KPMG

Mass Mandatory Provident Fund Scheme

31 December 2025

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Scheme report

Financial development of the Mass Mandatory Provident Fund Scheme ("the Scheme")

Bolstered by robust export growth and sustained expansion of domestic demand, Hong Kong's economy demonstrated remarkable resilience amid complex internal and external environments in 2025, with full-year GDP growth expected to exceed 3%. The pace of Hong Kong's economic recovery is accelerating. Despite multiple challenges in 2025—including slowing global economic growth, geopolitical tensions, escalating trade frictions, and volatile financial conditions—Hong Kong's economy demonstrated remarkable resilience. This transformative change is attributed to the gradual recovery of consumer confidence amid economic expansion, a rebound in financial markets, and a stabilized real estate market.

During the reporting period, the total contributions received and receivable by the Scheme were HK$575.9 million (2024: HK$491.1 million). They consisted of HK$220.3 million (2024: HK$226.8 million) mandatory contributions, HK$44.8 million (2024: HK$44.9 million) voluntary contributions and HK$310.8 million (2024: HK$219.1 million) transfers-in contributions. The net assets of the Scheme amounted to HK$5,985.8 million (2024: HK$5,053.7 million) as at the year end.

Scheme report (continued)

Information concerning the Scheme and its operations

The Scheme

By a Trust Deed dated 27 January 2000, as amended by the deeds of amendment dated 24 October 2000, 15 August 2002, 27 February 2003, 20 January 2006, 1 March 2007, 30 September 2009, 1 May 2011, 15 November 2011, 13 June 2012, 31 January 2013, 17 July 2013, 27 August 2015, 24 December 2015, 21 November 2016, 2 December 2016, 11 January 2019, 14 March 2019, 1 May 2019, 16 March 2020, 17 April 2023 ,26 May 2024, 26 Jun 2024 and 31 December 2025, YF Life Trustees Limited ("the Trustee") established the Scheme. Employers and employees, self-employed persons and any other persons covered by the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the MPFSO") may participate in the Scheme.

The assets of the Scheme as at 31 December 2025 are invested in the Allianz Global Investors Choice Fund, the Principal Life Style Fund, the Principal Unit Trust Umbrella Fund, the Bonitas Pooled Invest Fund Series, the Schroder Institutional Pooled Funds, the JP Morgan SAR Greater China Fund, the Invesco Pooled Investment Fund and the Mass MPF Guaranteed Policy (the "APIF Policy"). The Allianz Global Investors Choice Fund, the Principal Life Style Fund, the Principal Unit Trust Umbrella Fund, the Bonitas Pooled Investment Fund Series, the Schroder Institutional Pooled Funds, the JP Morgan SAR Greater China Fund, the Invesco Pooled Investment Fund and the APIF Policy have been approved by the Hong Kong Mandatory Provident Fund Schemes Authority ("the MPFA") and authorised by the Securities and Futures Commission of Hong Kong ("the SFC") as approved pooled investment funds (the "APIFs"). However, such approval and authorisation do not imply any official recommendation.

The APIF Policy is underwritten by YF Life Insurance International Limited and was launched in January 2006.

HSBC Institutional Trust Services (Asia) Limited is the trustee of the Allianz Global Investors Choice Fund and Allianz Global Investors Asia Pacific Limited is the investment manager of the MPF Conservative Fund, Global Stable Fund, Global Growth Fund, Hong Kong Equities Fund in the Scheme and the APIF Policy. Each investment fund of the Allianz Global Investors Choice Fund is a pooled investment fund in accordance with Part IV of Schedule 1 of the Hong Kong Mandatory Provident Fund Schemes (General) Regulation ("the General Regulation").

Cititrust Limited is the trustee of the JP Morgan SAR Greater China Fund and JP Morgan Asset Management (Asia Pacific) Limited is the investment manager of the Greater China Equity Fund. The JP Morgan SAR Greater China Fund is a pooled investment fund in accordance with Part IV of Schedule 1 of the General Regulation.

Bank Consortium Trust Company Limited is the trustee of the Invesco Pooled Investment Fund and Invesco Hong Kong Limited is the investment manager of the Age 65 Plus Fund and Core Accumulation Fund. Each investment fund of the Invesco Pooled Investment Fund is a pooled investment fund in accordance with Part IV of Schedule 1 of the General Regulation.

Scheme report (continued)

Information concerning the Scheme and its operations (continued)

Principal Trust Company (Asia) Limited is the trustee of the Principal Life Style Fund and Principal Unit Trust Umbrella Fund and Principal Asset Management Company (Asia) Limited is the investment manager of the European Equity Fund, Asian Bond Fund and Global Bond Fund. Each investment fund of the Principal Life Style Fund and Principal Unit Trust Umbrella Fund is a pooled investment fund in accordance with Part IV of Schedule 1 of the General Regulation.

Bank Consortium Trust Company is the trustee of the Bonitas Pooled Investment Fund Series and Schroder Investment Management (Hong Kong) Limited is the investment manager of the US Equity Fund and Asian Pacific Equity Fund. Each Investment fund of the Bonitas Pooled Investment Fund Series is a pooled investment fund in accordance with Part IV of Schedule 1 of the General Regulation.

HSBC Institutional Trust Services (Asia) Limited is the trustee of Schroder Institutional Pooled Funds and Schroder Investment Management (Hong Kong) Limited is the investment manager of the Global Equity Fund. Each Investment fund of Schroder Institutional Pooled Funds is a pooled investment fund in accordance with Part IV of Schedule 1 of the General Regulation.

The MPF Scheme Brochure of the Scheme includes information regarding the Scheme and brief details of the APIF Policy. The Trustee can provide more information regarding the Scheme, the related sub-funds of Allianz Global Investors Choice Fund, JP Morgan SAR Greater China Fund, the related sub-funds of Invesco Pooled Investment Fund, the related sub-funds of Principal Unit Trust Umbrella Fund, the related sub-funds of Principal Life Style Fund, the related sub-funds of Bonitas Pooled Investment Fund Series and the related sub-funds of Schroder Institutional Pooled Funds upon request.

The Scheme is registered with the MPFA as a registered scheme under Section 21 of the MPFSO and is authorised by the SFC under Section 103 of the Securities and Futures Ordinance. Such registration and authorisation do not imply any official recommendation.

Scheme report (continued)

Information concerning the Scheme and its operations (continued)

Constituent funds

The Scheme offers the following fourteen constituent funds with different investment objectives:

- Guaranteed Fund which is a balanced fund (with guaranteed features);
- Global Growth Fund which is a balanced fund;
- Global Stable Fund which is a balanced fund;
- MPF Conservative Fund which is a money market fund;
- Global Equity Fund which is an equity fund;
- Asian Bond Fund which is a bond fund;
- Global Bond Fund which is a bond fund;
- Hong Kong Equities Fund which is an equity fund;
- Asian Pacific Equity Fund which is an equity fund;
- European Equity Fund which is an equity fund;
- US Equity Fund which is an equity fund;
- Greater China Equity Fund which is an equity fund;
- Age 65 Plus Fund which is a mixed assets fund; and
- Core Accumulation Fund which is a mixed assets fund.

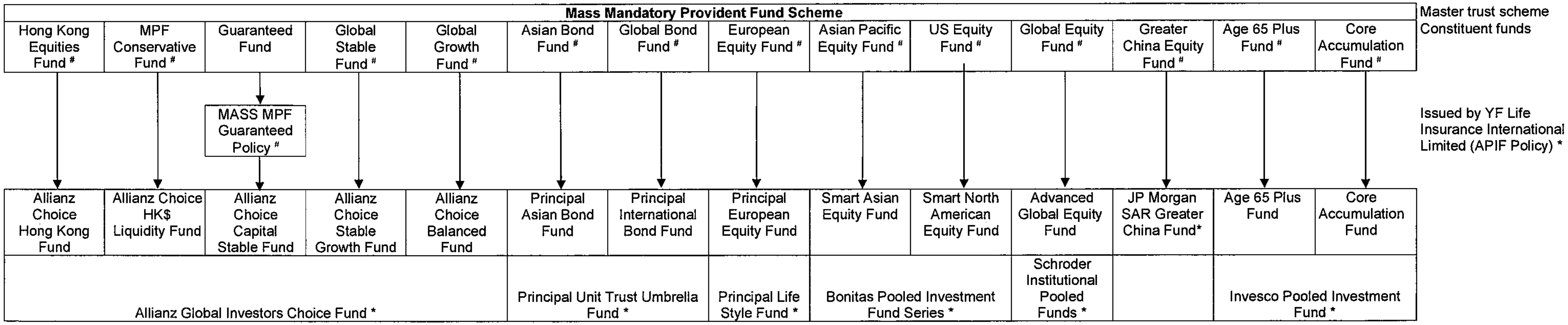
All the above constituent funds are unlisted funds.

Scheme report (continued)

Information concerning the Scheme and its operations (continued)

Constituent funds (continued)

All monies contributed to the above constituent funds are directly or indirectly (in the case of Guaranteed Fund) invested in the Allianz Global Investors Choice Fund, the Principal Unit Trust Umbrella Fund, the Principal Life Style Fund, the Bonitas Pooled Investment Fund Series, the Schroder Institutional Pooled Funds, the JP Morgan SAR Greater China Fund and the Invesco Pooled Investment Fund. They are established as pooled investment funds in accordance with Part IV of Schedule 1 to the General Regulation. For ease of reference, the structure of the Scheme is set out in the diagram below:



* Approved Pooled Investment Funds

\# Allianz Global Investors Asia Pacific Limited acts as the investment manager of the MPF Conservative Fund, Global Stable Fund, Global Growth Fund, Hong Kong Equities Fund in the Scheme and the APIF Policy of the Guaranteed Fund. Principal Asset Management Company (Asia) Limited acts as the investment manager of the Asian Bond Fund, Global Bond Fund and European Equity Fund. Schroder Investment Management (Hong Kong) Limited acts as the investment manager of Asian Pacific Equity, US Equity Fund and Global Equity Fund. JP Morgan Asset Management (Asia Pacific) Limited acts as the investment manager of the Greater China Equity Fund. Invesco Hong Kong Limited acts as the investment manager of the Age 65 Plus Fund and Core Accumulation Fund.

Scheme report (continued)

Particulars of the Trustee, service providers, auditor, banks and MPF Scheme Provider of the Scheme during the year

Trustee and Custodian

YF Life Trustees Limited
27th Floor,
YF Life Tower,
33 Lockhart Road
Wanchai, Hong Kong

System Operator

eMPF Platform Company Limited

Investment Managers

Allianz Global Investors Asia Pacific Limited
32/F, Two Pacific Place
88 Queensway,
Admiralty, Hong Kong

JP Morgan Asset Management (Asia Pacific) Limited
21/F, Chater House
8 Connaught Road
Central, Hong Kong

Invesco Hong Kong Limited
45/F, Jardine House
1 Connaught Place
Central, Hong Kong

Principal Assets Management Company (Asia) Limited
30/F, Millennium City 6,
392 Kwun Tong Road,
Kwun Tong, Kowloon

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

Auditor

KPMG
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Scheme report (continued)

Particulars of the Trustee, service providers, auditors, banks and MPF Scheme Provide of the Scheme during the year (continued)

Banks

Citibank N.A.
50th Floor, Champion Tower
3 Garden Road
Central, Hong Kong

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

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

MPF Scheme Provider

YF Life Insurance International Limited *
27th Floor,
YF Life Tower,
33 Lockhart Road
Wanchai, Hong Kong

*This is an associate of the Trustee.

Directors of the Trustee

The directors who held office during the year and up to the date of this report are:

Mr Wong Gah Jih	(Resigned on 19 December 2025)
Mr Yu Tin Yau Elvin	
Mr Chan Man Ko	(Resigned on 12 May 2026)
Mr Tse Chi Hung	
Mr Tiu Chi Ho	
Mr Zhang Xifan	(Appointed on 12 May 2026)
Mr Ng Yu Lam Kenneth	(Appointed on 12 May 2026)

The business/correspondence address of these directors is:

27th Floor,
YF Life Tower,
33 Lockhart Road
Wanchai, Hong Kong

Scheme report (continued)

Particulars of the controllers of the MPF Scheme Provider, YF Life Insurance International Limited, which is an associate of the Trustee during the year

Name	Business/correspondence address
Yunfeng Financial International Holdings Limited	Rooms 1803-1806, 18th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong
Yunfeng Financial Group Limited	Rooms 1803-1806, 18th Floor, YF Life Centre, 38 Gloucester Road, Wanchai, Hong Kong
Yunfeng Financial Holdings Limited	One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands
Key Imagination Limited	Wickhams Cay II, Road Town, Tortola, VG1I10, British Virgin Islands
Jade Passion Limited	Wickhams Cay II, Road Town, Tortola, VG1I10, British Virgin Islands
Massachusetts Mutual Life Insurance Company	1295 State Street, Springfield, Massachusetts USA 01111
MassMutual International LLC (Ceased on 9 September 2025)	
Mr Yu Feng	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Chan Man Ko	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Zhang Xifan	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Huang Xin	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Ms Liu Shuyen	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Ng Yu Lam Kenneth (Resigned on 28 March 2025)	
Mr Qi Daqing	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Xu Jinghui	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong
Mr Zhuo Shihao (Appointed on 28 March 2025)	27th Floor, YF Life Tower, 33 Lockhart Road Wanchai, Hong Kong

Investment report

1 Analysis of investments and Trustee's commentary

1.1 MPF Conservative Fund

1.1.1 Analysis of investments during the year

In 2025, the fund returned 2.01%* versus the benchmark's return of 0.19%. The benchmark return of the fund was the Hong Kong Mandatory Provident Fund Scheme Authority's prescribed savings rate.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
MPF Conservative Fund (Launch date: 1 December 2000)	2.01	1.79	1.11	0.75
Benchmark	0.19	0.36	0.20	0.42
Deviation from the benchmark	1.82	1.43	0.91	0.33

1.1.2 Trustee's commentary

The Fund outperformed the benchmark in the various periods.

Hong Kong's money market rates continued their downward trajectory through 2025, albeit with notable volatility mid-year. The 3-month HIBOR declined by 144 bps over the 12-month period ending 31 December 2025, finishing at 2.93%. The Aggregate Balance saw a spike in May with the HKMA intervening to maintain the HKD peg at the weak end. The balance subsequently normalized but still ended the period with a net increase of HKD 9.15 billion year-on-year.

The Hong Kong dollar also experienced heightened volatility during the year. Strong carry-trade flows pushed HKD toward the weak-side in the second quarter, prompting direct HKMA intervention to stabilize the currency. Despite these fluctuations, the HKD ended 2025 only modestly weaker—depreciating 0.16% against the USD over the year.

Hong Kong's economy continued to demonstrate a solid recovery, underpinned by the year-on-year improvement in GDP growth during the period. While PMI readings softened in the first half of 2025, they regained momentum and returned to expansionary territory in the fourth quarter. Retail sales also strengthened during the second half of the year. However, the unemployment rate edged higher, reaching 3.8% by the end of 2025.

The US Federal Reserve resumed its easing cycle in September 2025, lowering the federal funds rate by a cumulative 75 bps over the fourth quarter. The policy shift reflects the Fed's intention to cushion the labor market from emerging downside risks, even as inflation remains above target. With economic growth still running below potential, there is scope for the terminal rate to move lower over the next six months.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.1 MPF Conservative Fund (continued)

1.1.2 Trustee's commentary (continued)

Hong Kong interest rates are expected to broadly track the direction of US monetary policy. Key variables to monitor for HKD funding conditions include equity market performance, the momentum of Southbound flows, and year-end seasonality in HKD liquidity demand.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

1.2 Guaranteed Fund

1.2.1 Analysis of investments during the year

In 2025, the fund returned 9.42%* versus the benchmark's return of 12.15%. The components of the benchmark were as follows: Financial Times Stock Exchange (FTSE) World Government Bond Index (WGBI) (60%), FTSE All-World (AW) North America (6%), FTSE AW Europe (6%), FTSE Japan (4%), FTSE AW Asia Pacific ex Japan ex Hong Kong (4%),FTSE MPF Hong Kong (8%), FTSE MPF China A Hedged Index (2%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (10%).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Guaranteed Fund (Launch date: 20 January 2006)	9.42	(1.90)	0.58	0.51
Benchmark	12.15	0.63	3.50	3.83
Deviation from the benchmark	(2.73)	(2.53)	(2.92)	(3.32)

1.2.2 Trustee's commentary

Global bonds delivered gains over 2025 but returns at a regional level were mixed. US bonds rallied the most, with 10-year Treasury yields falling from a peak of 4.8% in January to 4.0% in October. UK bonds also posted solid gains, outpacing bond returns in the euro zone: German Bund yields jumped sharply in March when Berlin voted to relax the country's debt brake. Japanese bonds were the weakest among major economies, with 10-year yields rising almost 100 basis points to above 2.0%, the highest level since 1999, as the Bank of Japan continued to tighten monetary policy.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.2 Guaranteed Fund (continued)

1.2.2 Trustee's commentary (continued)

In monetary policy news, the US Federal Reserve (Fed) delivered 50 basis points (bps) of rate cuts in the final quarter of 2025, lowering the federal funds rate to 3.5% - 3.75%. Meanwhile the Bank of England implemented 75 bps of cuts, bringing the base rate to 3.75%. The European Central Bank lowered its key rate by 25 bps to 2.0% and signalled the end of its monetary easing cycle, while the People's Bank of China lowered its loan prime rates by 25 bps in May. The Bank of Japan remained an outlier, raising its benchmark lending rate by 50 bps to 0.75% – the highest level since 1995 – amid rising inflation and a weak yen.

Global equities rose sharply in 2025, despite considerable economic and geopolitical volatility. Communication services sector was the strongest sector, followed by materials, financials and information technology. There were no negative contributors over the year in review, although the real estate and consumer staples sectors detracted the most from global returns.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.3 Global Stable Fund

1.3.1 Analysis of investments during the year

In 2025, the fund returned 16.49%* versus the benchmark's return of 17.31%. The components of the benchmark were as follows: FTSE WGBI (45%), FTSE AW North America (10%), FTSE AW Europe (10%), FTSE Japan (6.5%), FTSE AW Asia Pacific ex Japan ex Hong Kong (6.5%), FTSE MPF Hong Kong (13.6%), FTSE MPF China A Hedged Index (3.4%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (5%).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Global Stable Fund (Launch date: 1 December 2000)	16.49	1.49	4.05	3.88
Benchmark	17.31	2.63	5.31	5.50
Deviation from the benchmark	(0.82)	(1.14)	(1.26)	(1.62)

1.3.2 Trustee's commentary

Global equities rose sharply in 2025, despite considerable economic and geopolitical volatility. Among the developed markets, UK equities rose the most. Japan and Europe came next, followed by the US. Emerging markets significantly outperformed their developed market peers, led by South Korea, which rose over 95% in 2025. South Africa and Taiwan also outperformed the EM index, while China posted a robust double-digit gain but trailed the broader market. Turning to the MSCI All Country World Index, communication services was the strongest sector, followed by materials, financials and information technology. There were no negative contributors over the year in review, although the real estate and consumer staples sectors detracted the most from global returns.

Global bonds delivered gains over 2025 but returns at a regional level were mixed. US bonds rallied the most, with 10-year Treasury yields falling from a peak of 4.8% in January to 4.0% in October. UK bonds also posted solid gains, outpacing bond returns in the euro zone: German Bund yields jumped sharply in March when Berlin voted to relax the country's debt brake. Japanese bonds were the weakest among major economies, with 10-year yields rising almost 100 basis points to above 2.0%, the highest level since 1999, as the Bank of Japan continued to tighten monetary policy.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.3 Global Stable Fund (continued)

1.3.2 Trustee's commentary (continued)

Escalating downside risks clouded the global growth outlook in the early part of 2025, as President Donald Trump's erratic trade policies raised concerns of a global trade war, slower economic growth and higher inflation. Tariffs were in focus in the second quarter and beyond, with the US engaging in bilateral trade talks with many of its key trading partners. While the prospect of a full-blown trade war subsequently eased, economic uncertainty persisted into the second half of the year amid softening economic fundamentals. Policymakers and investors also had to grapple with delayed federal data releases following the US government shutdown later in the year.

