MPFS Regulation”)) for payment of the MPF Benefits and/or TVC benefits in instalments. Please refer to section 6.1.12 “Withdrawal of Benefits” of the MPF Scheme Brochure for further details.
- The Sun Life MPF Income Fund does not guarantee distribution of dividend, capital or investment return, the frequency of distribution, or the dividend amount/yield. Dividends may be paid out of the realized capital gains, capital and/or gross income while charging/paying all or part of the fees, charges and expenses to/out of the capital, resulting in an increase in distributable income available for dividend distribution, and therefore, Sun Life MPF Income Fund may effectively pay dividend out of capital. Payment of dividends out of capital and/or effectively out of capital amounts to a withdrawal of part of the original investment or from any capital gains attributable to that original investment. Distribution of dividends will result in an immediate decrease or adjustment in the net asset value per unit of the Sun Life MPF Income Fund.
- Members should note that the regular and frequent distribution of dividends and reinvestment of such dividends into the Sun Life MPF Income Fund (for members below age 60) or the Sun Life MPF Conservative Fund (for members aged 60 or above) will inevitably involve an investment time-lag during which dividends are not reinvested. The dividends are hence subject to out-of-market risk on a recurring (monthly) basis. The return of the Sun Life MPF Income Fund (for

members below age 60) or the Sun Life MPF Conservative Fund (for members aged 60 or above) may be impacted negatively or positively due to the dividend distribution arrangement, as its net asset value per unit may have increased or decreased at the time when dividends are reinvested. Therefore such return may deviate from that of a constituent fund with similar investment portfolio without such dividend distribution arrangement and may not always be advantageous to these members.

- Your investment decision should not be based on this material alone.
- You are advised to read the MPF Scheme Brochure and the relevant marketing materials of the Scheme for further details and risk factors prior to making any investment decision.

Sun Life Rainbow MPF Scheme (the Scheme)

Sun Life MPF Income Fund (the "Income Fund") Frequently Asked Questions

**1. What is the meaning of aims to provide stable income over the medium to long term by the Income Fund?**

The Income Fund aims to provide stable income to members' MPF accounts through dividend (dividend amount/yield is not guaranteed and dividends may be paid out of / effectively out of capital) distributions over the medium to long term. The current plan is intended to provide a stable income by distributing dividend to members' MPF account on a monthly basis. It is intended that the Sun Life MPF Income Fund will start distributing dividend on the seventh month (or any other month as advised by the Sun Life Asset Management (HK) Limited (Investment Manager) if the Trustee or the Investment Manager considers appropriate) after the launch date of 17 February 2025. The Income Fund does not provide any guarantee on the capital or investment return or dividend amount/yield. There is no assurance on the dividend distribution frequency and the amount of dividends, and the dividend amount/yield may fluctuate.

**2. I will receive the cash cheque after dividend distribution?**

Dividends will not be paid out directly in cash but will be allocated to the members' account.

- If members are below the age of 60 on the Record Date, dividends will be reinvested in the Sun Life MPF Income Fund;
- If members are 60 years of age or above on the Record Date, dividends will be reinvested in the Sun Life MPF Conservative Fund.

**3. How does the dividend distribution process?**

Dividends may be paid out of the realized capital gains, capital and/or gross income while charging/paying all or part of the fees, charges and expenses to/out of the capital, resulting in an increase in distributable income available for dividend distribution, and therefore, Income Fund may effectively pay dividend out of capital. Payment of dividends out of capital and/or effectively out of capital amounts to a withdrawal of part of the original investment or from any capital gains attributable to that original investment. Distribution of dividends

will result in an immediate decrease or adjustment in the net asset value per unit of the Sun Life MPF Income Fund on the Ex-Dividend Date. Despite the above, dividends will be allocated to members' accounts for investment as mentioned in point 2 above.

**4. Would the distribution of dividends process lead to investment time-lag during dividends not being invested for a period of time?**

Yes, there's an inherent investment time-lag in the dividend distribution process. The dividend amount remains uninvested in any constituent fund for up to 10 business days following the ex-dividend date, exposing members to potential market fluctuations during this period. This is known as out-of-market risk. Members should be aware of this out-of-market risk when considering their investment choices.

**5. Will the dividend distribution arrangement definitely favorable to members?**

Although Income Fund has the dividend distribution arrangement, it may pay dividends which will result in an immediate decrease or adjustment in the net asset value per unit. The payment of dividends (if any) of the same value will involve up to 10 days investment time-lag and is subject to out-of-market risk, so the dividend distribution arrangement may not always be advantageous to the members.

**6. How would the dividend be arranged if I have switched out all or part of my investment in the Income Fund and invested into other constituent fund(s) under the Scheme after the record date?**

Dividend distribution will depend on whether the member hold Income Fund on Record Date. For members under 60 years old on the record date, the dividend will be automatically reinvested into the Income Fund. For those 60 years or older on the record date, it will be invested into the Sun Life MPF Conservative Fund.

**7. I am approaching to age 60, what fund will be invested for the coming dividend?**

On the distribution date, the dividend distributed will be allocated to the

member's account and automatically reinvested in either the Sun Life MPF Income Fund (which in turn invests in the accumulation class of an APIF – Invesco Pooled Investment Fund – Global Income Fund (the "Invesco APIF") or the Sun Life MPF Conservative Fund, depending on the member's age as at the Record Date, as shown in the following table:

<b>Age as at the Record Date</b>	<b>Designated constituent fund</b>
<u>Before age 60</u>	<u>Sun Life MPF Income Fund</u>
<u>Age 60 or above</u>	<u>Sun Life MPF Conservative Fund</u>

**8. How would the dividend be arranged if I have withdrawn all accrued benefits from my MPF account after the record date?**

If your MPF account has been closed before dividends are distributed, you will receive the applicable amount via a separate check.

**9. How would the dividend be arranged if the accrued benefits in my MPF account have been transferred to another MPF scheme after the record date?**

If your MPF account has already been closed when dividends are allocated, the applicable amount will be sent to the trustee of the MPF scheme that now holds your transferred accrued benefits.

Remarks:

- Investment involves risks and past performance is not indicative of future performance. Investment return may rise as well as fall due to market condition and currency movement which may affect the value of investments.
- Dividend rate is not indicative of fund performance. A positive distribution yield does not imply a positive return. Historical dividend yield is not indicative of future dividend payment.

**Issued by Sun Life Hong Kong Limited (Incorporated in Bermuda with limited liability)**