

May 10, 2022

This notice contains important information that requires your attention. Should you have any queries, you are recommended to seek independent professional advice.

Terms used in this document have the same meaning as that in the MPF Scheme Brochure dated March 16, 2020 unless otherwise defined.

Dear MASS Mandatory Provident Fund Scheme (“Scheme”) participants,

Thank you for your continued support for the Scheme. We are writing to inform you of the certain changes to the Scheme. You may refer to the below summary for such changes.

Summary of the changes

- With effect from June 30, 2022, the investment policy of (1) Guaranteed Fund, (2) Global Growth Fund, (3) Global Stable Fund and (4) Hong Kong Equities Fund (collectively the “**Funds**”) of the Scheme will be updated in accordance to the update of underlying fund managed by the investment manager, Allianz Global Investors Asia Pacific Limited, with an aim to increase the flexibility in investing in the China A-Shares market to capture the opportunities of Chinese companies with healthier fundamentals and improving earnings momentum.

Impact of the changes

- The above changes do not have any adverse impact on the Scheme members or participating employers. A Scheme participant is not required to take any action to effect the changes.
- If scheme participants do not wish to be involved in the above changes, they may switch their existing investments out of the Funds and change their investment mandate in respect of new contributions/transfer-in benefits to other constituent funds under the Scheme. Scheme participants may also consider transferring out of the Scheme to another MPF scheme in accordance with the normal procedures set out in the Clause 5.3.5 of the MPF Scheme Brochure.

If you would like to obtain further information about the changes, you may call the MASS MPF Hotline at 2533-5522 or visit our Customer Service Center.

Amendments to MPF Scheme Brochure in relation to update of the Funds’ investment policy

To align with investment policy of the Funds in accordance to the update of underlying funds managed by the investment manager, Allianz Global Investors Asia Pacific Limited, with effect from June 30, 2022, the investment policy of the Funds will have the following changes:

1. Guaranteed Fund and the underlying APIF Policy

The primary investment objective of the Guaranteed Fund and the underlying APIF Policy are identical. The Guaranteed Fund and the underlying APIF policy aim at achieving long-term capital appreciation **by**

investing in a diversified portfolio of global equities and fixed-interest securities through a primary emphasis on global fixed income securities and a secondary exposure to global equity markets.

The assets of the Guaranteed Fund are invested solely in the underlying APIF Policy. The assets of the underlying APIF Policy, in turn, are invested solely in the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund.

As a result of the investments in the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund, the Guaranteed Fund and the underlying APIF Policy are expected to invest 30% of their assets in equities and 70% in fixed-interest securities. The fixed income portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. **Such smaller proportion of the equity portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may invest in less than 30% of its equity portion in China A-Shares. For the avoidance of doubt, the limit of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund's net asset value).**

2. Global Growth Fund

The Global Growth Fund seeks to achieve a high level of overall return over the long term by investing in a diversified portfolio of global equities and fixed-interest securities. The Global Growth Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Global Growth Fund are as follows: meets our investment objectives, balances between fixed income and equities, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund, the Global Growth Fund is expected to invest 70% of its assets in equities and 30% in fixed-interest securities. The fixed income portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. **Such smaller proportion of the equity portion of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may invest less than 30% of its equity portion. For the avoidance of doubt, the limit of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund's net asset value).**

3. Global Stable Fund

The Global Stable Fund seeks to achieve a stable overall return over the long term by investing in a diversified portfolio of global equities and fixed-interest securities. The Global Stable Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Global Stable Fund are as follows: meets our investment objectives, balances between fixed income and equities, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund, the Global Stable Fund is expected to invest 50% of its assets in equities and 50% in fixed-interest securities. The fixed income portion of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion being invested, at the discretion of the investment manager, in other Asian countries and emerging markets. Such smaller proportion of the equity portion of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may be invested in China A-Shares, in which the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may invest less than 30% of its equity portion. For the avoidance of doubt, the limit of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's investment in China A-Shares is calculated based on the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's equity portion (instead of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund's net asset value).

4. Hong Kong Equities Fund

The Hong Kong Equities Fund seeks to achieve long-term capital growth by investing primarily in Hong Kong equities, including Chinese securities listed in Hong Kong. The Hong Kong Equities Fund seeks to achieve the above objectives by investing its assets into the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund. The criteria for selecting the specific Underlying Investment Fund of the Allianz Global Investors Choice Fund for the Hong Kong Equities Fund are as follows: meets our investment objectives, risk considerations and strategy formulation with the investment manager.

As a result of investing into the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund, the Hong Kong Equities Fund is expected to invest not less than 70% of net asset value in Hong Kong equities, including Chinese securities listed in Hong Kong. For the remaining portion of its assets, the Hong Kong Equities Fund may invest less than 30% of its net asset value in China A-Shares, which are related to Hong Kong by either being traded via the Stock Connect or having businesses in or relations to Hong Kong (e.g. part of the revenues being derived in Hong Kong and/or providing goods/services and/or having operations in Hong Kong). Such investment in China A-Shares may be made either (i) directly via the Stock Connect and/or the QFI Regime or (ii) (where applicable) indirectly through other eligible instruments (if any) as permitted by the relevant regulations from time to time.

The above updates aim to reflect the changes in investment policy of the underlying fund of the Funds for the sake of consistency. There is no adverse impact on the Scheme participants and the disclosure is in the interest of the Scheme participants.

Actions required of the Scheme participants

- i. No action is required from the Scheme participants if they do not object to the changes.
- ii. A Scheme participant who does not wish to be involved in the changes may switch from existing investments in the Funds to other constituent fund(s) under the Scheme and change the investment mandate in respect of new contributions/transfer-in benefits to other constituent fund(s) under the Scheme.
- iii. A Scheme participant may, according to the normal procedures set out in the Clause 5.3.5 of the MPF Scheme Brochure, transfer out of the Scheme to another MPF scheme if they do not wish to be involved in the changes.

The updated MPF Scheme Brochure can be downloaded from our website www.yflife.com. You can also obtain hardcopies of the MPF Scheme Brochure at our Customer Service Center or by contacting our MASS MPF Hotline at 2533-5522.

If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

For and on behalf of
YF Life Trustees Limited
(This is a computer-generated letter. No signature is required.)