We maintain a constructive view on global equities. We believe risk assets are positioned to benefit from a combination of resilient global growth and an anticipated rebound in corporate earnings. At the same time, investors should remain alert to potential increases in market volatility. This applies not only at the broader market level but also within sectors and individual companies, where expectations have risen. The current reporting season already illustrates that markets are drawing sharper distinctions between "winners" and "losers". In this environment, we advocate a risk-aware and active investment approach, complemented by broad diversification across regions and thematic exposures.

We continue to hold a neutral stance in global fixed income. As central banks near neutral rates, we expect fiscal stimulus to foster risk appetite even as geopolitical risks rise. In core markets such as the US, we favor shorter-dated government bonds, but longer dated bonds may be under more volatility given insufficient term premia. We still expect the US yield curve to steepen.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.4 Global Growth Fund

1.4.1 Analysis of investments during the year

In 2025, the fund returned 21.03%* versus the benchmark's return of 22.33%. The components of the benchmark were as follows: FTSE WGBI (25%), FTSE AW North America (14%), FTSE AW Europe (14%), FTSE Japan (9%), FTSE AW Asia Pacific ex Japan ex Hong Kong (9%), FTSE MPF Hong Kong (19.2%), FTSE MPF China A Hedged Index (4.8%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (5%).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Global Growth Fund (Launch date: 1 December 2000)	21.03	3.19	5.57	4.07
Benchmark	22.33	4.79	7.04	6.33
Deviation from the benchmark	(1.30)	(1.60)	(1.47)	(2.26)

1.4.2 Trustee's commentary

Global equities rose sharply in 2025, despite considerable economic and geopolitical volatility. Having anticipated a market-friendly, pro-growth strategy when the Trump administration re-entered the White House, markets went into freefall after the new president's self-dubbed 'Liberation Day' tariff offensive in early April heightened recession risk and economic uncertainty, with trade talks directing market movements over the months that followed. Towards year end, escalating protests in Iran and Chinese military exercises in the Taiwan Strait weighed on sentiment. Among the developed markets, UK equities rose the most. Japan and Europe came next, followed by the US. Emerging markets significantly outperformed their developed market peers, led by South Korea, which rose over 95% in 2025. South Africa and Taiwan also outperformed the EM index, while China posted a robust double-digit gain but trailed the broader market.

Global bonds delivered gains over 2025 but returns at a regional level were mixed. US bonds rallied the most, with 10-year Treasury yields falling from a peak of 4.8% in January to 4.0% in October. UK bonds also posted solid gains, outpacing bond returns in the euro zone: German Bund yields jumped sharply in March when Berlin voted to relax the country's debt brake. Japanese bonds were the weakest among major economies, with 10-year yields rising almost 100 basis points to above 2.0%, the highest level since 1999, as the Bank of Japan continued to tighten monetary policy.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.4 Global Growth Fund (continued)

1.4.2 Trustee's commentary (continued)

Escalating downside risks clouded the global growth outlook in the early part of 2025, as President Donald Trump's erratic trade policies raised concerns of a global trade war, slower economic growth and higher inflation. Tariffs were in focus in the second quarter and beyond, with the US engaging in bilateral trade talks with many of its key trading partners. While the prospect of a full-blown trade war subsequently eased, economic uncertainty persisted into the second half of the year amid softening economic fundamentals. Policymakers and investors also had to grapple with delayed federal data releases following the US government shutdown later in the year.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.5 Asian Bond Fund

1.5.1 Analysis of investments during the year

In 2025, the fund returned 7.16%* versus the benchmark's return of 8.12% and the benchmark was ICE BofA Asian Dollar Investment Grade Index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Asian Bond Fund (Launch date: 17 March 2003)	7.16	(0.16)	1.87	4.63
Benchmark	8.12	1.44	3.55	4.79
Deviation from the benchmark	(0.96)	(1.60)	(1.68)	(0.16)

1.5.2 Trustee's commentary

The Fund underperformed the benchmark for various periods.

Although the fund underperformed the benchmark during the year, the general investment environment remains satisfactory, whereas credit spreads were tighter and underlying treasury yields were lower with the curve steepening. While the performance of the fund was impacted by credit (sector allocation and security selection) and allocation to local rates and FX, fund also benefited from positive contribution from duration and curve positioning. Sector allocation remains competitive with fund's positioning in insurance, banking and utility sectors contributing positively and more than offsetting underweights in the sovereign, local authority and technology sectors. Credit selection was positive led by picks in Japan (banking, insurance and utility sectors), Malaysia (energy and banking issuers), Hong Kong (insurance and utility issuers) and US while selections in AA Korea agencies and credit selection in China sovereign/energy sectors detracted. In off benchmark allocation, the fund benefited from outperformance of local currency duration vs USD duration especially in SGD, INR and IDR with additional positive FX contributions from SGD and CNH with minor detractions from INR and IDR FX. Fund also benefited from off-benchmark allocations to USD bonds issued by issuers from Japan and Australia. Fund remained overweight duration for most of the year starting late Q1'25, which led to overall positive contribution from duration; additionally, fund's duration longs were concentrated in the 5-10 year part of the curve paired with underweights to the long-end which benefited from the curve steepening.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.6 Global Bond Fund

1.6.1 Analysis of investments during the year

In 2025, the fund returned 7.14%* versus the benchmark's return of 8.16%. The components of the benchmark were as follows: Bloomberg Global Aggregate Securitized TR Index Value Unhedged USD (HK$ return).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Global Bond Fund (Launch date: 17 March 2003)	7.14	(2.32)	(0.99)	0.93
Benchmark	8.16	(2.41)	1.26	2.78
Deviation from the benchmark	(1.02)	(0.09)	(2.25)	(1.85)

1.6.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

The fund underperformed its benchmark in 2025, with multiple factors coming from duration and curve positioning, FX exposure management, and allocation and selection.

Duration and curve strategies were the primary drivers, adding approximately 89 bps of outperformance. Contributions were broad based across countries. Our active management of duration positions in the UK, being overweight in 1H, followed by a reduction thereafter supported the performance. A diversified underweight in EUR duration during the first half and an overweight stance in the third quarter also contributed positively. Additional gains came from overweight duration in other developed markets, as well as active profit taking and resizing of duration overweights in emerging markets. However, these were offset by our overweight duration in the US, where AI/data center related supply concerns pushed yields higher in December, and by rising yields and curve steepening in Japan.

Allocation and selection further impacted the performance. The fund was underweight corporate credit through most of Q1 but closed this position by late March as credit spreads widened. Added exposure during the initial correction in April benefited from subsequent spread tightening. Throughout the year, increased credit exposure, supported by strong selection from our US IG analysts and Asia credit team drove performance. High quality Yankee banks, US banks, Asia financials, and US tech contributed positively, with some modest drags in December due to wider spreads in supply heavy tech names.

FX positioning also affected the returns. Active management of HKD hedges helped protect NAV in HKD terms, while active EUR positioning, overweight exposure to Antipodean currencies, and broader overweight positions in other developed market currencies versus the USD also contributed to outperformance. Against the peer group, the fund remained competitive throughout the full year. The fund's more diversified geographic and currency exposures, compared with peers that remain more dollar centric, were a persistent source of comparable performance over the year.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.6 Global Bond Fund (continued)

1.6.2 Trustee's commentary (continued)

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

1.7 Global Equity Fund

1.7.1 Analysis of investments during the year

The fund returned 19.98%* in 2025 compared with a 21.76% return for its benchmark, the FTSE MPF All World Index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Global Equity Fund (Launch date: 17 March 2003)	19.98	9.60	7.92	7.19
Benchmark	21.76	11.87	12.08	21.22
Deviation from the benchmark	(1.78)	(2.27)	(4.16)	(14.03)

1.7.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

Global equity markets delivered positive returns in 2025, although performance varied across regions and was marked by periods of heightened volatility. Early in the year, market sentiment was cautious as investors reassessed valuations in growth-oriented sectors, particularly within developed markets, amid policy uncertainty and concerns that optimism around artificial intelligence had become stretched. In contrast, non-US markets, including parts of Europe and emerging markets, showed greater resilience supported by fiscal initiatives.

Market volatility intensified in early April following the US "Liberation Day" tariff announcement, which triggered a sharp global equity sell-off as investors grew concerned about trade disruption, inflationary pressures, and the risk of slower global growth. Markets subsequently recovered as some tariff measures were paused and corporate earnings remained broadly resilient. As the year progressed, confidence in economic resilience and earnings growth improved, supporting a recovery across global equity markets. In the final quarter, equities advanced amid shifting political dynamics, though performance across regions remained mixed due to ongoing trade and policy uncertainties. Overall, major equity markets moved higher in the year.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.8 Asian Pacific Equity Fund

1.8.1 Analysis of investments during the year

The fund returned 30.27%* in 2025 compared with a 32.24% return for its benchmark, the FTSE MPF Asia Pacific ex-Japan ex-Australia ex New Zealand Index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Asian Pacific Equity Fund (Launch date: 19 March 2007)	30.27	2.61	4.48	3.86
Benchmark	32.24	5.36	8.98	6.65
Deviation from the benchmark	(1.97)	(2.75)	(4.50)	(2.79)

1.8.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

Equity markets across the Asia Pacific region recorded gains over 2025, despite shifting policy signals and trade developments in the year. At the start of the year, investor positioning was cautious, reflecting uncertainty around the global growth outlook and a reassessment of technology-related valuations. However, Chinese equities rose in the first quarter as government stimulus measures helped stabilize the economy and renewed investor confidence, while advances in artificial intelligence prompted a reassessment of China's long-term technology growth potential.

Risk appetite deteriorated sharply in early April after the US "Liberation Day" tariff announcement, which triggered a broad global sell-off and placed pressure on Asia Pacific markets with higher exposure to international trade. Concerns over supply-chain disruption and weaker external demand weighed on sentiment. However, markets subsequently recovered as some policy actions were delayed and economic conditions proved more resilient than feared.

In the second half of 2025, sentiment toward Asia Pacific equities improved as earnings visibility strengthened and domestic economic activity remained relatively resilient across several markets. Investor focus gradually shifted toward company fundamentals and longer-term growth drivers, particularly in sectors linked to technology and artificial intelligence. While external risks related to trade and geopolitics persisted, improved confidence in regional growth prospects supported a more stable market environment. Overall, Asia Pacific equities finished the year higher.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.9 European Equity Fund

1.9.1 Analysis of investments during the year

The fund returned 30.13%* in 2025 compared with a 31.10% return for its benchmark, the FTSE MPF European Hedged TR.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
European Equity Fund (Launch date: 19 March 2007)	30.13	8.81	6.62	3.16
Benchmark	31.10	11.32	9.45	5.61
Deviation from the benchmark	(0.97)	(2.51)	(2.83)	(2.45)

1.9.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

As the year concluded, the fund returned 30.13%, comparing its respective index that posted a gain of 31.10%. From a relative sector perspective, the financials and materials sectors were the leaders while was partially offset by weakness in health care and communication services. Financials were once again an area of strength for the quarter, capping a standout 2025. Erste Group and AIB Group were the main contributors over the quarter.

Erste Group – shareholder returns were at the core of the upside while cash flow growth was supported by healthy volume growth. Announced acquisition of Santander Polska was a strategic fit and will be a business anchor in Poland going forward. Market reacted well to this. Recent engagement with the CEO highlighted a positive outlook for 2026. Volume growth is improving, and the economic outlook is robust. ROTE and EPS set to outpace expectations.

AIB Group – loan and deposit growth outpaced expectations amid a recovering economy. Strong operating leverage led to ROTE expansion and increasing shareholder payouts to help reduce excess capital build. Healthy position remains.

Antofagasta was a standout contributor in 2025. The company engages in copper mining, transport, and water distribution businesses. They also have modest exposure to gold. Underlying commodities of copper and gold continue to ascend higher as it is increasingly difficult to get copper out of the ground. We are seeing more and more project delays, cost overruns, accidents, and legal challenges. Meanwhile, demand is growing steadily on the back of data center growth initiatives leading to advantageous supply/demand conditions.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.9 European Equity Fund (continued)

1.9.2 Trustee's commentary (continued)

Communication services holdings were pressured throughout 2025. Deutsche Telekom, Spotify Technology and Universal Music Group drove much of the relative weakness.

Deutsche Telekom - Germany's incumbent telecom operator. 50.4% equity stake in T-Mobile US. During the quarter, the company reported solid results but magnitude of the recent beats from TMUS are becoming smaller than they used to be driving share price weakness. Verizon has a new CEO and thus far their strategy looks to take market share at all costs, i.e. lowering pricing plans. Valuation premium remains warranted to TMUS given network and ongoing postpaid phone adds while we continue to see them generating a mid-teens FCF/sh. CAGR through 2030 versus consensus at low-teens.

Spotify, the digital music service provider, reported strong 3Q results but in-line 4Q guidance on margins and premium subs left investors disappointed. Shares now trade at ~36x EV/EBITDA, which is below SPOT's average of ~41-42x over the last couple of years and compares to NFLX at ~28x. The company should see at least a 20% FCF CAGR over the next few years on pricing tailwinds flowing through to gross margins while generating operating leverage to the bottom line (additional upside to margins on non-music categories like audiobooks/video podcasts where content and user engagement is growing rapidly).

Health care was a top detractor as the often defensive-oriented sector failed to do so in much of 2025. Tariff uncertainty, MFN pricing concerns as well as administration changes in the U.S. acted as overhangs.

Sanofi - a global pharmaceutical company based in France focused on drugs for immunology, rare disease, oncology, primary care, vaccines, and consumer health. There were multiple headwinds over the quarter that weighed on Sanofi's share price. It's COPD drug, Itepekimab, released mixed data points disappointingly while the bubbling up of geopolitical risks, including MFN pricing and tariffs, also contributed to price weakness. The stock is back to <10x 2026 EPS and near trough valuation ex 2008-2010 financial crisis. Upcoming Amlitelimab Ph. 3 Atopic Derm 2H25/1H26, Ph. 2 oral TNF in Rheum Arthritis, and clean approval for Tolebrutinib in nrSPMS (Sep 28 PDUFA) are all important to supporting pipeline sentiment. SAN's pipeline is much deeper but 2026 catalysts primarily Ph. 2 before meaningful Ph. 3 data in 2027 (Frexalimab in MS, Duvakitug TL1A in UC/CD, Brivekimig in HS).

From a country perspective, Austria and Greece were top contributors while underperformance came from Germany and Spain.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.10 Hong Kong Equities Fund

1.10.1 Analysis of investments during the year

The fund returned 34.97%* in 2025 compared with a 36.90% return for its benchmark, the FTSE MPF Hong Kong Index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Hong Kong Equities Fund (Launch date: 19 March 2007)	34.97	(0.72)	4.23	2.62
Benchmark	36.90	0.76	5.53	4.75
Deviation from the benchmark	(1.93)	(1.48)	(1.30)	(2.13)

1.10.2 Trustee's commentary

The Fund underperformed its benchmark for various periods, one year, five years, ten years and since launch.

Hong Kong equities gained in 2025. The FTSE MPF Hong Kong Index ended the year up 37% in HKD terms, marking another strong year following the rebound in 2024. Performance was supported by a combination of factors including accommodative monetary policy, improving domestic liquidity, and optimism around China's technology-driven growth. Most of the gains were concentrated in the first half of the year, driven by a surge in capital inflows and record IPO activity, particularly around the technology, healthcare, and other new economy sectors.

The portfolio delivered strong absolute returns and outperformed the benchmark over the year. Stock selection in the telecommunications and health care sectors were the main contributors. At a single stock level, the top contributor was Zhongji Innolight. The company makes high speed optical transceivers which are an essential component for areas such as high-speed internet, cloud computing, and data center communication. Innolight reported consistently strong results through the year buoyed by healthy AI-related demand both in China and overseas.

Conversely, a top detractor was Pop Mart, a high profile pop culture toy company that sprang to global fame through its 'Labubu' products. Given the popularity of its key products and overseas store expansion, we initiated a position when the share price pulled back. However, the stock weakened in the final months of the year on concerns around slowing growth momentum.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.11 US Equity Fund

1.11.1 Analysis of investments during the year

The fund returned 16.81%* in 2025 compared with a 17.68% return for its benchmark, the FTSE MPF North America Index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
US Equity Fund (Launch date: 19 March 2007)	16.81	5.95	11.85	8.56
Benchmark	17.68	13.27	14.06	10.00
Deviation from the benchmark	(0.87)	(7.32)	(2.21)	(1.44)

1.11.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

US equity markets experienced a volatile but ultimately positive year in 2025, shaped by shifting policy expectations, sector rotations, and heightened geopolitical uncertainty. At the start of the year, market sentiment weakened as investors reassessed elevated valuations in growth-oriented and technology-heavy sectors, particularly where optimism around artificial intelligence had become increasingly stretched.

Market volatility intensified in early April following the US "Liberation Day" tariff announcement, which triggered a sharp market sell-off amid concerns over trade disruption, inflationary pressures, and the risk of slower economic growth. Markets subsequently recovered as some tariff measures were paused and corporate earnings remained broadly resilient.

As the year progressed, confidence in economic resilience and earnings growth improved, supporting a recovery in US equities. In the final quarter, US equities advanced amid shifting political dynamics following the US presidential election, although sector dispersion remained elevated. Overall, US equities ended 2025 higher.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.12 Greater China Equity Fund

1.12.1 Analysis of investments during the year

The fund returned 34.25%* in 2025 compared with a 35.83% return for its benchmark, the FTSE MPF Greater China (Total Net) index.

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Greater China Equity Fund (Launch date: 1 May 2011)	34.25	(2.05)	8.05	5.57
Benchmark	35.83	4.23	8.94	5.50
Deviation from the benchmark	(1.58)	(6.28)	(0.89)	0.07

1.12.2 Trustee's commentary

The fund finished the year slightly trailing the benchmark, on a gross of fee basis. The first four months of the year proved challenging, however relative performance turned positive from May to September. Disappointingly, the last quarter of the year proved to be more challenging, dragged by China, and the fund underperformed the benchmark.

Against this backdrop, stock selection contributed, led by Taiwan, offsetting the drag from Hong Kong and China, however country allocation - being underweight Hong Kong and overweight China - detracted from performance. By sector, stock selection contributed, led by Telecommunications, Industrials and Consumer Discretionary, however sector allocation detracted, particularly the underweight position in Materials and Financials.

At the stock level, the top contributor was FII, driven by faster-than-expected chip rollout and the rising contributions from AI servers. Taiwanese AI capex demand beneficiaries such as Elite Material (copper-clad laminates), MPI (vertical probe cards), Wiwynn (AI server components) and Aspeed (BMC) outperformed due to strong AI server and ASIC demand. Delta Electronics in Taiwan and Chinese Power Grid Equipment makers Sieyuan Electric and Huaming Power Equipment gained as beneficiaries of energy-hungry AI.

Turning to detractors, the largest detractor was the underweight position to HSBC. The bank saw strong momentum in its earnings, benefiting from higher client activity and market volatility, whilst maintaining stable banking net interest income (NII) despite interest rate cuts. We initiated a position to narrow the underweight.

Meituan underperformed due to intensified competition in the food delivery sector, leading to significant losses and increased subsidy spending. The company's operating cash flow turned negative, and the competitive landscape remained highly dependent on rivals like BABA. Additionally, the company's strategic investments in overseas expansion and new initiatives further weighed on profitability. Against this backdrop, we aggressively trimmed our position in the stock.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.12 Greater China Equity Fund (continued)

1.12.2 Trustee's commentary (continued)

Silergy underperformed due to lower-than-expected revenue growth and gross margins impacted by supply chain diversification and geopolitical dynamics, such as macro uncertainties and tariff disruptions, and we exited from the stock.

Whilst maintaining the core of our research and portfolio management approach, over 2025 we took further steps to strengthen our resources, enhance our processes, and reposition portfolios. This included significant progress in rolling out "Industry Frameworks" to anchor our long-term forecasts, as well as the systematic tracking of investment thesis signposts through "Predetermined Game Plans" to help build conviction and inform position sizing. We have also placed more emphasis on analyst funds in our Research team's end-of-year metrics, prioritizing actionable research ideas. Additionally, we refreshed our talent bench by hiring our sixth senior Greater China analyst in 18 months, including pair of roving China product analysts for idea generation in mid and small caps in particular. Empowered by our technology platform, Spectrum, with embedded AI capabilities we continue to refine our approach to information sharing.

While performance remained disappointing, we have confidence that the benefits of these refinements are becoming apparent. For example, the industry frameworks have facilitated more rapid decision-making as new information becomes available within China, whilst ensuring out estimates are based on reasonable long-term assumptions.

