

# Sun Life Rainbow MPF Scheme Product Summary



## Important Note

- 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 65<sup>th</sup> 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 MPFS Ordinance and 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 of the Scheme for further details.
- 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 Financial aims to serve the workforce in Hong Kong by providing comprehensive financial solutions for their retirement. To accomplish this long term goal, Sun Life Rainbow MPF Scheme is specifically designed to meet different needs of Hong Kong employers, their employees and self-employed persons by providing one-stop services on pensions scheme management, including trustee, administration and investment management.**



# Experts Managing Your MPF Scheme

Professional team managing your MPF scheme includes:

- *Trustee – Sun Life Trustee Company Limited*
- *Sponsor – Sun Life Hong Kong Limited*
- *Custodian – The Hongkong and Shanghai Banking Corporation Limited*
- *Administrator – BestServe Financial Limited*
- *Investment Manager – Sun Life Asset Management (HK) Limited<sup>1</sup>*

## Sun Life Asset Management (HK) Limited – Introducing Multi-manager Investment Approach

Sun Life Asset Management (HK) Limited (“Sun Life Asset Management”) is a wholly-owned subsidiary of Sun Life Hong Kong Limited.

In order to pursue sustainable long-term performance, Sun Life Asset Management introduced multi-manager investment approach to the Scheme. Under our multi-manager platform at the underlying fund level, a constituent fund is a portfolio management fund investing in different approved pooled investment funds (“APIF”) and/or approved index-tracking collective investment schemes (“Approved ITCIS”). This approach allows Sun Life Asset Management, based on various factors, such as investment styles of underlying funds and market conditions, to actively allocate assets among performing underlying fund managers. In addition, this approach can effectively reduce concentration risk by not relying on a single underlying fund manager and enables our members to benefit from investment expertise from around the world. Currently, 9 out of 14 constituent funds have adopted this approach.

<sup>1</sup> With regard to the Sun Life MPF RMB and HKD Fund, the Investment Manager has delegated the investment management functions to Invesco Hong Kong Limited.

# Constituent Fund Choices

To meet different retirement needs and goals of our members, the Scheme offers 14 constituent funds. The following summary of constituent fund choices includes the investment objective and investment mix of each constituent fund available under the Scheme.