One clear reflection for the year is that these sorts of enhancements play out over some time, as improvements to our process are rolled out, as new analysts produce high quality research on their coverage, and as the impact feeds through into our longer-term investment performance. Being committed for the long-haul matters – not least as the market movements of the past 18 months in China have been a welcome reminder that sometimes the best time to buy any asset class is when it is out of favour.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.13 Age 65 Plus Fund

1.13.1 Analysis of investments during the year

In 2025, the fund returned 7.09%* compared with a 5.49% return for its benchmark. The components of the benchmark were as follows: FTSE MPF All-World Index (20%), Citi MPF WGBI (77%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (3%).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Age 65 Plus Fund (Launch date: 1 April 2017)	7.09	0.57	-	2.54
Benchmark	5.49	0.02	-	2.22
Deviation from the benchmark	1.60	0.55	-	0.32

1.13.2 Trustee's commentary

According to the Investment Manager, the portfolio achieved a positive return and outperformed its benchmark over the one-year financial period ended 31 December 2025.

Equity outperformance was driven by Momentum and Value factors over the year, with only marginal contribution from Quality. A slight drag came from the tightly controlled Size exposure, while sector and currency positioning—kept tightly aligned with the benchmark as part of our portfolio construction—added modestly to returns.

Bond performance benefited from outperformance in Developed Market Carry, Value, and Quality factors, with additional support from our smaller Emerging Market government bond exposure.

The equity portion delivered a return of 23.8% in 2025, outperforming the benchmark return of 23.1%. Meanwhile, the fixed income portion returned 3.27%, above benchmark return of 2.6%.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.14 Core Accumulation Fund

1.14.1 Analysis of investments during the year

In 2025, the fund returned 15.82%* compared with a 13.56% return for its benchmark. The components of the benchmark were as follows: FTSE MPF All-World Index (60%), Citi MPF WGBI (37%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (3%).

	Annualised return			
	1 year %	*5 years* %	*10 years* %	*Since launch* %
Core Accumulation Fund (Launch date: 1 April 2017)	15.82	6.50	-	7.08
Benchmark	13.56	5.37	-	6.68
Deviation from the benchmark	2.26	1.13	-	0.40

1.14.2 Trustee's commentary

According to the Investment Manager, the portfolio achieved a positive return and outperformed its benchmark over the one-year financial period ended 31 December 2025.

Equity outperformance was driven by Momentum and Value factors over the year, with only marginal contribution from Quality. A slight drag came from the tightly controlled Size exposure, while sector and currency positioning—kept tightly aligned with the benchmark as part of our portfolio construction—added modestly to returns.

Bond performance benefited from outperformance in Developed Market Carry, Value, and Quality factors, with additional support from our smaller Emerging Market government bond exposure.

The equity portion delivered a return of 23.8% in 2025, outperforming the benchmark return of 23.1%. Meanwhile, the fixed income portion returned 3.27%, above benchmark return of 2.6%.

* Performance is calculated net of fees for the year 2025. Past performance is not indicative of future results.

Investment report (continued)

1 Analysis of investments and Trustee's commentary (continued)

1.15 Trustee's commentary and performance assessment

We are of the view that:

(a) the investments made complied with the Scheme rules; and

(b) the investment strategy of our constituent funds followed the investment objectives specified in the MPF Scheme Brochure.

On a regular basis, the directors of YF Life Trustees Limited review the funds' performances and discuss with the Investment Managers on ways to improve their funds' performance, if necessary. Moreover, an Investment Committee was established to closely monitor the funds' performance and provide advice on follow up actions where necessary.

Moreover, the directors also review the variety of Fund choices offered to members, the size of each constituent fund and the fee level to ensure Mass Mandatory Provident Fund Scheme is competitive in the market.

Investment report (continued)

2 Particulars of the investment policy during the year

2.1 Statement of investment policy

2.1.1 MPF Conservative Fund

The investment objective of the MPF Conservative Fund is to provide a convenient and easily realisable medium of investment for investors who require a level of income combined with a high degree of capital protection by investing in HK dollar denominated bank deposits and other high quality HK dollar denominated fixed interest and other monetary instruments. The MPF Conservative Fund seeks to achieve the above objective by investing into the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund.

As a result of investing into the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund, the MPF Conservative Fund may invest in any or a combination of (a) deposits for a term not exceeding 12 months; (b) unrestricted investments having a remaining maturity period of no more than 2 years; (c) debt securities (other than unrestricted investments) with a remaining maturity period of no more than 1 year and which satisfy the minimum credit rating set by the MPFA or (d) any other assets permitted for investment by Capital Preservation Fund pursuant to the General Regulation.

The MPF Conservative Fund will maintain an average portfolio maturity of not more than 90 days and an effective currency exposure (as defined in the General Regulation) to Hong Kong dollars equal to the latest available NAV of the Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund.

The MPF Conservative Fund is a low-risk investment option which protects investors against investment losses resulting from market fluctuations or volatility. The MPF Conservative Fund may not engage in financial futures contracts or financial option contracts or currency forward contracts or in securities lending.

The inherent risk in implementing the above investment policy is considered low.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.2 Guaranteed Fund and Mass MPF Guaranteed Policy (the "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.

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).

The Guaranteed Fund maintains an "effective currency exposure" to Hong Kong dollars (as defined in the General Regulation) of not less than 30 per cent.

The underlying APIF Policy may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, neither the Guaranteed Fund nor the underlying APIF Policy engages in securities lending. However, the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts, and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.2 Guaranteed Fund and Mass MPF Guaranteed Policy (the "APIF Policy") (continued)

The inherent risk in implementing the above investment policy is considered low to medium. The Guaranteed Fund is expected to provide investors with capital preservation combined with steady capital appreciation over the long term by investing in a diversified portfolio of global equities and fixed-interest securities.

Subject to the occurrence of qualifying events, the Guaranteed Fund will provide guarantee on net contributions only made by or for a member (i.e. contribution monies less any offer spread imposed).

The Guaranteed Fund in the Scheme invests in an insurance policy which includes a guarantee feature. The insurance policy is issued by YF Life Insurance International Limited.

Given that all the assets of the Guaranteed Fund are invested in the underlying APIF Policy issued by YF Life Insurance International Limited, the guarantee offered by the Guaranteed Fund is effectively provided by YF Life Insurance International Limited. As a result of this guarantee feature, the performance of the Guaranteed Fund may be diluted.

2.1.3 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.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.3 Global Stable Fund (continued)

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 the 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).

The Global Stable Fund will maintain an "effective currency exposure" to Hong Kong dollars (as defined in the General Regulation) of not less than 30 per cent.

The Global Stable Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Global Stable Fund will not engage in securities lending. However, the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Stable Growth Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered medium.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.4 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).

The Global Growth Fund will maintain an "effective currency exposure" to Hong Kong dollars (as defined in the General Regulation) of not less than 30 per cent.

The Global Growth Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Global Growth Fund will not engage in securities lending. However, the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be affected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Balanced Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered medium to high.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.5 Asian Bond Fund

The investment objective of the Asian Bond Fund is to seek a return consisting of income and capital growth over medium to long term. The Asian Bond Fund seeks to achieve the above objective by investing solely into the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund.

As a result of investing into the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund, the portfolio of the Asian Bond Fund will invest a majority of its assets in Asian debt securities, including but not limited to sovereign, quasi-sovereign, agency, corporate bonds, of varying maturities issued by the government, multi-lateral agencies or by companies, and denominated primarily in U.S. dollars and major Asian currencies. The types of debt securities that the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund intends to primarily invest into are government bonds, corporate bonds/debentures, floating rate notes, bills, commercial papers and certificates of deposit. In addition, the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund invests not more than 30% of its assets in time deposits or may hold cash.

Other than U.S. dollars and Hong Kong dollars, exposure to any single Asian currency, including but not limited to China Renminbi, South Korean Won and Singaporean dollars, will not exceed 30% of the total assets of the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund. During special circumstances, such as periods of uncertainty or high volatility in Asian debt securities markets, the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund may invest up to 30% of its assets in non-Asian assets to protect the Principal Asian Bond Fund. During periods of high volatility, Asian debt securities may be less liquid or with higher bid-offer spreads etc. making them more difficult and expensive to transact in the market. In those cases, to help the Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund maintain liquidity and buffer against market volatility, Principal may choose to invest in non-Asian assets, such as US Treasuries, non-Asian highly rated sovereign debt securities, which are more liquid and have lower bid-offer spread etc.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.5 Asian Bond Fund (continued)

The target ranges of asset allocation and geographic allocation of the Asian Bond Fund through its investment in Principal Asian Bond Fund of the Principal Unit Trust Umbrella Fund are as follows:

	% of net asset value
Asset allocation	Range
Debt securities	70 - 100%
Cash and time deposits	0 - 30%
Geographic allocation	Range
Asia	70 - 100%
Others	0 - 30%

The Asian Bond Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Asian Bond Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have an Asian investment mandate.

The Asian Bond Fund may not engage in financial futures and financial option contracts. The Asian Bond Fund may not engage in currency forward contracts. Moreover, the Asian Bond Fund will not engage in security lending.

The Asian Bond Fund is subject to market fluctuations, and to the risks inherent in all investments. Investors should regard the Asian Bond Fund as a medium risk investment option.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.6 Global Bond Fund

The investment objective of the Global Bond Fund is to protect and maximize real asset value in terms of international purchasing power. The Global Bond Fund seeks to achieve the above objective by investing solely into the Principal International Bond Fund of Principal Unit Trust Umbrella Fund.

As a result of investing into the Principal International Bond Fund of Principal Unit Trust Umbrella Fund, the portfolio of the Global Bond Fund will invest mainly in the global bond markets, both sovereign or non-sovereign debt securities, of varying maturities and denominated in the world's major currencies.

The target ranges of asset allocation and geographic allocation of the Global Bond Fund through its investment in the Principal International Bond Fund of Principal Unit Trust Umbrella Fund are as follows:

	% of net asset value
Asset allocation	Range
Debt securities	70 - 100%
Cash and Short-term Investment (e.g. bills and deposits)	0 - 30%
Geographic allocation	Range
Asia (ex-Japan)	0 - 50%
Europe	0 - 50%
Japan	0 - 50%
North America	15 - 85%
Other countries (each)	0 - 20%

The Global Bond Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. This fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a global investment mandate.

The Global Bond Fund may not engage in financial futures and financial option contracts. The Global Bond Fund may not engage in currency forward contracts. Moreover, the Global Bond Fund will not engage in security lending.

The Global Bond Fund is subject to market fluctuations, and to the risks inherent in all investments. Investors should regard the Global Bond Fund as a low risk investment option.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.7 Global Equity Fund

The investment objective of the Global Equity Fund is to seek capital growth through investing in a diversified global equity portfolio. The Global Equity Fund seeks to achieve the above objective by investing solely into the Advanced Global Equity Fund of Schroder Institutional Pooled Funds.

As a result of investing into the Advanced Global Equity Fund of Schroder Institutional Pooled Funds, the portfolio of the Global Equity Fund may invest up to 100% in a portfolio of global equities in a globally diversified manner with relative emphasis on the United States and Europe.

The portfolio of the Global Equity Fund may hold up to 10% of its net asset value in cash or cash equivalents for the purpose of portfolio management, and up to 30% of its net asset value in cash or cash equivalents in times of extreme market conditions such as in times of a prolonged bearish market or a severe and rapid economic downturn in order to protect the assets of the Global Equity Fund, mitigate risk or maintain liquidity of the Global Equity Fund.

The current proposed asset allocation of the Global Equity Fund through its investment in the Advanced Global Equity Fund of Schroder Institutional Pooled Funds is set out below. Investors should note that the actual allocation may at times be varied from that shown below as market, economic and other conditions change.

	% of net asset value
Asset allocation	Range
Debt securities	70 - 100%
Cash and cash equivalents	0 - 30%
Geographic allocation	Range
Asia Pacific excluding Japan	0 - 50%
United Stated	10 - 70%
Japan	0 - 25%
Europe	10 - 50%
Others	0 - 30%

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.7 Global Equity Fund (continued)

The Global Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Global Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a global investment mandate.

The Global Equity Fund may not engage in financial futures and financial option contracts. The Global Equity Fund will engage in currency forward contracts for hedging purpose. Moreover, the Global Equity Fund will not engage in security lending.

The Global Equity Fund is subject to market fluctuations, and to the risks inherent in all investments. Investors should regard the Global Equity Fund as a high risk investment option.

2.1.8 Asian Pacific Equity Fund

The investment objective of the Asian Pacific Equity Fund is to provide long term capital appreciation. The Asian Pacific Equity Fund seeks to achieve the above objective by investing solely into the Smart Asian Equity Fund of Bonitas Pooled Investment Fund Series.

The Smart Asian Equity Fund of Bonitas Pooled Investment Fund Series, will apply a "Smart Beta" investment strategy in a portfolio of Asia Pacific (excluding Japan, Australia and New Zealand) equity securities that are constituent stocks of the FTSE MPF Asia Pacific ex Japan, Australia and New Zealand Index (or equity-related securities which are receipts or certificates entitling the holder to the economic benefits of ownership of such constituent stocks ("Proxies"), including depositary receipts and non-voting depositary receipts). The invested markets primarily include Hong Kong, China (including, but not limited to China A-Shares via Stock Connect), Taiwan, South Korea, Singapore, Malaysia, Thailand, Philippines, Indonesia and India.

As the Asian Pacific Equity Fund through its investment in Smart Asian Equity Fund of Bonitas Pooled Investment Fund Series does not invest by replicating a designated index (as in the case of a typical index tracking fund), Asian Pacific Equity Fund is not an index tracking fund with passive management strategies. The use of the "Smart Beta" investment strategy will involve the utilization of a proprietary rule-based quantitative screening of securities in the selection of constituents (or their Proxies) from the said index. The weighting of the constituents (or their Proxies) invested by the Smart Asian Equity Fund of BonitasPooled Investment Fund Series may be different from reference index. The Smart Asian Equity Fund will also seek to maintain a relatively low performance variation between the Smart Asian Equity Fund and the said index with a view to delivering a risk-and-return profile which is similar to that of the said index. While the said rule-based investment strategy will be adhered to without discretion in the said selection process, those rules will be subject to reviews and may be changed from time to time.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.8 Asian Pacific Equity Fund (continued)

The Asian Pacific Equity Fund through its investment in Smart Asian Equity Fund of Bonitas Pooled Investment Fund Series has no prescribed allocations for investments in any specific countries or currencies in the Asia Pacific (excluding Japan, Australia and New Zealand).

The target ranges of asset allocation of the Asian Pacific Equity Fund through its investment in the Smart Asian Equity Fund of Bonitas Pooled Investment Fund Series are as follows:

	% of net asset value
Asset allocation	Range
Listed equity securities	70 - 100%
Cash and cash equivalents	0 - 30%

The Asian Pacific Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The Asian Pacific Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have an Asian investment mandate.

The Asian Pacific Equity Fund may not engage in financial futures and financial option contracts. The Asian Pacific Equity Fund will engage in currency forward contracts for hedging purposes. Moreover, the Asian Pacific Equity Fund will not engage in security lending.

The Asian Pacific Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Asian Pacific Equity Fund as a high risk investment option.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.9 European Equity Fund

The investment objective of the European Equity Fund is to achieve capital growth over the long-term by investing mainly in European equity markets. The European Equity Fund seeks to achieve the above objective by investing solely into the Principal European Equity Fund of Principal Life Style Fund.

As a result of investing into the Principal European Equity Fund of Principal Life Style Fund, the portfolio of the European Equity Fund will invest primarily in listed equities issued by companies established in Europe or by companies whose shares are listed in Europe or by companies that are listed elsewhere but have substantial business in Europe.

The European Equity Fund through its investment in Principal European Equity Fund of Principal Life Style Fund may hold cash and short-term investments for cash management purpose.

The target ranges of asset allocation and geographic allocation of the European Equity Fund through its investment in the Principal European Equity Fund of Principal Life Style Fund are as follows:

	% of net asset value
Asset allocation	Range
Equity Securities	70 - 100%
Cash and Short-term Investment (e.g. bills and deposits)	0 - 30%
Geographic allocation	Range
Europe	70 - 100%
Other countries	0 - 30%

The European Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The European Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a European investment mandate.

The European Equity Fund may not engage in financial futures and financial option contracts. The European Equity Fund may not engage in currency forward contracts. Moreover, the European Equity Fund will not engage in security lending

The European Equity Fund is subject to market fluctuations, and to the risks inherent in all investments. Investors should regard the European Equity Fund as a high risk investment option.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.10 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 Hong Kong Equities Fund will maintain an “effective currency exposure” to Hong Kong dollars (as defined in the General Regulation) of not less than 30 per cent.

The Hong Kong Equities Fund may not engage in financial futures contracts, financial option contracts and currency forward contracts. Moreover, the Hong Kong Equities Fund will not engage in securities lending. However, the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund may engage in financial futures contracts, financial option contracts and currency forward contracts for hedging purposes only. The assets of the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund may also be applied for the purpose of entering into stock lending transactions. Any such use of stock lending transactions or repurchase agreements will be effected in accordance with the applicable regulatory requirements and the terms of the constitutive documents of the Allianz Choice Hong Kong Fund of the Allianz Global Investors Choice Fund.

The inherent risk in implementing the above investment policy is considered high.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.11 US Equity Fund

The investment objective of the US Equity Fund is to provide long term capital appreciation. The US Equity Fund seeks to achieve the above objective by investing solely into Smart North American Equity Fund of Bonitas Pooled Investment Fund Series.

Smart North American Equity Fund of Bonitas Pooled Investment Fund Series, will apply a "Smart Beta" investment strategy in a portfolio of North American equity securities that are constituent stocks of the FTSE MPF North America Index (or equity-related securities which are receipts or certificates entitling the holder to the economic benefits of ownership of such constituent stocks ("Proxies"), including depositary receipts and non-voting depositary receipts).

As the US Equity Fund through its investment in Smart North American Equity Fund of Bonitas Pooled Investment Fund Series does not invest by replicating a designated index (as in the case of a typical index tracking fund), the US Equity Fund is not an index tracking fund with passive management strategies. The use of the "Smart Beta" investment strategy will involve the utilization of a proprietary rule-based quantitative screening of securities in the selection of constituents (or their Proxies) from the said index. The weighting of the constituents (or their Proxies) invested by the Smart North American Equity Fund may be different from that of the reference index. The Smart North American Fund will also seek to maintain a relatively low performance variation between the Smart North American Fund and the said index with a view to delivering a risk-and-return profile which is similar to that of the said index. While the said rule-based investment strategy will be adhered to without discretion in the said selection process, those rules will be subject to reviews and may be changed from time to time.

The target ranges of asset allocation of the US Equity Fund through its investment in the Smart North American Equity Fund of Bonitas Pooled Investment Fund Series are as follows:

	% of net asset value
Asset allocation	Range
Listed equity securities	70 - 100%
Cash and cash equivalents	0 - 30%

The US Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments. The US Equity Fund will therefore have a maximum of 70% of its net assets in non-Hong Kong dollar currency investments, which will have a US investment mandate.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.11 US Equity Fund (continued)

The US Equity Fund may not engage in financial futures and financial option contracts. The US Equity Fund may engage in currency forward contracts for hedging purposes. Moreover, the US Equity Fund will not engage in security lending.

The US Equity Fund is subject to market fluctuations, and to the risks inherent in all investments. Investors should regard the US Equity Fund as a high risk investment.

2.1.12 Greater China Equity Fund

The investment objective of the Greater China Equity Fund is to provide investors with long-term capital growth. This fund seeks to achieve the above objective by investing into the JP Morgan SAR Greater China Fund.

As a result of investing into the JP Morgan SAR Greater China Fund, the portfolio of the Greater China Equity Fund will invest primarily in securities of companies based or operating principally in the People's Republic of China, Hong Kong, Macau or Taiwan ("Greater China Region") and the majority of these companies will be listed on a stock exchange in Hong Kong or Taiwan. This fund will not invest (directly or indirectly) more than 10% of its net assets in China A and/or B shares.

The Greater China Equity Fund through its investment in the JP Morgan SAR Greater China Fund will have the following ranges of asset allocations:

70 - 100%	net asset value in Greater China equities
0 - 30%	net asset value in other equities
0 - 30%	net asset value in bonds*

* For cash management purposes only.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.12 Greater China Equity Fund (continued)

The Greater China Equity Fund will have a minimum of 30% of its net assets in Hong Kong dollar currency investments.

The Greater China Equity Fund may not engage in financial futures contracts and financial option contracts. Moreover, the Greater China Equity Fund will not engage in security lending.

The Greater China Equity Fund through JP Morgan SAR Greater China Fund invests in securities. Investments by the JP Morgan SAR Greater China Fund are restricted by the terms of the Trust Deed of the JP Morgan SAR Greater China Fund and by the General Regulation. Subject to the limits set out in the investment restrictions specific in the Trust Deed of the JP Morgan SAR Greater China Fund and in the General Regulation, the investment manager may invest in financial options and warrants and enter into financial futures contracts for hedging purposes. The investment manager has the discretion under the Trust Deed of the JP Morgan SAR Greater China Fund to enter into securities lending arrangements under specific circumstances where the relevant guidelines issued by the MPFA are complied with. However, the investment manager of the JP Morgan SAR Greater China Fund does not currently intend to enter into such arrangements.

The Greater China Equity Fund is subject to market fluctuations and to the risks inherent in all investments. Investors should regard the Greater China Equity Fund as a high risk investment option.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.13 Age 65 Plus Fund

The investment objective of the Age 65 Plus Fund is to achieve stable growth by investing in a globally diversified manner.

The Age 65 Plus Fund through the underlying approved pooled investment funds ("APIFs") of the Underlying Investment Fund adopts active investment strategy. The Underlying Investment Fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the Age 65 Plus Fund through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the Age 65 Plus Fund but may not be identical to the MPF industry developed Reference Portfolio for the Age 65 Plus Fund in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing ("DIS").

The Age 65 Plus Fund shall be invested in an approved pooled investment fund named the Age 65 Plus Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a global diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the General Regulation.

The Age 65 Plus Fund, through the Underlying Investment Fund, targets to invest 20% of its net assets in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments). The asset allocation to Higher Risk Assets may vary between 15% and 25% due to differing price movements of various equity and bond markets. The asset allocation to the Higher Risk Assets (ranged from 15% to 25%) is subject to the discretion of investment manager of the Age 65 Plus Fund.

There is no prescribed allocation for investments in any specific countries or currencies.

The Age 65 Plus Fund through its Underlying Investment Fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the General Regulation) of not less than 30% through currency hedging operations.

The Age 65 Plus Fund and its Underlying Investment Fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the Age 65 Plus Fund and Underlying Investment Fund, through its APIFs, will enter into financial futures contracts and financial options contracts for hedging purposes only. Besides, the Age 65 Plus Fund will not engage in currency forward contracts.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.13 Age 65 Plus Fund (continued)

Investment in the Age 65 Plus Fund is subject to market fluctuations and to the risk inherent to investing in securities. Because the asset allocation of Higher Risk Assets of the Age 65 Plus Fund may vary between 15% to 25%, based on the percentage of assets invested in equities (i.e. Higher Risk Assets), investors should regard the Age 65 Plus Fund as a low to medium risk investment option. The return of the Age 65 Plus Fund over the long term is expected to be at least similar to the return of the MPF industry developed Reference Portfolio for the Age 65 Plus Fund.

2.1.14 Core Accumulation Fund

The investment objective of the Core Accumulation Fund is to achieve capital growth by investing in a globally diversified manner.

The Core Accumulation Fund through the APIFs of the Underlying Investment Fund adopts active investment strategy. The Underlying Investment Fund, through its APIFs, aim to achieve returns above the MPF industry developed Reference Portfolio for the Core Accumulation Fund through active management of portfolio by making reference to the MPF industry developed Reference Portfolio for the Core Accumulation Fund but may not be identical to the MPF industry developed Reference Portfolio for the Core Accumulation Fund in terms of security selection and weighting and may selectively react to the movement of dealings in the portfolios or market fluctuation. This strategy aims to promote efficiency and minimize cost for the purpose of default investment strategy asset rebalancing.

The Core Accumulation Fund shall invest in an approved pooled investment fund named the Core Accumulation Fund of Invesco Pooled Investment Fund, which in turn primarily invests in a combination of global equities and bonds in a globally diversified manner (through investment in the Global Strategic Equity Fund and the Global Strategic Bond Fund of Invesco Pooled Investment Fund which are approved pooled investment funds) as allowed under the General Regulation.

The Core Accumulation Fund, through the underlying investment fund, targets to invest 60% of its net assets in Higher Risk Assets (such as global equities), with the remainder investing in Lower Risk Assets (such as global bonds, cash and money market instruments). The asset allocation to Higher Risk Assets may vary between 55% and 65% due to differing price movements of various equity and bond markets. The asset allocation to the Higher Risk Assets (ranged from 55% to 65%) is subject to the discretion of investment manager of the Core Accumulation Fund.

There is no prescribed allocation for investments in any specific countries or currencies.

Investment report (continued)

2 Particulars of the investment policy during the year (continued)

2.1 Statement of investment policy (continued)

2.1.14 Core Accumulation Fund (continued)

The Core Accumulation Fund through its Underlying Investment Fund will maintain an effective currency exposure to Hong Kong dollars (as defined in the General Regulation) of not less than 30% through currency hedging operations.

The Core Accumulation Fund and its Underlying Investment Fund will not enter into financial future contracts, financial option contracts and will not engage in security lending directly. However, the Core Accumulation Fund and Underlying Investment Fund, through its APIFs, will enter into financial futures and options contracts for hedging purposes only. Besides, the Core Accumulation Fund will not engage in currency forward contracts.

Investment in the Core Accumulation Fund is subject to market fluctuations and to the risk inherent to investment in securities. Because the asset allocation of Higher Risk Assets of the Core Accumulation Fund may vary between 55% to 65%, based on the percentage of assets invested in equities (i.e. Higher Risk Assets), investors should regard the Core Accumulation Fund as a medium to high risk investment option. The return of the Core Accumulation Fund over the long term is expected to be at least similar to the return of the MPF industry developed Reference Portfolio for the Core Accumulation Fund.

2.2 Change of investment policy

Subject to the approval of the MPFA and the SFC,

(i) the Trustee may change the investment policy of any constituent fund by one month's prior written notice (or such longer period not exceeding three months as may be imposed by the SFC) to the scheme participants; and

(ii) the Insurer may change the investment policy of the APIF Policy by one month's prior written notice to the policyholders of the underlying APIF Policy.

Investment report (continued)

3 Performance table

3.1 *MPF Conservative Fund*

	2025 HK$	2024 HK$	2023 HK$	2022 HK$	2021 HK$
Net loss excluding capital appreciation	(3,063,697)	(3,034,769)	(3,118,246)	(3,778,685)	(118,011)
Capital appreciation - realised and unrealised	15,878,350	21,625,377	20,536,640	5,501,322	122,191
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	668,547,338	602,523,671	546,118,015	551,659,226	441,205,339
Total net asset value	668,004,810	602,074,934	545,644,630	551,181,290	441,169,028
Net asset value per unit	12.0773	11.8391	11.4507	11.0888	11.0534

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	12.0773	11.8415	2.012
2024	11.8391	11.4570	3.392
2023	11.4510	11.0928	3.264
2022	11.0890	11.0523	0.320
2021	11.0534	11.0533	0.001
2020	11.0534	11.0028	0.465
2019	11.0021	10.8786	1.147
2018	10.8773	10.8161	0.566
2017	10.8161	10.8154	0.007
2016	10.8154	10.8146	0.007
2015	10.8146	10.8139	0.086
2014	10.8139	10.8118	(0.071)
2013	10.8221	10.8107	(0.083)
2012	10.8220	10.8185	0.004
2011	10.8297	10.8214	(0.074)
2010	10.8368	10.8283	(0.063)
2009	10.8618	10.8346	(0.244)
2008	10.8630	10.7666	0.938
2007	10.7555	10.5180	2.336
2006	10.5137	10.2640	2.486
2005	10.2597	10.1640	0.616
2004	10.2360	10.1956	(0.376)

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 1 December 2000 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.2 Guaranteed Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net gain excluding capital appreciation	100,531	44,101	-	-	-
Capital appreciation/(depreciation) - realised and unrealised	24,915,387	6,121,842	7,613,439	(31,115,235)	(5,805,981)
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	280,335,170	216,695,514	205,956,565	184,381,735	206,261,609
Total net asset value	280,435,701	216,739,615	205,956,565	184,381,735	206,261,609
Net asset value per unit	11.0702	10.1155	10.0918	9.8611	11.7716

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	11.1413	9.9279	9.420
2024	10.6683	9.8195	0.235
2023	10.3917	9.4104	2.339
2022	11.7644	9.2462	(16.230)
2021	12.4802	11.7027	(3.368)
2020	12.1819	9.9699	9.595
2019	11.1169	10.3945	6.542
2018	11.7546	10.3678	(8.212)
2017	11.3938	10.2917	10.141
2016	10.9875	10.1218	(1.169)
2015	11.3261	10.3833	(4.973)
2014	11.4376	10.9584	(2.500)
2013	11.4607	10.8076	0.919
2012	11.1864	10.4330	6.859
2011	11.2364	10.1280	(4.201)
2010	11.2159	10.1653	2.431
2009	10.9253	9.1197	5.911
2008	11.4559	9.2591	(12.250)
2007	11.6250	10.5509	7.705

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 20 January 2006 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund policy. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund policy. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.3 Global Stable Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(2,420,769)	(3,348,623)	(3,610,862)	(3,714,104)	(4,307,967)
Capital appreciation/(depreciation) - realised and unrealised	45,135,040	16,460,512	15,027,683	(43,824,867)	4,022,411
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	296,663,285	263,914,528	260,287,434	247,833,966	304,181,928
Total net asset value	296,372,245	263,522,824	259,740,683	247,292,639	303,536,885
Net asset value per unit	26.0342	22.3372	21.2718	20.3364	24.1278

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	26.0860	21.6543	16.488
2024	23.5986	20.5881	5.009
2023	21.7500	19.6652	4.600
2022	24.2179	18.5591	(15.714)
2021	25.3719	23.8026	(0.111)
2020	24.1547	17.8119	15.030
2019	21.0172	18.7159	11.204
2018	21.9188	18.6924	(9.386)
2017	20.8406	17.7065	17.546
2016	18.6861	16.4841	1.404
2015	19.2950	17.1085	(3.576)
2014	18.8920	17.6903	(0.766)
2013	18.3013	16.7209	8.034
2012	16.9481	15.1325	11.808
2011	16.5870	14.1999	(4.421)
2010	16.1790	14.1562	5.751
2009	15.2839	11.3606	15.989
2008	16.3415	11.6726	(21.573)
2007	16.8285	14.5219	12.680
2006	14.6015	12.9097	14.871
2005	12.7515	12.0488	2.712
2004	12.3746	10.6553	11.542

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 1 December 2000 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.4 Global Growth Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(3,908,749)	(5,270,601)	(5,719,481)	(5,808,856)	(6,621,169)
Capital appreciation/(depreciation) - realised and unrealised	90,657,965	37,340,670	24,736,004	(70,009,498)	15,169,689
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	496,370,375	419,535,297	408,367,720	398,343,589	468,521,616
Total net asset value	495,874,660	418,922,006	407,512,733	397,480,197	467,533,078
Net asset value per unit	31.7189	26.1954	24.2861	23.1625	27.5726

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	31.8055	24.8301	21.026
2024	28.0007	23.3720	7.862
2023	25.0616	22.3941	4.851
2022	27.7765	20.6631	(15.995)
2021	29.1323	26.9902	1.780
2020	27.0903	18.2928	17.938
2019	23.0107	19.9159	13.792
2018	24.5815	19.9333	(12.356)
2017	23.0351	18.7364	23.031
2016	19.6294	16.6970	1.582
2015	20.9811	17.7788	(3.999)
2014	20.1650	18.4415	(1.000)
2013	19.3902	17.1365	13.257
2012	17.1663	14.8903	14.267
2011	17.0810	13.6501	(7.345)
2010	16.4475	13.9331	6.741
2009	15.3648	10.4915	23.310
2008	17.8525	10.9519	(32.124)
2007	18.7732	15.5949	15.400
2006	15.6860	13.3519	19.945
2005	13.1375	12.0343	5.221
2004	12.4277	10.8135	13.115

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 1 December 2000 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.5 Asian Bond Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(3,595,221)	(4,902,437)	(4,316,279)	(1,780,982)	(1,996,101)
Capital appreciation/(depreciation) - realised and unrealised	26,390,503	11,573,280	25,651,936	(49,618,528)	(2,598,776)
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	327,777,363	329,520,885	344,742,922	331,194,608	379,269,327
Total net asset value	326,662,863	328,839,181	343,898,646	330,772,032	378,824,795
Net asset value per unit	28.0954	26.2174	25.7140	24.1360	27.8924

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	28.1805	26.0549	7.157
2024	26.9649	25.2123	1.958
2023	26.0488	23.9949	6.538
2022	28.4426	21.5497	(13.467)
2021	31.1347	27.2410	(1.485)
2020	28.3129	20.6411	3.574
2019	27.3711	24.2548	8.063
2018	30.8194	25.0947	(14.239)
2017	29.4996	24.1916	22.201
2016	24.6728	20.9557	3.452
2015	27.0394	22.0959	(6.350)
2014	26.3826	23.4201	1.555
2013	25.9563	23.1044	2.598
2012	23.9113	20.7711	15.894
2011	23.0117	19.7580	(7.645)
2010	22.3603	18.9547	13.879
2009	19.4947	14.0094	28.596
2008	21.6534	14.2003	(31.084)
2007	22.5464	19.2512	14.100
2006	16.6412	19.4015	16.855
2005	16.6045	15.1339	7.613
2004	15.4272	13.0641	12.446

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 17 March 2003 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.6 Global Bond Fund

	2025 HK$	2024 HK$	2023 HK$	2022 HK$	2021 HK$
Net loss excluding capital appreciation/(depreciation)	(1,796,018)	(1,970,308)	(1,519,504)	(683,312)	(739,636)
Capital appreciation/(depreciation) - realised and unrealised	12,814,919	(3,689,506)	6,772,752	(17,845,903)	(5,230,003)
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	168,260,748	146,292,669	130,186,278	115,750,992	138,215,622
Total net asset value	167,696,130	145,985,288	129,882,142	115,609,123	138,061,711
Net asset value per unit	12.3380	11.5148	11.9788	11.4818	13.2831

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	12.4432	11.3220	7.145
2024	12.3713	11.4418	(3.874)
2023	12.0314	10.8805	4.329
2022	13.2227	10.8462	(13.561)
2021	13.9092	13.2126	(4.242)
2020	13.8715	13.1312	1.138
2019	13.7154	13.4444	1.961
2018	13.8406	13.1895	(1.365)
2017	13.8691	13.1797	3.210
2016	13.8084	13.1845	(3.044)
2015	14.5711	13.5671	(6.367)
2014	15.1989	14.5351	(2.136)
2013	15.2620	14.5139	(1.294)
2012	15.0680	14.0105	7.790
2011	14.7443	13.7910	(0.074)
2010	14.3564	12.8854	8.179
2009	13.0847	11.1446	8.552
2008	12.5670	11.0927	0.492
2007	12.0106	11.1040	5.966
2006	11.3005	10.7781	3.580
2005	11.2871	10.6522	(4.841)
2004	11.3495	10.1913	6.122

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 17 March 2003 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.7 Global Equity Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(3,502,616)	(4,424,534)	(3,315,246)	(1,308,253)	(1,365,524)
Capital appreciation/(depreciation) - realised and unrealised	61,335,103	47,314,384	53,764,626	(68,100,382)	51,178,663
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	346,645,590	304,448,640	278,225,753	231,443,329	299,259,181
Total net asset value	352,678,085	305,212,159	279,484,982	231,142,181	298,912,105
Net asset value per unit	48.7651	40.6449	35.2935	28.9274	37.5478

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	49.0909	35.7769	19.978
2024	42.2343	34.6707	15.163
2023	35.4043	28.9480	22.007
2022	37.5915	26.3526	(22.958)
2021	38,1169	30,7962	21.779
2020	30.8328	19.3553	8.930
2019	28.4076	24.0373	17.131
2018	30.4612	23.5492	(15.279)
2017	28.5608	24.7231	16.633
2016	24.6911	19.2851	7.559
2015	25.1565	21.3455	(4.297)
2014	25.0765	22.2170	0.794
2013	23.5709	19.1187	25.222
2012	18.9420	15.3107	17.979
2011	18.8723	14.5469	(7.328)
2010	17.2165	14.2041	6.675
2009	16.1896	10.1606	25.162
2008	21.3141	11.4726	(41.325)
2007	23.2129	20.5837	5.022
2006	20.9271	17.2629	23.568
2005	17.0080	15.0956	7.023
2004	15.8234	13.1472	13.984

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 17 March 2003 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.8 Asian Pacific Equity Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(2,868,464)	(3,499,459)	(2,864,866)	(1,276,285)	(1,531,397)
Capital appreciation/(depreciation) - realised and unrealised	80,150,752	28,976,350	12,103,319	(58,063,515)	(8,943,352)
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	327,562,448	263,605,425	244,487,027	232,031,625	280,632,898
Total net asset value	333,696,806	264,964,802	244,939,722	231,734,135	280,303,793
Net asset value per unit	20.3953	15.6566	14.1834	13.6346	17.2336

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	20.5778	14.3244	30.266
2024	17.2243	13.2331	10.387
2023	15.2142	12.8684	4.025
2022	17.8300	11.4667	(20.884)
2021	20.4386	16.6236	(3.897)
2020	17.9324	10.8647	6.416
2019	17.3536	14.5798	7.868
2018	20.1514	15.3485	(18.143)
2017	19.0873	14.1042	36.226
2016	14.8787	11.4581	6.555
2015	16.5244	12.4430	(9.922)
2014	15.8544	13.1142	3.452
2013	14.8350	12.7741	3.003
2012	13.6975	11.2112	23.531
2011	13.0446	10.1754	(9.141)
2010	12.2665	9.5443	16.814
2009	10.2897	6.0054	57.873
2008	11.2614	6.0252	(42.682)

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 19 March 2007 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.9 European Equity Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(1,562,858)	(1,807,281)	(1,306,831)	(471,366)	(459,831)
Capital appreciation/(depreciation) - realised and unrealised	36,628,798	5,587,633	18,252,114	(9,612,512)	3,593,740
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	159,766,382	112,068,528	107,688,333	78,093,530	86,063,194
Total net asset value	159,244,682	111,828,734	107,427,817	77,989,001	85,959,687
Net asset value per unit	17.9529	13.7960	13.2451	10.9631	12.3449

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	17.9850	13.4693	30.131
2024	15.1439	12.8196	4.160
2023	13.2900	11.1623	20.815
2022	12.6316	9.5176	(11.193)
2021	12.8375	11.5198	4.887
2020	12.1539	8.0032	(2.503)
2019	12.1282	10.1244	17.890
2018	12.6320	10.0022	(14.125)
2017	12.0110	10.0583	19.700
2016	9.9619	8.0227	5.418
2015	10.4644	8.8133	2.995
2014	10.6668	8.7725	(9.966)
2013	10.1985	7.7446	33.288
2012	7.6862	5.8722	18.747
2011	7.9347	5.7303	(8.094)
2010	7.1234	5.9442	1.143
2009	7.0720	4.3835	21.290
2008	9.5319	4.9302	(41.909)

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 19 March 2007 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.10 Hong Kong Equities Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(4,255,434)	(4,694,532)	(5,350,829)	(5,265,708)	(5,512,959)
Capital appreciation/(depreciation) - realised and unrealised	138,508,239	57,512,508	(68,351,623)	(49,808,327)	(44,879,206)
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	520,766,631	386,506,822	344,155,460	393,798,125	379,571,222
Total net asset value	520,064,020	386,024,878	343,418,624	392,977,343	378,769,008
Net asset value per unit	16.2804	12.0626	10.4208	12.7034	14.8159

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	17.6822	11.3418	34.971
2024	14.1736	9.2123	15.754
2023	14.6570	9.9770	(17.968)
2022	15.7415	9.2895	(14.258)
2021	19.8825	14.3853	(12.197)
2020	16.8741	10.3906	27.009
2019	13.9915	11.5534	11.339
2018	16.1100	11.4778	(17.461)
2017	14.5820	10.8868	33.594
2016	11.6763	8.9468	0.690
2015	14.1390	10.0351	(6.251)
2014	11.7593	9.8941	4.824
2013	11.5142	9.2715	0.038
2012	10.9323	8.8298	18.453
2011	12.3011	7.8526	(21.155)
2010	12.6515	9.6137	8.735
2009	11.0622	6.0293	56.596
2008	13.5555	6.0162	(49.674)