|   | <b>Investment Objective<sup>2</sup></b>   | <b>Investment Mix<sup>2</sup></b>   | <b>Managed by Multi-manager Investment Approach</b> |
|---|---|---|---|
| <i>Sun Life MPF Conservative Fund</i>                     | <ul style="list-style-type: none"> <li>Seeks to provide members with a regular increase in value, with minimal risk to the underlying capital but with no guarantee of repayment of capital</li> </ul>  | <ul style="list-style-type: none"> <li>100% of its net asset value in Hong Kong dollar money market instruments, deposits and short-term corporate and government debt securities</li> </ul>  | No  |
| <i>Sun Life MPF Hong Kong Dollar Bond Fund</i>            | <ul style="list-style-type: none"> <li>Seeks to provide members with a return in excess of that achievable from bank deposits and money market securities</li> </ul>                                    | <ul style="list-style-type: none"> <li>At least 70% of its net asset value in Hong Kong dollar denominated bonds and debt instruments</li> </ul>  | Yes   |
| <i>Sun Life MPF Global Bond Fund</i>                      | <ul style="list-style-type: none"> <li>Seeks to provide members with total return usually in excess of that achievable from bank deposits and money market securities</li> </ul>                        | <ul style="list-style-type: none"> <li>Primarily in a globally diversified portfolio of bonds and other debt instruments</li> </ul>   | Yes   |
| <i>Sun Life MPF RMB and HKD Fund</i>                      | <ul style="list-style-type: none"> <li>Seeks to achieve long-term total returns through investments primarily in a portfolio of money market and debt instruments denominated in RMB and HKD</li> </ul> | <ul style="list-style-type: none"> <li>70% - 100% of its net asset value in money market instruments and 0% - 30% in debt instruments whereas 30% - 70% of its net asset value is denominated in RMB and 30% - 70% in HKD</li> </ul>  | No  |
| <i>Sun Life MPF Stable Fund</i>                           | <ul style="list-style-type: none"> <li>Seeks to provide members with steady capital appreciation</li> </ul>   | <ul style="list-style-type: none"> <li>50% - 90% of its net asset value in fixed income/ money market investments and 10% - 50% in equity investments</li> </ul>  | Yes   |
| <i>Sun Life MPF Balanced Fund</i>                         | <ul style="list-style-type: none"> <li>Seeks to provide members with moderate capital appreciation over the medium term to longer term</li> </ul>   | <ul style="list-style-type: none"> <li>30% - 70% of its net asset value in fixed income/ money market investments and 30% - 70% in equity investments</li> </ul>  | Yes   |
| <i>Sun Life MPF Growth Fund</i>                           | <ul style="list-style-type: none"> <li>Seeks to provide members with significant capital appreciation over the medium term to longer term</li> </ul>  | <ul style="list-style-type: none"> <li>10% - 50% of its net asset value in fixed income/ money market investments and 50% - 90% in equity investments</li> </ul>  | Yes   |
| <i>Sun Life MPF Multi-Sector Equity Fund</i>              | <ul style="list-style-type: none"> <li>Seeks to achieve long-term capital appreciation through investments in global equity sectors</li> </ul>  | <ul style="list-style-type: none"> <li>Up to 100% of its net asset value in global equities</li> </ul>  | Yes   |
| <i>Sun Life MPF Asian Equity Fund</i>                     | <ul style="list-style-type: none"> <li>Seeks to provide members with long-term capital growth</li> </ul>  | <ul style="list-style-type: none"> <li>At least 70% of its net asset value in Asian equities, including but not limited to Hong Kong, Singapore, South Korea, Taiwan, Thailand and Malaysia, but not including Japan</li> </ul>   | Yes   |
| <i>Sun Life FTSE MPF Hong Kong Index Fund<sup>3</sup></i> | <ul style="list-style-type: none"> <li>Seeks to provide members with investment results that, before fees and expenses, closely track the performance of the FTSE MPF Hong Kong Index</li> </ul>        | <ul style="list-style-type: none"> <li>Solely in the iShares Hong Kong Equity Index Fund, a sub-fund of the BlackRock Premier Funds</li> </ul>  | No  |
| <i>Sun Life MPF Hong Kong Equity Fund</i>                 | <ul style="list-style-type: none"> <li>Seeks to provide members with long-term capital appreciation</li> </ul>  | <ul style="list-style-type: none"> <li>At least 70% of its net asset value in equities and equity-related securities (including but not limited to warrants and convertible bonds) listed on the Stock Exchange of Hong Kong Limited</li> </ul>   | Yes   |
| <i>Sun Life MPF Greater China Equity Fund</i>             | <ul style="list-style-type: none"> <li>Seeks to achieve long-term capital appreciation through investments in Hong Kong, China, Macau and Taiwan-related securities</li> </ul>                          | <ul style="list-style-type: none"> <li>At least 70% of its net asset value in a portfolio of listed securities issued by companies with either asset in, or revenues derived from, the People's Republic of China, Hong Kong, Macau and/or Taiwan which are listed, traded or dealt in on regulated exchanges subject to restrictions in the MPFS Regulation</li> </ul> | Yes   |
| <i>Sun Life MPF Core Accumulation Fund</i>                | <ul style="list-style-type: none"> <li>Provide capital growth to members by investing in a globally diversified manner</li> </ul>   | <ul style="list-style-type: none"> <li>60% of its net assets in Higher Risk Assets<sup>4</sup> (such as global equities), with the remainder investing in Lower Risk Assets<sup>5</sup> (such as global fixed income and money market instruments)</li> </ul>   | No  |
| <i>Sun Life MPF Age 65 Plus Fund</i>                      | <ul style="list-style-type: none"> <li>Provide stable growth to members by investing in a globally diversified manner</li> </ul>  | <ul style="list-style-type: none"> <li>20% of its net assets in Higher Risk Assets<sup>4</sup> (such as global equities), with the remainder investing in Lower Risk Assets<sup>5</sup> (such as global fixed income and money market instruments)</li> </ul>   | No  |

<sup>2</sup> For further details, including the investment objective and investment mix of each of the constituent funds, please refer to Section 3.4 – “Investment and Borrowing” of the MPF Scheme Brochure of the Scheme.

<sup>3</sup> All rights in the FTSE MPF Hong Kong Index (the “Index”) vest in FTSE International Limited (“FTSE”). “FTSE®” is a trade mark of the London Stock Exchange Group companies and is used by FTSE under licence. The Sun Life FTSE MPF Hong Kong Index Fund (the “Fund”) has been developed solely by Sun Life Trustee Company Limited (the “Trustee”). The Index is calculated by FTSE or its agent. FTSE and its licensors are not connected to and do not sponsor, advise, recommend, endorse or promote the Fund and do not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of the Fund. FTSE makes no claim, prediction, warranty or representation either as to the results to be obtained from the Fund or the suitability of the Index for the purpose to which it is being put by the Trustee.