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 19 March 2007 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.11 *US Equity Fund*

	2025 HK$	2024 HK$	2023 HK$	2022 HK$	2021 HK$
Net (loss)/gain excluding capital appreciation/(depreciation)	(8,978,603)	(8,621,630)	(5,153,073)	141,289	179,085
Capital appreciation/(depreciation) - realised and unrealised	158,180,572	189,952,391	191,429,112	(370,980,368)	114,412,169
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	1,054,183,943	962,630,811	863,119,912	646,988,949	989,654,277
Total net asset value	1,059,570,125	966,633,199	870,411,400	646,452,308	988,953,442
Net asset value per unit	46.8253	40.0871	32.9193	25.6693	40.7132

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	47.3622	34.0802	16.809
2024	47.7183	32.3691	21.774
2023	33.0313	25.1644	28.244
2022	40.5833	24.9001	(36.951)
2021	43.2182	32.7711	16.104
2020	35.0662	18.8106	43.363
2019	24.6165	18.1960	30.384
2018	22.7878	17.3957	(1.583)
2017	19.2594	15.2167	26.696
2016	15.3378	12.8351	(1.449)
2015	16.4709	14.1146	5.112
2014	14.7888	12.7755	6.451
2013	13.6437	10.2317	36.523
2012	10.3225	9.1580	9.680
2011	10.0570	8.2608	(4.075)
2010	9.5012	7.8833	10.261
2009	8.6833	5.3381	29.111
2008	9.9090	5.9919	(34.956)

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 19 March 2007 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.12 Greater China Equity Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(5,541,804)	(6,604,254)	(7,989,315)	(8,114,215)	(10,388,505)
Capital appreciation/(depreciation) - realised and unrealised	180,854,494	66,374,503	(47,895,678)	(204,769,329)	(62,469,517)
Income derived from investment#	-	-	-	-	-
Value of scheme assets derived from investment	681,617,388	528,986,925	501,424,675	548,465,709	717,337,995
Total net asset value	680,643,467	527,638,504	500,324,549	547,258,417	715,603,965
Net asset value per unit	22.1807	16.5029	14.6239	16.2196	22.8531

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised Investment return* %
2025	23.0323	14.7336	34.248
2024	18.6901	13.2171	12.849
2023	18.3683	13.9341	(9.838)
2022	22.8886	12.4744	(29.027)
2021	29.9035	22.2144	(7.004)
2020	24.5744	12.9591	51.050
2019	16.3476	11.5763	34.599
2018	16.6890	11.6303	(20.633)
2017	15.4837	10.3727	47.053
2016	11.4956	8.5158	1.336
2015	13.1753	9.5152	(6.844)
2014	11.3512	9.5145	4.918
2013	10.5845	8.6086	11.327
2012	9.4156	7.5260	24.939

* The net annualised investment return is calculated by comparing the net asset value per unit at the year end against the net asset value per unit at the beginning of the year except for the first year where the initial offer price per unit is used. The initial offer price for the constituent fund as at 1 May 2011 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.13 Age 65 Plus Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding capital appreciation/(depreciation)	(718,944)	(619,312)	(503,881)	(476,588)	(450,182)
Capital appreciation/(depreciation) - realised and unrealised	9,167,586	4,221,821	6,946,625	(11,599,276)	840,372
Income derived from investment#	-	-	-	-	-
Value of scheme assets derived from investment	146,476,478	109,282,861	87,216,439	71,354,732	79,002,395
Total net asset value	146,328,881	109,173,680	87,116,649	71,267,542	78,921,574
Net asset value per unit	12.4508	11.6260	11.1970	10.3345	12.1808

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	12.4844	11.4640	7.094
2024	11.8390	11.0420	3.831
2023	11.2321	10.3474	8.346
2022	12.1578	10.0283	(15.157)
2021	12.3511	11.8280	0.646
2020	12.1026	10.5248	9.607
2019	11.0736	10.1402	8.971
2018	10.3963	10.0340	(1.562)

* The net annualized investment return is calculated by comparing the net asset value per unit at the period end against the initial offer price per unit. The initial offer price for the constituent fund as at 1 April 2017 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.14 Core Accumulation Fund

	2025 HK$	*2024* HK$	*2023* HK$	*2022* HK$	*2021* HK$
Net loss excluding appreciation/(depreciation)	(2,120,920)	(1,848,684)	(1,421,001)	(1,194,881)	(948,132)
Capital appreciation/(depreciation) - realised and unrealised	56,847,355	32,139,085	34,096,589	(32,160,841)	14,436,820
Income derived from investment#	-	-	-	-	-
Value of scheme assets derived from investment	431,102,721	329,162,631	256,378,899	187,745,340	185,362,350
Total net asset value	430,689,372	328,857,990	256,110,063	187,534,584	185,192,316
Net asset value per unit	18.1938	15.7091	14.1403	12.1842	14.6000

	Highest issue price HK$	*Lowest redemption price* HK$	** Net annualised investment return* %
2025	18.2654	14.6890	15.817
2024	16.1658	13.9495	11.095
2023	14.1704	12.2470	16.054
2022	14.6314	11.4948	(16.547)
2021	14.6407	13.2229	9.988
2020	13.2742	9.5918	12.508
2019	11.8329	10.1154	15.726
2018	11.3854	9.9343	(6.607)

* The net annualized investment return is calculated by comparing the net asset value per unit at the period end against the initial offer price per unit. The initial offer price for the constituent fund as at 1 April 2017 was HK$10.00 per unit.

The constituent fund is a feeder fund which invests in an approved pooled investment fund. During the year ended 31 December 2025, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the appreciation/(depreciation) of the investments as stated above.

Investment report (continued)

4 Fund expense ratio

	Fund expense ratio	
	2025	*2024*
	%	*%*
MPF Conservative Fund	*0.79713*	0.87598
Guaranteed Fund	*2.87928*	3.24508
Global Stable Fund	*1.07414*	1.42291
Global Growth Fund	*1.06713*	1.42100
Asian Bond Fund	*1.12356*	1.49583
Global Bond Fund	*1.12525*	1.40505
Global Equity Fund	*1.12229*	1.46915
Asian Pacific Equity Fund	*1.18450*	1.54849
European Equity Fund	*1.13108*	1.49470
Hong Kong Equities Fund	*1.03356*	1.37614
US Equity Fund	*1.05062*	1.04762
Greater China Equity Fund	*1.08642*	1.40858
Age 65 Plus Fund	*0.76249*	0.80245
Core Accumulation Fund	*0.75892*	0.79883

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings

5.1 MPF Conservative Fund

Quoted investment	2025 *Holdings* Units	*Market value* HK$	*% of net assets*
Allianz Choice HK$ Liquidity Fund #	45,485,908.7562	668,547,338	100.08
Total investment, at market value		668,547,338	100.08
Total investment, at cost		623,834,208	

Name of investment	2025 *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Allianz Choice HK$ Liquidity Fund #	42,029,302.2569	13,351,792.7064	9,895,186.2071	45,485,908.7562

Approved Pooled Investment Fund of the Allianz Global Investors Choice Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.2 Guaranteed Fund

Quoted investment	2025 *Holdings* Units	*Market value* HK$	*% of net assets*
Mass MPF Guaranteed Policy	25,217,480.0353	280,335,170	99.96
Total investment, at market value		280,335,170	99.96
Total investment, at cost		271,397,396	

Name of investment	2025 *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Mass MPF Guaranteed Policy	21,342,500.2177	6,616,684.6476	2,741,704.8300	25,217,480.0353

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.3 Global Stable Fund

Quoted investment	*Holdings* Units	2025 *Market value* HK$	*% of net assets*
Allianz Choice Stable Growth Fund #	10,080,301.8961	296,663,285	100.10
Total investment, at market value		296,663,285	100.10
Total investment, at cost		202,537,983	

Name of investment	2025 *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Allianz Choice Stable Growth Fund #	10,543,928.3865	570,695.6030	1,034,322.0934	10,080,301.8961

Approved Pooled Investment Fund of the Allianz Global Investors Choice Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.4 Global Growth Fund

Quoted investment	*Holdings* Units	*Market value* HK$	*% of net assets*
		2025	
Allianz Choice Balanced Fund #	8,484,963.6705	496,370,375	100.10
Total investment, at market value		496,370,375	100.10
Total investment, at cost		296,689,427	

Name of investment	*Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
		2025		
Allianz Choice Balanced Fund #	8,760,394.5855	410,629.5279	686,060.4429	8,484,963.6705

Approved Pooled Investment Fund of the Allianz Global Investors Choice Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.5 Asian Bond Fund

	2025		
Quoted investment	*Holdings* Units	*Market value* HK$	*% of net assets*
Principal Asian Bond Fund *	30,153,378.4266	327,777,363	100.34
Total investment, at market value		327,777,363	100.34
Total investment at cost		286,051,925	

	2025			
Name of investment	*Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Principal Asian Bond Fund*	32,835,849.6313	1,870,474.2898	4,552,945.4945	30,153,378.4266

* Approved Pooled Investment Fund of the Principal Unit Trust Umbrella Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.6 *Global Bond Fund*

Quoted investment	2025		
	Holdings Units	*Market value* HK$	*% of net assets*
Principal International Bond Fund *	6,947,120.9549	168,260,748	100.34
Total investment, at market value		168,260,748	100.34
Total investment, at cost		157,342,612	

Name of investment	2025			
	Holdings as at 1 January 2025 Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Principal International Bond Fund *	6,552,540.2712	1,807,322.0409	1,412,741.3572	6,947,120.9549

* Approved Pooled Investment Fund of the Principal Unit Trust Umbrella Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.7 Global Equity Fund

Quoted investment	2025 *Holdings* Units	 *Market value* HK$	 *% of net assets*
Advanced Global Equity Fund *	13,156,279.1630	346,645,590	98.29
Total investment, at market value		346,645,590	98.29
Total investment, at cost		222,548,218	

Name of investment	2025 *Holdings as at 1 January 2025* Units	 *Additions* Units	 *Disposals* Units	 *Holdings as at 31 December 2025* Units
Advanced Global Equity Fund *	14,077,833.7214	312,943.1288	1,234,497.6872	13,156,279.1630

* Approved Pooled Investment Fund of the Schroder Institutional Pooled Funds

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.8 Asian Pacific Equity Fund

Quoted investment	2025 *Holdings* Units	*Market value* HK$	*% of net assets*
Smart Asian Equity Fund *	21,663,753.2148	327,562,448	98.16
Total investment, at market value		327,562,448	98.16
Total investment, at cost		225,960,717	

Name of investment	2025 *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Smart Asian Equity Fund *	23,029,146.1806	751,397.5759	2,116,790.5417	21,663,753.2148

* Approved Pooled Investment Fund of the Bonitas Pooled Investment Fund Series

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.9 European Equity Fund

Quoted investment	*Holdings* Units	2025 *Market value* HK$	*% of net assets*
Principal European Equity Fund *	4,949,192.9457	159,766,382	100.33
Total investment, at market value		159,766,382	100.33
Total investment, at cost		122,729,882	

Name of investment	2025 *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Principal European Equity Fund *	4,576,224.2609	1,508,623.9233	1,135,655.2385	4,949,192.9457

* Approved Pooled Investment Fund of the Principal Life Style Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.10 Hong Kong Equities Fund

Quoted investment	*2025* Holdings Units	*2025* Market value HK$	*2025* % of net assets
Allianz Choice Hong Kong Fund #	7,548,436.4493	520,766,631	100.14
Total investment, at market value		520,766,631	100.14
Total investment, at cost		394,427,399	

Name of investment	*2025* Holdings as at 1 January 2025 Units	*2025* Additions Units	*2025* Disposals Units	*2025* Holdings as at 31 December 2025 Units
Allianz Choice Hong Kong Fund #	7,674,877.3462	1,713,060.7391	1,839,501.6360	7,548,436.4493

Approved Pooled Investment Fund of the Allianz Global Investors Choice Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.11 US Equity Fund

Quoted investment	*Holdings* Units	*Market value* HK$	*% of net assets*
	2025		
Smart North American Equity Fund *	39,292,996.4468	1,054,183,943	99.49
Total investment, at market value		1,054,183,943	99.49
Total investment, at cost		648,424,536	

Name of investment	*Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
	2025			
Smart North American Equity Fund *	42,491,814.4666	966,588.8616	4,165,406.8814	39,292,996.4468

* Approved Pooled Investment Fund of the Bonitas Pooled Investment Fund Series

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.12 Greater China Equity Fund

Quoted investment	*2025* Holdings Units	Market value HK$	% of net assets
JP Morgan SAR Greater China Fund *	2,428,269.1380	681,617,388	100.14
Total investment, at market value		681,617,388	100.14
Total investment, at cost		525,633,382	

Name of investment	*2025* Holdings as at 1 January 2025 Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
JP Morgan SAR Greater China Fund *	2,556,356.8610	167,596.4540	295,684.1770	2,428,269.1380

* Approved Pooled Investment Fund of the JP Morgan SAR Greater China Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.13 Age 65 Plus Fund

Quoted investment	*2025* Holdings Units	Market value HK$	% of net assets
Age 65 Plus Fund *	11,041,079.2410	146,476,478	100.10
Total investment, at market value		146,476,478	100.10
Total investment, at cost		133,846,893	

Name of investment	*2025* *Holdings as at 1 January 2025* Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Age 65 Plus Fund *	8,879,299.0180	3,476,873.4540	1,315,093.2310	11,041,079.2410

* Approved Pooled Investment Fund of the Invesco Pooled Investment Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings (continued)

5.14 Core Accumulation Fund

Quoted investment	*2025* Holdings Units	Market value HK$	% of net assets
Core Accumulation Fund *	22,305,031.2155	431,102,721	100.10
Total investment, at market value		431,102,721	100.10
Total investment, at cost		320,087,210	

Name of investment	*2025* Holdings as at 1 January 2025 Units	*Additions* Units	*Disposals* Units	*Holdings as at 31 December 2025* Units
Core Accumulation Fund *	19,840,428.6120	4,121,332.3715	1,656,729.7680	22,305,031.2155

* Approved Pooled Investment Fund of the Invesco Pooled Investment Fund

Note: The underlying approved pooled investment fund was established in Hong Kong and is accounted for on a trade date basis.

KPMG

Independent auditor's report

To the Trustee of Mass Mandatory Provident Fund Scheme

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mass Mandatory Provident Fund Scheme ("the Scheme") set out on pages 84 to 128, which comprise the statement of net assets available for benefits as at 31 December 2025, the statement of comprehensive income, the statements of changes in net assets attributable to members – master trust scheme and constituent funds and cash flow statement – master trust scheme for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2025, and of its financial transactions and cash flows for the year then ended in accordance with HKFRS Accounting Standards as 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* as 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 are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG

Independent auditor's report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Report on the Audit of the Financial Statements (continued)

Information Other than the Financial Statements and Auditor's Report Thereon

The Trustee is responsible for the other information. The other information comprises all 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 Trustee and Those Charged with Governance 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 HKFRS Accounting Standards as 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 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 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 Mandatory Provident Fund Schemes (General) Regulation ("General Regulation").

Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

KPMG

Independent auditor's report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Report on the Audit of the Financial Statements (continued)

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. This report is made solely to you, 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 have been properly prepared, in all material respects, in accordance with sections 80, 81, 83 and 84 of the General Regulation.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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 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 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 to cease to continue as a going concern.

KPMG

Independent auditor's report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Report on the Audit of the Financial Statements (continued)

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

- 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 Mandatory Provident Fund Schemes (General) Regulation

a. In our opinion, the financial statements 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.

The engagement partner on the audit resulting in this independent auditor's report is YIU, Tsz Yeung, Arion (practising certificate number: P06098).

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

2 6 JUN 2026

KPMG

Independent auditor's assurance report

To the Trustee of Mass Mandatory Provident Fund Scheme

We have audited the financial statements of Mass Mandatory Provident Fund Scheme ("the Scheme") for the year ended 31 December 2025 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 ("HKICPA"), and have issued an unmodified auditor's report thereon dated 26 June 2026.

Pursuant to section 102 of the Mandatory Provident Fund Schemes (General) Regulation ("General Regulation"), we are required to report whether the Scheme complied with certain requirements of the Mandatory Provident Fund Schemes Ordinance ("MPFSO") 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 ("MPFA") under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 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), and 34DD(1) and (4) of the MPFSO 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 Management

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.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG

Independent auditor's assurance report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Auditor's Responsibility

Our responsibility is to report solely to you, on the Scheme's compliance with the above requirements based on the results of the procedures performed by us, 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.

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 Practice Note 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:

1. in our opinion:

   a. proper accounting and other records have been kept during the year ended 31 December 2025 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 MPFA under section 28 of the MPFSO with respect to forbidden investment practices and the requirements of sections 37(2), 51 and 52 and Part 10 of, and Schedule 1 to, the General Regulation have been complied with, in all material respects, as at 31 December 2025, 30 September 2025 and 30 June 2025;

   c. the requirements specified in the MPFSO 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 the Core Accumulation Fund and the Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2025, 30 September 2025 and 30 June 2025; and

Independent auditor's assurance report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Opinion (continued)

d. the requirements specified in section 34DD(4)(b) of the MPFSO with respect to the controls of out-of-pocket expenses of the Core Accumulation Fund and the Age 65 Plus Fund have been complied with, in all material respects, as at 31 December 2025.

2. as at 31 December 2025, the Scheme assets were not subject to any encumbrance, otherwise than as permitted by the General Regulation.

Other Matter

The requirements specified in the MPFSO 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 the Core Accumulation Fund and the Age 65 Plus Fund are not applicable to the Trustee during the year ended 31 December 2025 as the Trustee has completed the relevant transitional provisions and the default investment arrangement of the Scheme prior to 1 April 2017 was not guaranteed funds. 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.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 JUN 2026

Statement of comprehensive income for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

		2025						
	Note	MPF Conservative Fund $	Guaranteed Fund $	Global Stable Fund $	Global Growth Fund $	Asian Bond Fund $	Global Bond Fund $	Global Equity Fund $
Income								
Interest income		-	-	-	-	-	-	-
Net realised gain on investments		9,562,007	2,605,563	7,535,220	12,474,424	5,039,521	1,612,556	7,847,407
Net realised loss on derivative financial instruments		-	-	-	-	-	-	(872,205)
Net unrealised gain on investments		6,316,343	22,309,824	37,599,820	78,183,541	21,350,982	11,202,363	54,773,132
Net unrealised loss on derivative financial instruments		-	-	-	-	-	-	(413,231)
Rebates and other income	5(c)	640,046	-	-	-	-	-	-
Reimbursement from trustee	5(i)	-	100,531	237,829	383,473	-	-	-
Total income		16,518,396	25,015,918	45,372,869	91,041,438	26,390,503	12,814,919	61,335,103
Expenses								
Bank charges		-	-	-	-	-	-	4,312
Trustee fees	5(a)	905,731	-	309,318	503,886	462,068	226,172	448,130
Fund administration fees	5(b)	58,500	-	58,500	58,500	58,500	58,500	58,500
Investment management fee	5(d) to 5(g)	-	-	1,095,841	1,784,767	1,680,500	818,455	1,622,829
Auditor's remuneration		84,131	-	37,393	62,554	41,265	21,235	44,236
eMPF Platform fee		2,393,718	-	1,034,221	1,684,717	1,218,103	596,157	1,181,029
Other expenses		261,663	-	123,325	197,798	134,785	75,499	143,580
Total expenses		3,703,743	-	2,658,598	4,292,222	3,595,221	1,796,018	3,502,616
Increase in net assets attributable to members		12,814,653	25,015,918	42,714,271	86,749,216	22,795,282	11,018,901	57,832,487

Statement of comprehensive income for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

		2025								
	Note	*Asian Pacific Equity Fund*	*European Equity Fund*	*Hong Kong Equities Fund*	*US Equity Fund*	*Greater China Equity Fund*	*Age 65 Plus Fund*	*Core Accumulation Fund*	*Scheme level adjustments*	*The Scheme*
		$	$	$	$	$	$	$	$	$
Income										
Interest income		-	-	-	-	-	-	-	16,541	16,541
Net realised gain on investments		5,929,845	5,677,556	20,412,457	28,061,682	7,575,404	1,095,429	6,232,199	-	121,661,270
Net realised loss on derivative financial instruments		(642,889)	-	-	(2,941,079)	-	-	-	-	(4,456,173)
Net unrealised gain on investments		75,033,753	30,951,242	118,095,782	134,518,740	173,279,090	8,072,157	50,615,156	-	822,301,925
Net unrealised loss on derivative financial instruments		(169,957)	-	-	(1,458,771)	-	-	-	-	(2,041,959)
Rebates and other income	5(c)	-	-	-	-	-	-	-	-	640,046
Reimbursement from trustee	5(i)	-	-	235,129	-	491,205	-	-	-	1,448,167
Total income		80,150,752	36,628,798	138,743,368	158,180,572	181,345,699	9,167,586	56,847,355	16,541	939,569,817
Expenses										
Bank charges		4,529	-	-	4,786	-	-	-	-	13,627
Trustee fees	5(a)	410,490	194,320	511,152	1,369,419	837,161	173,887	519,528	-	6,871,262
Fund administration fees	5(b)	58,500	58,500	58,500	58,500	58,500	-	-	-	643,500
Investment management fee	5(d) to 5(g)	1,133,571	704,604	1,800,500	3,782,545	2,571,420	-	-	-	16,995,032
Auditor's remuneration		42,174	20,007	65,611	134,270	86,060	18,396	54,474	-	711,806
eMPF Platform fee		1,081,722	513,561	1,719,331	3,219,018	2,212,498	459,560	1,373,038	-	18,686,673
Other expenses		137,478	71,866	335,469	410,065	267,370	67,101	173,880	-	2,399,879
Total expenses		2,868,464	1,562,858	4,490,563	8,978,603	6,033,009	718,944	2,120,920	-	46,321,779
Increase in net assets attributable to members		77,282,288	35,065,940	134,252,805	149,201,969	175,312,690	8,448,642	54,726,435	16,541	893,248,038

Statement of comprehensive income for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

		2024						
	Note	*MPF Conservative Fund* $	*Guaranteed Fund* $	*Global Stable Fund* $	*Global Growth Fund* $	*Asian Bond Fund* $	*Global Bond Fund* $	*Global Equity Fund* $
Income								
Interest income		-	-	-	-	-	-	-
Net realised gain/(loss) on investments		8,754,835	4,051,645	4,989,430	13,966,322	1,878,610	515,371	6,255,052
Net realised loss on derivative financial instruments		-	-	-	-	-	-	(194,034)
Net unrealised gain/(loss) on investments		12,870,542	2,070,197	11,471,082	23,374,348	9,694,670	(4,204,877)	41,367,919
Net unrealised (loss)/gain on derivative financial instruments		-	-	-	-	-	-	(114,553)
Rebates and other income	5(c)	552,573	-	-	-	-	-	-
Reimbursement from trustee	5(i)	-	44,101	69,007	116,544	-	-	-
Total income		22,177,950	6,165,943	16,529,519	37,457,214	11,573,280	(3,689,506)	47,314,384
Expenses								
Bank charges		-	-	-	-	-	-	4,466
Trustee fees	5(a)	2,675,239	-	1,923,547	3,053,783	2,621,602	967,649	2,348,478
Fund administration fees	5(b)	58,500	-	58,500	58,500	58,500	58,500	58,500
Investment management fee	5(d) to 5(g)	-	-	1,038,551	1,649,886	1,731,917	717,356	1,555,248
Auditor's remuneration		76,702	-	33,731	53,576	41,990	18,656	39,098
eMPF Platform fee		572,607	-	265,245	422,949	329,440	147,686	306,062
Other expenses		204,294	-	98,056	148,451	118,988	60,461	112,682
Total expenses		3,587,342	-	3,417,630	5,387,145	4,902,437	1,970,308	4,424,534
Increase/(decrease) in net assets attributable to members		18,590,608	6,165,943	13,111,889	32,070,069	6,670,843	(5,659,814)	42,889,850

Statement of comprehensive income for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	2024 Asian Pacific Equity Fund $	European Equity Fund $	Hong Kong Equities Fund $	US Equity Fund $	Greater China Equity Fund $	Age 65 Plus Fund $	Core Accumulation Fund $	Scheme level adjustments $	The Scheme $
Income										
Interest income		-	-	-	-	-	-	-	20,541	20,541
Net realised gain/(loss) on investments		3,296,011	4,535,525	(4,151,408)	32,465,729	(7,809,128)	450,894	2,999,898	-	72,198,786
Net realised loss on derivative financial instruments		(26,616)	-	-	(361,772)	-	-	-	-	(582,422)
Net unrealised gain/(loss) on investments		25,188,565	1,052,108	61,663,916	158,512,541	74,183,631	3,770,927	29,139,187	-	450,154,756
Net unrealised (loss)/gain on derivative financial instruments		518,390	-	-	(664,107)	-	-	-	-	(260,270)
Rebates and other income	5(c)	-	-	-	-	-	-	-	-	552,573
Reimbursement from trustee	5(i)	-	-	60,886	-	92,949	-	-	-	383,487
Total income		28,976,350	5,587,633	57,573,394	189,952,391	66,467,452	4,221,821	32,139,085	20,541	522,467,451
Expenses										
Bank charges		4,702	-	-	5,308	-	-	-	1,510	15,986
Trustee fees	5(a)	2,002,970	951,493	2,571,321	3,586,411	3,812,705	451,993	1,367,638	-	28,334,829
Fund administration fees	5(b)	58,500	58,500	58,500	58,500	58,500	-	-	-	643,500
Investment management fee	5(d) to 5(g)	1,024,966	619,016	1,435,598	3,660,611	2,045,959	-	-	-	15,479,108
Auditor's remuneration		33,993	14,233	49,422	124,186	67,598	13,924	42,071	-	609,180
eMPF Platform fee		275,511	115,067	376,033	855,111	532,279	105,383	319,433	-	4,622,806
Other expenses		98,817	48,972	264,544	331,503	180,162	48,012	119,542	-	1,834,484
Total expenses		3,499,459	1,807,281	4,755,418	8,621,630	6,697,203	619,312	1,848,684	1,510	51,539,893
Increase/(decrease) in net assets attributable to members		25,476,891	3,780,352	52,817,976	181,330,761	59,770,249	3,602,509	30,290,401	19,031	470,927,558

The notes on pages 103 to 128 form part of these financial statements.

Statement of net assets available for benefits as at 31 December 2025

(Expressed in Hong Kong dollars)

	2025							
	MPF Conservative Fund	*Guaranteed Fund*	*Global Stable Fund*	*Global Growth Fund*	*Asian Bond Fund*	*Global Bond Fund*	*Global Equity Fund*	*Asian Pacific Equity Fund*
	$	$	$	$	$	$	$	$
Assets								
Investments	668,547,338	280,335,170	296,663,285	496,370,375	327,777,363	168,260,748	346,645,590	327,562,448
Derivative financial instruments	-	-	-	-	-	-	-	-
Contributions receivable								
- from employers	-	-	-	-	-	-	-	-
- from members	-	-	-	-	-	-	-	-
Transfers in receivable	-	-	-	-	-	-	-	-
Amounts receivable on subscriptions	6,156,322	598,825	755,899	822,463	115,434	484,236	4,736,702	3,543,630
Amounts receivable on sales of investments	1,395,012	233,047	332,315	222,528	266,213	592,737	-	-
Other receivables	56,508	100,531	237,829	383,473				4,300,000
Cash at bank	-	-	-	-	-	-	3,432,123	1,915,199
Total assets	676,155,180	281,267,573	297,989,328	497,798,839	328,159,010	169,337,721	354,814,415	337,321,277
Liabilities								
Derivative financial instruments	-	-	-	-	-	-	413,231	169,957
Benefits payable	-	-	-	-	-	-	-	-
Transfers out payable	-	-	-	-	-	-	-	-
Forfeitures payable	-	-	-	-	-	-	-	-
Amounts payable on redemptions	1,395,012	233,047	332,315	222,528	266,213	592,737	1,024,621	2,873,516
Amounts payable on purchases of investments	6,212,830	598,825	755,899	822,463	115,434	484,236	-	-
Other payables	542,528	-	528,868	879,188	1,114,500	564,618	698,478	580,998
Total liabilities (excluding net assets attributable to members)	8,150,370	831,872	1,617,083	1,924,179	1,496,147	1,641,591	2,136,330	3,624,471
Net assets attributable to members	668,004,810	280,435,701	296,372,245	495,874,660	326,662,863	167,696,130	352,678,085	333,696,806

Statement of net assets available for benefits as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2025								
	European Equity Fund $	*Hong Kong Equities Fund* $	*US Equity Fund* $	*Greater China Equity Fund* $	*Age 65 Plus Fund* $	*Core Accumulation Fund* $	*The Constituent Funds* $	*Scheme level adjustment* $	*The Scheme* $
Assets									
Investments	159,766,382	520,766,631	1,054,183,943	681,617,388	146,476,478	431,102,721	5,906,075,860	-	5,906,075,860
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Contributions receivable									
- from employers	-	-	-	-	-	-	-	7,597,563	7,597,563
- from members	-	-	-	-	-	-	-	6,887,240	6,887,240
Transfers in receivable	-	-	-	-	-	-	-	23,866,159	23,866,159
Amounts receivable on subscriptions	2,304,908	3,547,338	7,725,827	2,819,188	2,191,437	2,291,558	38,093,767	(38,093,767)	-
Amounts receivable on sales of investments	912,803	3,206,168	-	4,561,886	385,946	954,260	13,062,915	-	13,062,915
Other receivables	-	235,129	-	491,205	-	-	5,804,675	6,537,981	12,342,656
Cash at bank	-	-	4,278,451	-	-	-	9,625,773	63,750,518	73,376,291
Total assets	162,984,093	527,755,266	1,066,188,221	689,489,667	149,053,861	434,348,539	5,972,662,990	70,545,694	6,043,208,684
Liabilities									
Derivative financial instruments	-	-	1,458,771	-	-	-	2,041,959	-	2,041,959
Benefits payable	-	-	-	-	-	-	-	9,078,376	9,078,376
Transfers out payable	-	-	-	-	-	-	-	5,755,345	5,755,345
Forfeitures payable	-	-	-	-	-	-	-	-	-
Amounts payable on redemptions	912,803	3,206,168	3,402,451	4,561,886	385,946	954,260	20,363,503	(20,363,503)	-
Amounts payable on purchases of investments	2,304,908	3,547,338	-	2,819,188	2,191,437	2,291,558	22,144,116	-	22,144,116
Other payables	521,700	937,740	1,756,874	1,465,126	147,597	413,349	10,151,565	8,280,603	18,432,168
Total liabilities (excluding net assets attributable to members)	3,739,411	7,691,246	6,618,096	8,846,200	2,724,980	3,659,167	54,701,143	2,750,821	57,451,964
Net assets attributable to members	159,244,682	520,064,020	1,059,570,125	680,643,467	146,328,881	430,689,372	5,917,961,847	67,794,873	5,985,756,720

Statement of net assets available for benefits as at 31 December 2025 (continued)
(Expressed in Hong Kong dollars)

	2024							
	MPF Conservative Fund	Guaranteed Fund	Global Stable Fund	Global Growth Fund	Asian Bond Fund	Global Bond Fund	Global Equity Fund	Asian Pacific Equity Fund
	$	$	$	$	$	$	$	$
Assets								
Investments	602,523,671	216,695,514	263,914,528	419,535,297	329,520,885	146,292,669	304,448,640	263,605,425
Derivative financial instruments	-	-	-	-	-	-	-	518,390
Contributions receivable								
- from employers	-	-	-	-	-	-	-	-
- from members	-	-	-	-	-	-	-	-
Transfers in receivable	-	-	-	-	-	-	-	-
Amounts receivable on subscriptions	10,394,252	465,044	300,771	461,055	320,801	328,682	360,496	255,911
Amounts receivable on sales of investments	2,124,386	24,394	532,512	401,131	308,116	199,904	-	-
Other receivables	49,787	44,101	69,007	116,544	-	-	-	-
Cash at bank	-	-	-	-	-	-	1,710,342	1,554,235
Total assets	615,092,096	217,229,053	264,816,818	420,514,027	330,149,802	146,821,255	306,519,478	265,933,961
Liabilities								
Derivative financial instruments	-	-	-	-	-	-	194,034	-
Benefits payable	-	-	-	-	-	-	-	-
Transfers out payable	-	-	-	-	-	-	-	-
Forfeitures payable	-	-	-	-	-	-	-	-
Amounts payable on redemptions	2,124,386	24,394	532,512	401,131	308,116	199,904	499,698	505,072
Amounts payable on purchases of investments	10,444,039	465,044	300,771	461,055	320,801	328,682	-	-
Other payables	448,737	-	460,711	729,835	681,704	307,381	613,587	464,087
Total liabilities (excluding net assets attributable to members)	13,017,162	489,438	1,293,994	1,592,021	1,310,621	835,967	1,307,319	969,159
Net assets attributable to members	602,074,934	216,739,615	263,522,824	418,922,006	328,839,181	145,985,288	305,212,159	264,964,802

Statement of net assets available for benefits as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2024								
	European Equity Fund $	Hong Kong Equities Fund $	US Equity Fund $	Greater China Equity Fund $	Age 65 Plus Fund $	Core Accumulation Fund $	The Constituent Funds $	Scheme level adjustment $	The Scheme $
Assets									
Investments	112,068,528	386,506,822	962,630,811	528,986,925	109,282,861	329,162,631	4,975,175,207	-	4,975,175,207
Derivative financial instruments	-	-	-	-	-	-	518,390	-	518,390
Contributions receivable									
- from employers	-	-	-	-	-	-	-	8,092,613	8,092,613
- from members	-	-	-	-	-	-	-	7,749,091	7,749,091
Transfers in receivable	-	-	-	-	-	-	-	17,124,717	17,124,717
Amounts receivable on subscriptions	402,669	2,223,149	4,963,257	1,208,092	1,423,052	3,801,995	26,909,226	(26,909,226)	-
Amounts receivable on sales of investments	301,789	1,199,174	-	346,881	194,856	1,865,025	7,498,168	-	7,498,168
Other receivables	-	60,886	7,757,488	92,949	-	-	8,190,762	2,135,872	10,326,634
Cash at bank	-	-	2,042,288	-	-	-	5,306,865	62,135,888	67,442,753
Total assets	112,772,986	389,990,031	977,393,844	530,634,847	110,900,769	334,829,651	5,023,598,618	70,328,955	5,093,927,573
Liabilities									
Derivative financial instruments	-	-	664,107	-	-	-	858,141	-	858,141
Benefits payable	-	-	-	-	-	-	-	3,001,022	3,001,022
Transfers out payable	-	-	-	-	-	-	-	10,781	10,781
Forfeitures payable	-	-	-	-	-	-	-	233	233
Amounts payable on redemptions	301,789	1,199,174	8,498,760	346,881	194,856	1,865,025	17,001,698	(17,001,698)	-
Amounts payable on purchases of investments	402,669	2,223,149	-	1,208,092	1,423,052	3,801,995	21,379,349	-	21,379,349
Other payables	239,794	542,830	1,597,778	1,441,370	109,181	304,641	7,941,636	7,056,446	14,998,082
Total liabilities (excluding net assets attributable to members)	944,252	3,965,153	10,760,645	2,996,343	1,727,089	5,971,661	47,180,824	(6,933,216)	40,247,608
Net assets attributable to members	111,828,734	386,024,878	966,633,199	527,638,504	109,173,680	328,857,990	4,976,417,794	77,262,171	5,053,679,965

Statement of net assets available for benefits as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	Note	2025 MPF Conservative Fund $	Guaranteed Fund $	Global Stable Fund $	Global Growth Fund $	Asian Bond Fund $	Global Bond Fund $	Global Equity Fund $
Representing:								
Net assets attributable to members		668,004,810	280,435,701	296,372,245	495,874,660	326,662,863	167,696,130	352,678,085
Total number of units in issue	6	55,310,680.1792	25,332,468.8369	11,383,956.1645	15,633,409.5382	11,626,895.9755	13,591,800.7014	7,232,180.7903
Net asset value per unit		12.0773	11.0702	26.0342	31.7189	28.0954	12.3380	48.7651

	Note	2025 Asian Pacific Equity Fund $	European Equity Fund $	Hong Kong Equities Fund $	US Equity Fund $	Greater China Equity Fund $	Age 65 Plus Fund $	Core Accumulation Fund $
Representing:								
Net assets attributable to members		333,696,806	159,244,682	520,064,020	1,059,570,125	680,643,467	146,328,881	430,689,372
Total number of units in issue	6	16,361,426.3977	8,870,117.0443	31,944,236.5395	22,628,168.7722	30,686,356.2181	11,752,535.1502	23,672,281.6849
Net asset value per unit		20.3953	17.9529	16.2804	46.8253	22.1807	12.4508	18.1938

Statement of net assets available for benefits as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

		2024						
	Note	MPF Conservative Fund $	Guaranteed Fund $	Global Stable Fund $	Global Growth Fund $	Asian Bond Fund $	Global Bond Fund $	Global Equity Fund $
Representing:								
Net assets attributable to members		602,074,934	216,739,615	263,522,824	418,922,006	328,839,181	145,985,288	305,212,159
Total number of units in issue	6	50,854,840.7727	21,426,464.0835	11,797,461.9377	15,992,179.6946	12,542,764.9262	12,678,106.6932	7,509,236.9387
Net asset value per unit		11.8391	10.1155	22.3372	26.1954	26.2174	11.5148	40.6449

Statement of net assets available for benefits as at 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

		2024						
	Note	Asian Pacific Equity Fund $	European Equity Fund $	Hong Kong Equities Fund $	US Equity Fund $	Greater China Equity Fund $	Age 65 Plus Fund $	Core Accumulation Fund $
Representing:								
Net assets attributable to members		264,964,802	111,828,734	386,024,878	966,633,199	527,638,504	109,173,680	328,857,990
Total number of units in issue	6	16,923,476.4863	8,105,865.6644	32,001,815.8452	24,113,319.8679	31,972,526.7002	9,390,498.0837	20,934,254.3980
Net asset value per unit		15.6566	13.7960	12.0626	40.0871	16.5029	11.6260	15.7091

Approved and authorised for issue by the Trustee on 26 JUN 2026

For and on behalf of
YF Life Trustees Limited

The notes on pages 103 to 128 form part of these financial statements.

Statement of changes in net assets attributable to members - Master trust scheme for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025 $	*2024* $
Net assets attributable to members brought forward	5,053,679,965	4,615,703,144
Contributions received and receivable from employers		
From employers		
- Mandatory	108,342,006	109,646,619
- Additional voluntary	27,301,795	26,550,300
From members		
- Mandatory	111,938,018	117,194,884
- Additional voluntary	17,515,867	18,342,505
Contribution surcharge received and receivable	52,790	230,493
Transfers in		
Group transfers in from other schemes	23,053,773	46,015,881
Individual transfers in from other schemes	287,652,357	173,093,199
	575,856,606	491,073,881

Statement of changes in net assets attributable to members - Master trust scheme for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2025 $	2024 $
Benefits paid and payable		
Retirement	109,282,727	109,282,042
Early retirement	28,846,360	29,995,698
Death	4,114,054	10,433,276
Permanent departure	14,558,547	22,096,113
Total incapacity	3,247,958	3,659,871
Refund of additional voluntary contributions to leavers	7,631,765	10,986,682
Terminal illness	672,415	792,139
Transfers out		
Group transfers out to other schemes	36,920,221	44,121,256
Individual transfers out to other schemes	298,616,683	269,758,318
Forfeitures	-	1,783,609
Withdrawal of additional voluntary contributions	13,774,404	10,439,953
Long services payments	19,362,755	10,675,661
	537,027,889	524,024,618
Increase in the net assets attributable to members for the year	893,248,038	470,927,558
Net assets attributable to members carried forward	5,985,756,720	5,053,679,965

The notes on pages 103 to 128 form part of these financial statements.