<sup>4</sup> “Higher Risk Assets” shall have the meaning as defined under Mandatory Provident Fund Scheme Ordinance (as amended from time to time), such as global equities.

<sup>5</sup> “Lower Risk Assets” means any assets other than Higher Risk Assets, such as global fixed income and money market instrument.



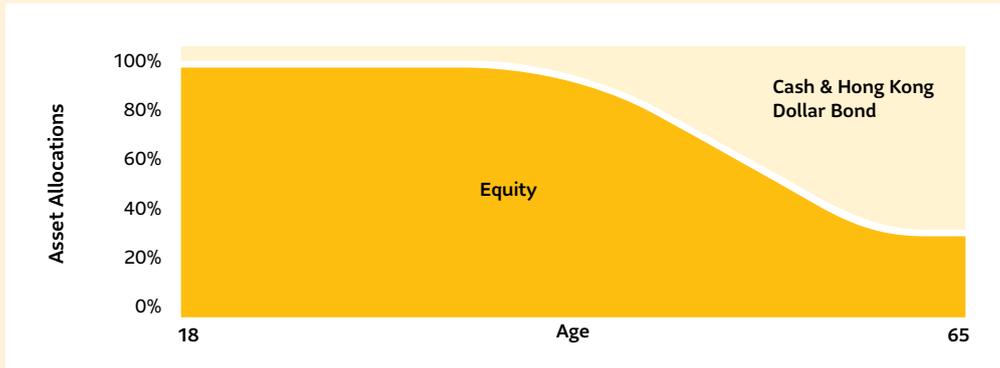
# Fund Cruiser

If you don't want the burden of having to manage your investment portfolio on a regular basis, you can consider joining Fund Cruiser. This program adopts a pre-determined asset allocation method<sup>6</sup>, which automatically rebalances your MPF portfolio every year according to your age on your birthday<sup>7</sup>. This is a feature specially designed for those members who have less investment experience or lack time to manage their MPF portfolio.

**In order to diversify your MPF portfolio, the following constituent funds are selected under Fund Cruiser:**

| Asset Class           | Constituent Fund                        |
|-----------------------|---|
| Cash                  | Sun Life MPF Conservative Fund          |
| Hong Kong Dollar Bond | Sun Life MPF Hong Kong Dollar Bond Fund |
| Hong Kong Equity      | Sun Life MPF Hong Kong Equity Fund      |
| Global Equity         | Sun Life MPF Multi-Sector Equity Fund   |

## Asset Allocation Chart



**Note:** Members should note that the pre-determined asset allocation under "Fund Cruiser" is a standard arrangement only and does not constitute any investment advice to individual members. The arrangement does not take into account factors other than age, which members may also need to consider, such as their investment objectives, financial needs, risk tolerance, market and economic situations.

<sup>6</sup> For more details of asset allocation of Fund Cruiser, please refer to the MPF Scheme Brochure of the Scheme.  
<sup>7</sup> If the member's birthday falls on a non-business day, the MPF portfolio will be rebalanced on the first business day after the birthday.

## Management Fees

| Name of Constituent Fund                       | Management Fees <sup>8</sup><br>(as a % of p.a. of NAV) |              |
|--|---|--------------|
|  | Class A   | Class B      |
| <i>Sun Life MPF Conservative Fund</i>          | Up to 0.883%  | Up to 0.883% |
| <i>Sun Life FTSE MPF Hong Kong Index Fund</i>  | Up to 0.963%  | Up to 0.963% |
| <i>Sun Life MPF RMB and HKD Fund</i>           | Up to 1.223%  | Up to 1.173% |
| <i>Sun Life MPF Hong Kong Dollar Bond Fund</i> | Up to 1.748%  | Up to 1.548% |
| <i>Sun Life MPF Global Bond Fund</i>           |   |              |
| <i>Sun Life MPF Hong Kong Equity Fund</i>      |   |              |
| <i>Sun Life MPF Stable Fund</i>                |   |              |
| <i>Sun Life MPF Balanced Fund</i>              |   |              |
| <i>Sun Life MPF Growth Fund</i>                |   |              |
| <i>Sun Life MPF Asian Equity Fund</i>          | Up to 1.893%  | Up to 1.693% |
| <i>Sun Life MPF Multi-Sector Equity Fund</i>   | Up to 1.778%  | Up to 1.578% |
| <i>Sun Life MPF Greater China Equity Fund</i>  | Up to 1.943%  | Up to 1.743% |

## Payment for services relating to DIS<sup>9</sup>

| Name of constituent fund                   | Payment for services relating to DIS <sup>9</sup><br>(as a % of p.a. of NAV) |
|--|--|
| <i>Sun Life MPF Core Accumulation Fund</i> | Up to 0.733%   |
| <i>Sun Life MPF Age 65 Plus Fund</i>       |  |

The above fund management fees and payment for services related to DIS do not reflect all costs and expenses to be paid by the scheme members. For more details of the management fees, payment for services related to DIS and other applicable fees, charges and expenses of the constituent funds, please refer to the MPF Scheme Brochure of the Scheme.