Cash flow statement - Master trust scheme for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025 $	*2024* $
Operating activities		
Increase in net assets attributable to members	893,248,038	470,927,558
Adjustments for:		
Interest income	(16,541)	(20,541)
Net gain on investments	(943,963,195)	(522,353,542)
Net loss on derivative financial instruments	6,498,132	842,692
Net changes in working capital:		
Increase in other receivables	(2,016,022)	(5,757,363)
Increase in other payables	3,434,086	4,088,164
Payment for purchases of investments	(1,860,564,660)	(1,474,104,445)
Proceeds from sales of investments	1,868,827,222	1,601,117,858
Net proceeds of derivative financial instruments	(4,795,924)	(1,020,661)
Net cash (used in)/generated from operating activities	(39,348,864)	73,719,720
Investing activity		
Interest received	16,541	20,541
Net cash generated from investing activity	16,541	20,541
Financing activities		
Contributions and transfers in received	570,472,065	489,875,498
Benefits, transfers out, forfeitures, long service payments and initial charges paid	(525,206,204)	(530,814,600)
Net cash generated from/(used in) financing activities	45,265,861	(40,939,102)

Cash flow statement - Master trust scheme for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2025 $	*2024* $
Net increase in cash and cash equivalents	5,933,538	32,801,159
Cash and cash equivalents at 1 January	67,442,753	34,641,594
Cash and cash equivalents at 31 December	73,376,291	67,442,753
Analysis of balance of cash and cash equivalents:		
Cash at bank	73,376,291	67,442,753

The notes on pages 103 to 128 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 December 2025

(Expressed in Hong Kong dollars)

	2025						
	MPF Conservative Fund	*Guaranteed Fund*	*Global Stable Fund*	*Global Growth Fund*	*Asian Bond Fund*	*Global Bond Fund*	*Global Equity Fund*
	$	$	$	$	$	$	$
Net assets attributable to members brought forward	602,074,934	216,739,615	263,522,824	418,922,006	328,839,181	145,985,288	305,212,159
Proceeds on units issued	508,417,267	101,623,394	33,849,373	49,015,118	40,272,305	71,599,459	58,779,620
Payments on units redeemed	(455,302,044)	(62,943,226)	(43,714,223)	(58,811,680)	(65,243,905)	(60,907,518)	(69,146,181)
	53,115,223	38,680,168	(9,864,850)	(9,796,562)	(24,971,600)	10,691,941	(10,366,561)
Increase in net assets attributable to members for the year	12,814,653	25,015,918	42,714,271	86,749,216	22,795,282	11,018,901	57,832,487
Net assets attributable to members carried forward	668,004,810	280,435,701	296,372,245	495,874,660	326,662,863	167,696,130	352,678,085

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2025									
	Asian Pacific Equity Fund $	*European Equity Fund* $	*Hong Kong Equities Fund* $	*US Equity Fund* $	*Greater China Equity Fund* $	*Age 65 Plus Fund* $	*Core Accumulation Fund* $	*The Constituent Funds* $	*Scheme level adjustments*	*The Scheme*
Net assets attributable to members brought forward	264,964,802	111,828,734	386,024,878	966,633,199	527,638,504	109,173,680	328,857,990	4,976,417,794	77,262,171	5,053,679,965
Proceeds on units issued	59,673,032	77,875,143	288,258,940	289,680,886	125,758,097	80,041,962	137,859,929	1,922,704,525	(1,346,847,919)	575,856,606
Payments on units redeemed	(68,223,316)	(65,525,135)	(288,472,603)	(345,945,929)	(148,065,824)	(51,335,403)	(90,754,982)	(1,874,391,969)	1,337,364,080	(537,027,889)
	(8,550,284)	12,350,008	(213,663)	(56,265,043)	(22,307,727)	28,706,559	47,104,947	48,312,556	(9,483,839)	38,828,717
Increase in net assets attributable to members for the year	77,282,288	35,065,940	134,252,805	149,201,969	175,312,690	8,448,642	54,726,435	893,231,497	16,541	893,248,038
Net assets attributable to members carried forward	333,696,806	159,244,682	520,064,020	1,059,570,125	680,643,467	146,328,881	430,689,372	5,917,961,847	67,794,873	5,985,756,720

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2024						
	MPF Conservative Fund	*Guaranteed Fund*	*Global Stable Fund*	*Global Growth Fund*	*Asian Bond Fund*	*Global Bond Fund*	*Global Equity Fund*
	$	$	$	$	$	$	$
Net assets attributable to members brought forward	545,644,630	205,956,565	259,740,683	407,512,733	343,898,646	129,882,142	279,484,982
Proceeds on units issued	397,216,904	61,846,418	25,277,697	50,719,692	25,338,057	69,106,634	46,056,846
Payments on units redeemed	(359,377,208)	(57,229,311)	(34,607,445)	(71,380,488)	(47,068,365)	(47,343,674)	(63,219,519)
	37,839,696	4,617,107	(9,329,748)	(20,660,796)	(21,730,308)	21,762,960	(17,162,673)
Increase/(decrease) in net assets attributable to members for the year	18,590,608	6,165,943	13,111,889	32,070,069	6,670,843	(5,659,814)	42,889,850
Net assets attributable to members carried forward	602,074,934	216,739,615	263,522,824	418,922,006	328,839,181	145,985,288	305,212,159

Statement of changes in net assets attributable to members - Constituent funds for the year ended 31 December 2025 (continued)

(Expressed in Hong Kong dollars)

	2024									
	Asian Pacific Equity Fund $	*European Equity Fund* $	*Hong Kong Equities Fund* $	*US Equity Fund* $	*Greater China Equity Fund* $	*Age 65 Plus Fund* $	*Core Accumulation Fund* $	*The Constituent Funds* $	*Scheme level adjustments*	*The Scheme*
Net assets attributable to members brought forward	244,939,722	107,427,817	343,418,624	870,411,400	500,324,549	87,116,649	256,110,063	4,581,869,205	33,833,939	4,615,703,144
Proceeds on units issued	53,692,005	64,125,744	161,719,751	325,730,681	86,893,550	50,868,244	107,548,085	1,526,140,308	(1,035,066,427)	491,073,881
Payments on units redeemed	(59,143,816)	(63,505,179)	(171,931,473)	(410,839,643)	(119,349,844)	(32,413,722)	(65,090,559)	(1,602,500,246)	1,078,475,628	(524,024,618)
	(5,451,811)	620,565	(10,211,722)	(85,108,962)	(32,456,294)	18,454,522	42,457,526	(76,359,938)	43,409,201	(32,950,737)
Increase/(decrease) in net assets attributable to members for the year	25,476,891	3,780,352	52,817,976	181,330,761	59,770,249	3,602,509	30,290,401	470,908,527	19,031	470,972,558
Net assets attributable to members carried forward	264,964,802	111,828,734	386,024,878	966,633,199	527,638,504	109,173,680	328,857,990	4,976,417,794	77,262,171	5,053,679,965

The notes on pages 103 to 128 form part of these financial statements.

Notes to the financial statements

(Expressed in Hong Kong dollars)

1 The Scheme

Mass Mandatory Provident Fund Scheme ("the Scheme") is a master trust scheme established under a trust deed dated 27 January 2000, as amended by the deeds of amendment dated 24 October 2000, 15 August 2002, 27 February 2003, 20 January 2006, 1 March 2007, 30 September 2009, 1 May 2011, 15 November 2011, 13 June 2012, 31 January 2013, 17 July 2013, 27 August 2015, 24 December 2015, 21 November 2016, 2 December 2016, 11 January 2019, 14 March 2019, 1 May 2019, 16 March 2020, 17 April 2023, 26 May 2024, 26 June 2024 and 31 December 2025 with YF Life Trustees Limited as the Trustee. The Scheme is registered under Section 21 of the Hong Kong Mandatory Provident Fund Schemes Ordinance ("the MPFSO").

Under the trust deed, the Trustee is required to establish and maintain separate constituent funds into which contributions may be invested. The constituent funds are established within the Scheme and are only available for investment by members of the Scheme.

The Scheme had the following constituent funds during the year ended 31 December 2025:

- MPF Conservative Fund
- Guaranteed Fund
- Global Stable Fund
- Global Growth Fund
- Asian Bond Fund
- Global Bond Fund
- Global Equity Fund
- Asian Pacific Equity Fund
- European Equity Fund
- Hong Kong Equities Fund
- US Equity Fund
- Greater China Equity Fund
- Age 65 Plus Fund
- Core Accumulation Fund

2 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), the relevant disclosure requirements of the MPFSO, the Hong Kong Mandatory Provident Fund Schemes (General) Regulation ("the General Regulation"), the Hong Kong Code on MPF Investment Funds ("the MPF Code") and Guidelines II.4 ("the MPF Guidelines") issued by the Hong Kong Mandatory Provident Fund Schemes Authority. Material accounting policies adopted by the Scheme are disclosed below.

(b) Basis of preparation of the financial statements

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value through profit or loss which are measured at fair value.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(c) Revenue recognition

Provided it is probable that the economic benefits will flow to the Scheme and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

- Distributions from approved pooled investment funds ("APIFs") are recognised only when declared.

- Rebates income is recognised when the right to receive payment is established.

- Interest income is recognised as it accrues using the effective interest method.

2 Material accounting policies (continued)

(d) Contributions/subscriptions for units

Contributions/subscriptions for units are accounted for on an accrual basis.

Contributions receivable are initially recognised at fair value and thereafter stated at amortised cost less allowance for credit losses, except where effect of discounting would be immaterial. In such cases, contributions receivable is stated at cost less allowance for credit losses. Contributions receivable are assessed for expected credit losses ("ECLs") in accordance with the policy set out in note 2(g)(vi).

(e) Amounts paid and payable on redemption of units

Amounts paid and payable on redemption of units are accounted for on an accrual basis.

Redemptions payable is initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case it is stated at cost.

(f) Other expenses

Other expenses are accounted for on an accrual basis.

(g) Financial assets and financial liabilities

(i) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised on the trade date, which is the date on which the Scheme becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

On initial recognition, the Scheme classifies financial assets as measured at amortised cost or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and Interest ("SPPI").

All other financial assets of the Scheme are measured at FVTPL.

2 Material accounting policies (continued)

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Scheme considers all of the relevant information about how the business is managed. The Scheme has determined that it has two business models:

- Held-to-collect: this includes cash at bank, amounts receivable on sales of investments, amounts receivable on subscriptions, contributions receivable, transfers in receivable and other receivables.

- Other: this includes investments where their performance is evaluated on a fair value basis with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Scheme considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(iii) Measurement

All investments have been classified by the Trustee as "financial assets at fair value through profit or loss" at inception.

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 comprehensive income in the period in which they arise. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Scheme has transferred substantially all risks and rewards of ownership.

Investments that are listed or traded on an exchange are valued based on quoted bid prices.

Investments which are not listed on an exchange are valued by using bid price quotes from brokers.

Investments in debt securities are presented inclusive of accrued interest.

2 Material accounting policies (continued)

(iv) Fair value measurement principles

'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 in the principal or, in its absence, the most advantageous market to which the Scheme has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Scheme measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Scheme measures instruments quoted in an active market at a bid price.

If there is no quoted price in an active market, then the Scheme uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Scheme recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount and, for financial assets, adjusted for any loss allowance.

(vi) Impairment

The Scheme recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost. A loss allowance on financial assets carried at amortised cost would be recognised with reference to credit losses expected to arise on the financial asset, discounted where the effect would be material, and taking into account whether the credit risk of the financial asset had increased significantly since initial recognition.

At each reporting date, the Scheme assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Scheme has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

2 Material accounting policies (continued)

(vii) Derecognition

The Scheme derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Scheme neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Scheme is recognised as a separate asset or liability.

The Scheme enters into transactions whereby they transfer assets recognised on the statement of net assets available for benefits, but retain either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

The Scheme derecognises a financial liability when the contractual obligations are discharged or cancelled, or expire.

(viii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of net assets available for benefits when, and only when, the Scheme has a legal right to offset the amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at FVTPL and foreign exchange gains and losses.

(ix) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

2 Material accounting policies (continued)

(h) Units in issue

The Scheme classifies financial instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument that includes a contractual obligation for the Scheme to repurchase or redeem that instrument for cash or another financial assets is classified as equity instrument if it has all of the following conditions:

- it entitles the holder to a pro rata share of the Scheme's net assets in the event of the Scheme's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that are subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the Scheme to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of Scheme over the life of the instrument.

The redeemable units are not in the class of instruments that are subordinate to all other classes of instruments which have identical features. Therefore, they do not meet the criteria for equity classification and are therefore classified as financial liabilities. They are measured at the present value of the redemption amounts.

Incremental costs directly attributable to the issue or redemption of redeemable units are recognised directly in the statement of changes in net assets attributable to members - Master trust scheme as a deduction from the proceeds or part of the acquisition cost.

(i) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the date of the statement of net assets available for benefits. Exchange gains and losses are recognised in the statement of comprehensive income.

2 Material accounting policies (continued)

(j) Related parties

(1) A person, or a close member of that person's family, is related to the Scheme if that person:

- (i) has control or joint control over the Scheme;
- (ii) has significant influence over the Scheme; or
- (iii) is a member of the key management personnel of the Scheme.

(2) An entity is related to the Scheme if any of the following conditions applies:

- (i) The entity and the Scheme are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Scheme or an entity related to the Scheme;
- (vi) The entity is controlled or jointly controlled by a person identified in (1);
- (vii) A person identified in (1)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Scheme.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(k) Obligations to pay retirement benefits in the future

No provision is made in the financial statements for these obligations, except to the extent indicated in note 2(e).

2 Material accounting policies (continued)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(m) Segment reporting

An operating segment is a component of the Scheme that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Scheme's other components, whose operating results are reviewed regularly by the chief operating decision maker ("the CODM") to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Chief Executive Officer of the Trustee acting as the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

3 Changes in accounting policies

The HKICPA has issued the following amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Scheme.

- Amendments to HKAS 21, *The effects of changes in foreign exchange rates – Lack of exchangeability*

None of these developments have had a material effect on how the Scheme's results and financial position for the current and prior periods have been prepared or presented. The Scheme has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 Taxation

The Scheme is registered under the MPFSO 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's financial statements.

5 Transactions with related parties

The following is a summary of transactions with related parties during the year. All such transactions were entered into in the ordinary course of business and on normal commercial terms.

5 Transactions with related parties (continued)

(a) The Trustee is entitled to receive a trustee fee accrued daily and payable monthly at an annual rate of 0.11 to 0.14% of the net asset value of the respective constituent funds. During the year, the Trustee received 6,871,262 (2024: $28,334,829) trustee fees, of which is Nil (2024: Nil) represents deferred trustee fee that were deducted from the assets of MPF Conservative Fund in accordance with section 37 of the General Regulation (see note 8(b)).

(b) The Trustee is entitled to receive a fund administration fee at an annual rate of US$7,500 (approximately $58,500) per constituent fund including MPF Conservative Fund, Global Stable Fund, Global Growth Fund, Asian Bond Fund, Asian Pacific Equity Fund, European Equity Fund, Hong Kong Equities Fund, Global Bond Fund, Global Equity Fund, US Equity Fund and Greater China Equity Fund. During the year, the Trustee received $643,500 (2024: $643,500) fund administration fees, of which Nil (2024: Nil) represents deferred administrative expenses that were deducted from the assets of MPF Conservative Fund in accordance with section 37 of the General Regulation (see note 8(b)).

The fund administration fee for the Guaranteed Fund was borne by Mass MPF Guaranteed Policy in accordance with the MPF Scheme brochure of the Scheme.

(c) During the year, rebates of $640,046 (2024: $552,573), calculated at an annual rate of 0.10% of the net asset value of Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund, were received from the Investment Manager, Allianz Global Investors Asia Pacific Limited, and were reinvested into Allianz Choice HK$ Liquidity Fund of the Allianz Global Investors Choice Fund.

(d) During the year, investment management fee of $4,681,108 (2024: $4,124,035), calculated at an annual rate of 0.33% to 0.43% of the net asset value of the underlying investment funds of Global Stable Fund, Global Growth Fund and Hong Kong Equities Fund, were paid to the Investment Manager, Allianz Global Investors Asia Pacific Limited.

(e) During the year, investment management fee of $2,571,420 (2024: $2,045,959), calculated at an annual rate of up to 0.50% of the net asset value of the underlying investment fund of Greater China Equity Fund were paid to the Investment Manager, JP Morgan Asset Management (Asia Pacific) Limited.

(f) During the year, investment management fee of $6,538,945 (2024: $6,240,825), calculated at an annual rate of 0.39% to 0.51% of the net asset value of the underlying investment fund of Global Equity Fund, Asian Pacific Equity Fund and US Equity Fund were paid to the Investment Manager, Schroder Investment Management (Hong Kong) Limited.

(g) During the year, investment management fee of $3,203,559 (2024: $3,068,289), calculated at an annual rate 0.51% of the net asset value of the underlying investment fund of Asian Bond Fund, Global Bond Fund and European Equity Fund were paid to the Investment Manager, Principal Asset Management Company (Asia) Limited.

5 Transactions with related parties (continued)

(h) The transactions with related parties as stated in notes 5(a) to 5(g) are within the definition of transactions with associates in accordance with the MPFSO and MPF Guidelines II.4 Annex CI(D)2.

(i) As at 31 December 2025, the determined amount to be paid by the Trustee into relevant constituent funds, calculated in accordance with section 19ZA and Schedule 16 of the MPFSO, amounted to $1,448,167 (2024: $383,487).

6 Units in issue

	Balance at 1 January 2025	*Issued during the year*	*Redeemed during the year*	*Balance at 31 December 2025*
MPF Conservative Fund	50,854,840.7727	42,475,943.4006	38,020,103.9941	55,310,680.1792
Guaranteed Fund	21,426,464.0835	9,554,912.7149	5,648,907.9615	25,332,468.8369
Global Stable Fund	11,797,461.9377	1,394,982.7091	1,808,488.4823	11,383,956.1645
Global Growth Fund	15,992,179.6946	1,683,857.3697	2,042,627.5261	15,633,409.5382
Asian Bond Fund	12,542,764.9262	1,466,422.0652	2,382,291.0159	11,626,895.9755
Global Bond Fund	12,678,106.6932	5,942,589.2027	5,028,895.1945	13,591,800.7014
Global Equity Fund	7,509,236.9387	1,296,900.4896	1,573,956.6380	7,232,180.7903
Asian Pacific Equity Fund	16,923,476.4863	3,259,441.2194	3,821,491.3080	16,361,426.3977
European Equity Fund	8,105,865.6644	4,814,988.1440	4,050,736.7641	8,870,117.0443
Hong Kong Equities Fund	32,001,815.8452	19,501,245.1834	19,558,824.4891	31,944,236.5395
US Equity Fund	24,113,319.8679	6,797,654.5974	8,282,805.6931	22,628,168.7722
Greater China Equity Fund	31,972,526.7002	6,389,191.4222	7,675,361.9043	30,686,356.2181
Age 65 Plus Fund	9,390,498.0837	6,622,242.1452	4,260,205.0787	11,752,535.1502
Core Accumulation Fund	20,934,254.3980	8,144,985.2294	5,406,957.9425	23,672,281.6849

7 Soft commission arrangements

During the year ended 31 December 2025, the Investment Managers and their 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 (2024: Nil).

8 Expenses

(a) Marketing expenses

There were no advertising expenses, promotional expenses, commissions or brokerage fees payable to the MPF intermediaries of the Scheme deducted from the constituent funds during the year ended 31 December 2025 (2024: Nil).

(b) Fees and charges from MPF Conservative Fund

The MPF Conservative Fund is a capital preservation fund. Fees and charges may only be deducted in the following circumstances:

(i) if the amount of income from the investment of the MPF Conservative Fund in a particular month exceeds the amount of interest that would be earned if those funds had been placed on deposit in a Hong Kong dollar savings account at the prescribed saving rate, an amount not exceeding the excess may be deducted from the Member's Accrued Benefits as administrative expenses for that month; or

8 Expenses (continued)

(ii) if in a particular month no amount is deducted as administrative expenses under (i) above or the amount that is deducted is less than the actual administrative expenses for the month, the deficiency may be deducted from the amount of any excess that may remain in any of the following 12 months after deducting the administrative expenses applicable to that following month.

The total amount of fees and charges deducted from the assets of the MPF Conservative Fund for the year ended 31 December 2025 is $3,703,743 (2024: $3,587,342).

9 Bank loans and other borrowings

The Scheme had no bank loans or other borrowings as at 31 December 2025 (2024: Nil).

10 Commitments

The Scheme had no commitments as at 31 December 2025 (2024: Nil).

11 Contingent liabilities

The Scheme had no contingent liabilities as at 31 December 2025 (2024: Nil).

12 Negotiability of assets

At 31 December 2025, there was no statutory or contractual requirement restricting the negotiability of the assets of the Scheme (2024: Nil).