<sup>8</sup> "Management fees" includes fees paid to the trustee, custodian, administrator, investment manager (including trustee and administration fee as well as investment management fee of the relevant APIF/ITCIS) and sponsor of a scheme for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value of a fund. The investment management fee of the relevant APIF/ITCIS is borne by the Investment Manager, the Sponsor or their affiliate; in that case, the Scheme need not bear the investment management fee paid by the Investment Manager.

<sup>9</sup> "Payment for services relating to DIS" includes fees paid or payable for the services provided by the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor or promoter of the Scheme, constituent funds and in the case of DIS Funds, the underlying APIFs, and any of the delegates from these parties and such fees are calculated as a percentage of the net asset value of a fund. In the case of the DIS Funds, payment for services payable to the parties named above, or their delegates, can only (subject to certain exceptions in the MPFS Ordinance) be charged as a percentage of the net asset value of each of the DIS Funds and its underlying APIFs. These payments for service are also subject to a statutory daily limit equivalent to 0.75% per annum of the net asset value of each of the DIS Funds which applies across both the DIS Funds and its respective underlying APIFs.

# Flexible and Convenient Services Provided by BestServe

Wholly owned by Sun Life Financial, BestServe Financial Limited (“BestServe”) has over 20 years of pension administration experience in Hong Kong. As of end of December 2018, BestServe provides third-party pensions administration services to about 620,000 clients with assets of over HK\$71 billion, and serves employees, self-employed persons, employers and providers of Mandatory Provident Fund Schemes and Occupational Retirement Schemes.



## Online Pension Services Centre

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

### *Online Services for Employer*

- *Employer information*
- *Contribution history*
- *Online Remittance Statement*
- *Long service payment/severance payment calculator*
- *Employer statement*
- *Outstanding surcharge information*
- *Online transaction log and details*
- *Frequently used forms*

### *Online Services for Members*

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

## 24-hour Interactive Voice Response System (IVRS) & Pension Services Hotline

You may call our Client Service Representative via our Pension Services Hotline on 3183 1888 during office hours, from Monday to Friday at 9:00am to 6:00pm and Saturday at 9:00am to 1:00pm (except public holidays) or use our 24-hour IVRS offering the following services:

- *Administration procedures*
- *Change of investment choices*
- *Scheme account information*
- *Fund information and unit price*
- *Investment performance*
- *Forms by fax*



## e-Alert Service for Member

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By providing your mobile phone number or email address, you can enjoy our e-Alert Service. With this value-added service, you will receive a SMS or email notification whenever your fund switching instruction has been completed or your transfer of accrued benefits has been successfully transferred to your MPF account.

## Payroll Software for Employer

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We understand how busy human resources departments are handling the large amount of day-to-day work. To support you in managing MPF administrative tasks, like handling multiple MPF schemes, preparing MPF contribution and employee termination documents and keeping all contribution records, we have partnered with Asia Pacific Soft Limited to offer Alpha Human Resources Management System<sup>10</sup>. From now on, MPF administration will be nearly effortless.

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### Disclaimer

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. The value of units may vary due to changes in exchange rates between currencies. Emerging markets may involve a higher degree of risk than in developed markets and are usually more sensitive to price movements.

The return of Sun Life MPF RMB and HKD Fund may be adversely affected by movements in RMB exchange rates as well as foreign exchange controls and repatriation restrictions imposed by the Chinese government as the fund invests part of its assets in RMB denominated money market and debt instruments.

<sup>10</sup> Alpha Human Resources Management System ("AlphaHRMS") is an application software developed and owned by Asia Pacific Soft Limited. Asia Pacific Soft Limited is neither an agent of Sun Life Hong Kong Limited nor a member of the Sun Life Financial group of companies. Use of AlphaHRMS will be subject to Asia Pacific Soft Limited's terms and conditions. Please read the terms and conditions carefully prior to deciding whether to use the AlphaHRMS.

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