13 Financial risk management

The Scheme is exposed to various risks which are discussed below:

(a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

The Scheme only invests its funds in the APIFs managed by the Investment Managers, Allianz Global Investors Asia Pacific Limited, JP Morgan Asset Management (Asia Pacific) Limited, Invesco Hong Kong Limited, Principal Asset Management Company (Asia) Limited and Schroder Investment Management (Hong Kong) Limited. The investment objectives of each of the constituent funds under the Scheme have been set out in Section 2 of the Investment Report.

The Scheme's strategy on the management of investment risk is driven by the Scheme investment objectives of the constituent funds. The Scheme's market risk is managed on an ongoing basis by the Investment Manager in accordance with policies and procedures in place. The Scheme's overall market positions are monitored by the Trustee.

13 Financial risk management (continued)

(i) Other price risk

Other price risk is the risk that value of the investments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Scheme's investments are subject to other price risk inherent in all investments i.e. the value of holdings may fall as well as rise.

The Scheme's other price risk is managed through diversification of the underlying investment portfolio of the Scheme.

Sensitivity analysis

A 10% (2024: 10%) increase in the underlying fund price of the constituent funds under the Scheme at 31 December 2025 would have increased the respective net profit and net asset value by the following amounts:

Name of the constituent fund	*2025 Increase in net income/ net asset value* $	*2024 Increase in net income/ net asset value* $
MPF Conservative Fund	66,854,734	60,252,367
Guaranteed Fund	28,033,517	21,669,551
Global Stable Fund	29,666,329	26,391,453
Global Growth Fund	49,637,038	41,953,530
Asian Bond Fund	32,777,736	32,952,089
Global Bond Fund	16,826,075	14,629,267
Global Equity Fund	34,664,559	30,444,864
Asian Pacific Equity Fund	32,756,245	26,360,542
European Equity Fund	15,976,638	11,206,853
Hong Kong Equities Fund	52,076,663	38,650,682
US Equity Fund	105,418,394	96,263,081
Greater China Equity Fund	68,161,739	52,898,693
Age 65 Plus Fund	14,647,648	10,928,286
Core Accumulation Fund	43,110,271	32,916,263
	590,607,586	497,517,521

Any equal change in the opposite direction would have decreased the net profit and the net asset value by an equal but opposite direction.

13 Financial risk management (continued)

(ii) 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.

The majority of the Scheme's financial assets are non-interest bearing, except for the bank balance at the Scheme level.

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Scheme's net profit and net asset value by approximately $449,455 (2024: $533,454).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date. The 100 basis point increase or decrease represents Trustee's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2024.

The Investment Funds, consisting of MPF Conservative Fund, Guaranteed Fund, Global Stable Fund, Global Growth Fund, Asian Bond Fund, Global Bond Fund, Age 65 Plus Fund and Core Accumulation Fund, holding interest rate debt securities are exposed to interest rate risk, where the value of these securities may fluctuate as a result of changes in interest rate. In general, if interest rates rise, the income potential of the floating interest rate securities also rises but the value of fixed rate securities declines. A fall in interest rates would generally have the opposite effect. Aligning the portfolio maturity profile to that of the internal benchmark (for Investment Funds that use such internal benchmarks like Financial Times Stock Exchange World Government Bond Index) and keeping deviations within certain limits is an important way of controlling relative interest rate risk. The Investment Managers of the Investment Funds are also aware of the running yield of the portfolio, in absolute and relative terms, based on which they adjust portfolio holdings with the objective of optimising total portfolio returns from the two sources i.e. running yield and expected price changes.

(iii) Currency risk

The constituent funds hold investments in various currencies and are therefore exposed to currency risk that the exchange rate may change in a manner that has an adverse effect on the value of the constituent fund's investments.

The currency exposure of the constituent funds is managed by the Investment Managers and the Trustee. They would monitor the currency positions of the constituent funds on an ongoing basis to ascertain that the currency exposures are within an acceptable range and are complied with the requirements of the General Regulation.

13 Financial risk management (continued)

At 31 December, the constituent funds have the following currency exposure:

	2025	*2024*
MPF Conservative Fund		
- Hong Kong dollars	100%	100%
Guaranteed Fund		
- Hong Kong dollars	34%	41%
- United States dollars	34%	29%
- Euro	14%	13%
- Japanese Yen	8%	8%
- Others	10%	9%
Global Stable Fund		
- Hong Kong dollars	35%	37%
- United States dollars	32%	31%
- Euro	13%	13%
- Japanese Yen	10%	10%
- Others	10%	9%
Global Growth Fund		
- Hong Kong dollars	35%	38%
- United States dollars	32%	31%
- Euro	12%	11%
- Japanese Yen	12%	11%
- Others	9%	9%
Asian Bond Fund		
- United States dollars	66%	67%
- Hong Kong dollars	34%	33%
Global Bond Fund		
- Hong Kong dollars	32%	33%
- Euro	25%	8%
- Japanese Yen	10%	9%
- United States dollars	9%	22%
- Others	24%	28%

13 Financial risk management (continued)

	2025	*2024*
Global Equity Fund		
- Hong Kong dollars	34%	34%
- United States dollars	35%	37%
- Euro	11%	8%
- Japanese Yen	7%	5%
- Others	13%	16%
Asian Pacific Equity Fund		
- Hong Kong dollars	35%	36%
- Korean Won	13%	9%
- Thai Baht	1%	2%
- Singapore dollars	3%	1%
- New Taiwanese dollars	16%	16%
- Indian Rupee	16%	21%
- United Stated dollars	9%	7%
- Renminbi	3%	3%
- Others	4%	5%
European Equity Fund		
- Hong Kong dollars	33%	34%
- Euro	36%	35%
- United States dollars	4%	4%
- Great British Pound	22%	20%
- Swiss Franc	3%	3%
- Others	2%	4%
Hong Kong Equities Fund		
- Hong Kong dollars	94%	93%
- United States dollars	1%	1%
- Others	5%	6%
US Equity Fund		
- United States dollars	64%	63%
- Hong Kong dollars	31%	33%
- Others	5%	4%
Greater China Equity Fund		
- Hong Kong dollars	47%	48%
- United States dollars	2%	5%
- Others	51%	47%

13 Financial risk management (continued)

	2025	2024
Age 65 Plus Fund		
- Hong Kong dollars	77%	79%
- United States dollars	15%	14%
- Euro	2%	2%
- Japanese Yen	1%	1%
- Others	5%	4%
Core Accumulation Fund		
- Hong Kong dollars	39%	41%
- United States dollars	41%	40%
- Euro	5%	5%
- Japanese Yen	4%	4%
- Others	11%	10%

For any change in the exchange rate, the resulting impact on the constituent funds would be reflected as a change in the underlying fund price of the constituent funds.

Sensitivity analysis

The following table indicates the instantaneous change in the Scheme's net profit and net asset value that would arise if foreign exchange rates to which the Scheme has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollar against other currencies.

	2025		*2024*	
(Expressed in HKD)	*Increase/ (decrease) in foreign exchange rates*	*Effect on net profit and net asset value* $'000	*Increase/ (decrease) in foreign exchange rates*	*Effect on net profit and net asset value* $'000
Euros	10%	30,286	10%	19,818
	(10%)	(30,286)	(10%)	(19,818)
Great British Pounds	10%	3,503	10%	2,281
	(10%)	(3,503)	(10%)	(2,281)
Indian Rupee	20%	10,678	20%	10,874
	(20%)	(10,678)	(20%)	(10,874)

13 Financial risk management (continued)

(Expressed in HKD)	*2025* Increase/ (decrease) in foreign exchange rates	*2025* Effect on net profit and net asset value $'000	*2024* Increase/ (decrease) in foreign exchange rates	*2024* Effect on net profit and net asset value $'000
Japanese Yen	10%	16,932	10%	13,134
	(10%)	(16,932)	(10%)	(13,134)
Korean Won	5%	2,169	5%	1,196
	(5%)	(2,169)	(5%)	(1,196)
New Taiwanese dollars	5%	2,670	5%	2,174
	(5%)	(2,670)	(5%)	(2,174)
Singapore dollars	10%	1,001	10%	233
	(10%)	(1,001)	(10%)	(233)
Swiss Franc	20%	955	20%	577
	(20%)	(955)	(20%)	(577)
Thai Baht	10%	334	10%	541
	(10%)	(334)	(10%)	(541)
Philippine Peso	10%	-	10%	185
	(10%)	-	(10%)	(185)
Malaysian Ringgit	10%		10%	562
	(10%)	-	(10%)	(562)
		-		
Indonesian Rupiah	10%	-	10%	458
	(10%)	-	(10%)	(458)
Renminbi	10%	1,001	10%	771
	(10%)	(1,001)	(10%)	(771)
Others	10%	69,300	10%	53,286
	(10%)	(69,300)	(10%)	(53,286)

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the constituent funds' net profit and net asset value measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

13 Financial risk management (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Scheme which expose the Scheme to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis for 2024.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment to pay dues in time.

The APIFs' Investment Managers have a credit review process in place. This ensures that credit quality and credit risk exposure are reviewed and monitored regularly on an ongoing basis, which helps protect portfolios from anticipated negative credit events. The APIFs' credit risk is also mitigated through diversification and control on exposure to any single issuer in the APIF.

Credit risk of the APIFs arising on debt securities is mitigated by investing primarily in rated securities or securities issued by rated counterparties of minimum credit ratings ("BBB" by Standard and Poor's). Typically, in cases where credit rating of an investment falls below the above minimum ratings, the Investment Managers dispose it as soon as practical.

As at 31 December 2025, the Scheme net assets amounted to $5,985,756,720 (2024: $5,053,679,965) and the investment in APIFs amounted to $5,906,075,860 (2024: $4,975,175,207).

With respect to credit risk arising from the other financial assets of the Scheme which comprise cash and cash equivalents, the Scheme's exposure equal to the carrying amount of these instruments. The MPFA requests the Scheme to place deposits with an authorised financial institution or an eligible overseas bank according to the requirement in Schedule 1 to the General Regulation. The credit risk is not considered to be significant.

(c) Liquidity risk

The major liquidity requirement of the Scheme is to meet benefit payments. The Scheme's investments are made in active markets and are liquid. The Investment Managers would monitor the liquidity positions of the APIFs on an ongoing basis.

(d) Fair value information

All of the Scheme's investments are carried at fair value on the statement of net assets available for benefits. Usually the fair value of investments is determined based on the net asset value attributable to the Scheme determined by the respective fund manager and can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including contributions receivable, transfers in receivable, amounts receivable on subscriptions, amounts receivable on sales of investments, other receivables, benefits payable, transfers out payable, forfeitures payable, amounts payable on redemptions, amounts payable on purchases of investments and other payables, the carrying amounts approximate their fair value due to the immediate or short-term nature of these financial instruments.

13 Financial risk management (continued)

The following table presents the fair value of the Scheme's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

At 31 December 2025

	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets – Investment fund				
MPF Conservative Fund	668,547,338	-	-	668,547,338
Guaranteed Fund	280,335,170	-	-	280,335,170
Global Stable Fund	296,663,285	-	-	296,663,285
Global Growth Fund	496,370,375	-	-	496,370,375
Asian Bond Fund	327,777,363	-	-	327,777,363
Global Bond Fund	168,260,748	-	-	168,260,748
Global Equity Fund	-	346,645,590	-	346,645,590
Asian Pacific Equity Fund	-	327,562,448	-	327,562,448
European Equity Fund	159,766,382	-	-	159,766,382
Hong Kong Equities Fund	520,766,631	-	-	520,766,631
US Equity Fund	-	1,054,183,943	-	1,054,183,943
Greater China Equity Fund	681,617,388	-	-	681,617,388
Age 65 Plus Fund	-	146,476,478	-	146,476,478
Core Accumulation Fund	-	431,102,721	-	431,102,721
Financial liabilities – Derivative financial instruments				
Global Equity Fund	-	413,231	-	413,231
Asian Pacific Equity Fund	-	169,957	-	169,957
US Equity Fund	-	1,458,771	-	1,458,771

13 Financial risk management (continued)

At 31 December 2024

	Level 1	*Level 2*	*Level 3*	*Total*
Financial assets – Investment fund				
MPF Conservative Fund	602,523,671	-	-	602,523,671
Guaranteed Fund	216,695,514	-	-	216,695,514
Global Stable Fund	263,914,528	-	-	263,914,528
Global Growth Fund	419,535,297	-	-	419,535,297
Asian Bond Fund	329,520,885	-	-	329,520,885
Global Bond Fund	146,292,669	-	-	146,292,669
Global Equity Fund	-	304,448,640	-	304,448,640
Asian Pacific Equity Fund	-	263,605,425	-	263,605,425
European Equity Fund	112,068,528	-	-	112,068,528
Hong Kong Equities Fund	386,506,822	-	-	386,506,822
US Equity Fund	-	962,630,811	-	962,630,811
Greater China Equity Fund	528,986,925	-	-	528,986,925
Age 65 Plus Fund	-	109,282,861	-	109,282,861
Core Accumulation Fund	-	329,162,631	-	329,162,631
Financial assets – Derivative financial instruments				
Asian Pacific Equity Fund	-	518,390	-	518,390
Financial liabilities – Derivative financial instruments				
Global Equity Fund	-	194,034	-	194,034
US Equity Fund	-	664,107	-	664,107

There were no transfers between Level 1 and Level 2 during the year (2024: Nil).

14 Segment information

The CODM of the Scheme makes the strategic resource allocations on behalf of the Scheme. The operating segments were determined based on the reports reviewed by the CODM, which are used to make strategic decisions. The CODM is responsible for the Scheme's entire portfolio and considers the business to have a single operating segment.

The asset allocation decisions are based on a single, integrated investment strategy, and the Scheme's performance is evaluated on an overall basis.

The internal reporting provided to the CODM for the Scheme's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of HKFRS Accounting Standards.

The segment information provided to the CODM is the same as that disclosed in the statement of comprehensive income.

The Scheme has a diversified population of members. No individual member holds more than 10% of the net assets of the Scheme. The Scheme has no assets classified as non-current assets as at 31 December 2025 and 2024.

15 Involvement with unconsolidated structured entities

The table below describes the types of structured entities that the Scheme does not consolidate but in which it holds an interest.

Type of structured entity	*Nature and purpose*	*Interest held by the Scheme*
Investment fund	To manage assets on behalf of the investors and earn fees for the investment manager. These vehicles are financed through the issue of units to investors.	Investments in units issued by the investment fund

The table below sets out interests held by the Scheme in unconsolidated structured entities as at year end. The maximum exposure to loss is the carrying amount of the financial assets held by the Scheme.

As at 31 December 2025

Structured entity	*Number of investee funds*	*Total net assets*	*Carrying amount included in investment*
		$	$
Unlisted open-ended investment funds	14	81,079,420,000	5,906,075,860

As at 31 December 2024

Structured entity	*Number of investee funds*	*Total net assets*	*Carrying amount included in investment*
		$	$
Unlisted open-ended investment funds	14	74,591,110,000	4,975,175,207

During the year, the Scheme did not provide financial support to unconsolidated structured entities and had no intention of providing financial or other support.

The Scheme can redeem units in the above investment funds on a daily basis.

16 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds

Age 65 Plus Fund and Core Accumulation Fund are designated as default investment strategy ("DIS") constituent funds with effect from 1 April 2017. Payments for services and out-of-pocket expenses charged to the DIS constituent funds are disclosed below. Payments for services and out-of-pocket expenses are those defined in the MPFSO.

During the year ended 31 December 2025

	Age 65 Plus Fund $	*Core Accumulation Fund* $
Payments for services		
- Trustee fees	173,887	519,528
- eMPF platform fees	459,560	1,373,038
Total payments for services	633,447	1,892,566
Out-of-pocket expenses		
- Auditor's remuneration	18,396	54,474
- Printing and postage	37,989	112,483
- Insurance	16,464	48,749
- Price listing	12,648	12,648
Total out-of-pocket expenses	85,497	228,354
Total payments	718,944	2,120,920
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds *	0.07%	0.06%

* The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the month end during the year ended 31 December 2025.

16 Payments charged to default investments strategy constituent funds or scheme members who invest in the constituent funds (continued)

During the year ended 31 December 2024

	Age 65 Plus Fund $	*Core Accumulation Fund* $
Payments for services		
- Trustee fees	451,993	1,367,638
- eMPF platform fees	105,383	319,433
Total payments for services	557,376	1,687,071
Out-of-pocket expenses		
- Auditor's remuneration	13,924	42,071
- Printing and postage	18,584	56,151
- Insurance	16,780	50,743
- Price listing	12,648	12,648
Total out-of-pocket expenses	61,936	161,613
Total payments	619,312	1,848,684
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds *	0.06%	0.05%

* The net asset value used for calculating the percentage is the average of the net asset value of the DIS constituent funds as at the month end during the year ended 31 December 2024.

17 Fund expense ratio

Pursuant to section 19Y and section 19Z of the MPFSO, the Trustee has determined the fund expense ratio and permitted percentage, respectively, for each constituent fund in accordance with Schedule 13 to the MPFSO as set out in the below table.

17 Fund expense ratio (continued)

	Permitted percentage %	*Year ended 31 December 2025 %*
MPF Conservative Fund	N/A	0.79713
Guaranteed Fund	2.84000	2.87928
Global Stable Fund	0.98968	1.07414
Global Growth Fund	0.98364	1.06713
Asian Bond Fund	1.21039	1.12356
Global Bond Fund	1.18754	1.12525
Global Equity Fund	1.22041	1.12229
Asian Pacific Equity Fund	1.24285	1.18450
European Equity Fund	1.44289	1.13108
Hong Kong Equities Fund	0.98331	1.03356
US Equity Fund	1.09499	1.05062
Greater China Equity Fund	1.00482	1.08642
Age 65 Plus Fund	0.77647	0.76249
Core Accumulation Fund	0.77454	0.75892

	Permitted percentage %	*Period from 26 September 2024 (material day) to 31 December 2024 (annualised) %*
MPF Conservative Fund	N/A	0.79881
Guaranteed Fund	2.84000	2.91498
Global Stable Fund	0.98968	1.08595
Global Growth Fund	0.98364	1.08562
Asian Bond Fund	1.21039	0.91371
Global Bond Fund	1.18754	1.12988
Global Equity Fund	1.22041	1.11794
Asian Pacific Equity Fund	1.24285	1.19721
European Equity Fund	1.44289	1.14861
Hong Kong Equities Fund	0.98331	1.04069
US Equity Fund	1.09499	1.04750
Greater China Equity Fund	1.00482	1.06949
Age 65 Plus Fund	0.77647	0.74683
Core Accumulation Fund	0.77454	0.74362

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These include the following which may be relevant to the Scheme.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments*	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, *Presentation and disclosure in financial statements*	1 January 2027

The Scheme is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Scheme's financial statements except for the following.

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Scheme does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

MASS
Mandatory Provident Fund Scheme

GOVERNANCE REPORT

For The Year
Ended 31 December 2025

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SECTION ONE

TRUSTEE'S GOVERNANCE FRAMEWORK

YF Life Trustees Limited ("YFT") is wholly owned by YF Life Insurance International Limited ("YFL"), a member of Yunfeng Financial Group. YFT was approved by the Mandatory Provident Fund Schemes Authority ("MPFA") as the MPF Trustee on 30 October 1999. The MASS Mandatory Provident Fund Scheme (the "Scheme") was approved by the MPFA on 31 January 2000 and was launched on 1 December 2000.

YFL is the promotor of the Scheme. While acting as the Trustee, YFT also serves as the Custodian of the Scheme.

YFT has appointed external Investment Manager(s) ("IMs") to manage the Scheme's investments:

- Allianz Global Investors Asia Pacific Limited
- Invesco Hong Kong Limited
- J.P. Morgan Asset Management (Asia Pacific) Limited
- Principal Asset Management Company (Asia) Limited
- Schroder Investment Management (Hong Kong) Limited

Auditor of the Scheme is KPMG.

With an aim at providing clients with quality service and advice, YFT has put in place a professional alliance scheme in which different specialized companies perform different roles and functions in managing the Scheme.

As a signatory to the MPFA's Governance Charter for MPF Trustees, YFT commits to adopting the MPFA's Governance Principles and acknowledges it should exercise the same level of rigour and professionalism when supervising services provided by its in-house service providers and external service providers. Moreover, YFT also thoroughly understands its duties and consistently acts in the best interests of scheme members.

YFT understands it has important fiduciary responsibilities in protecting the members' retirement savings invested into the Scheme. YFT is acutely aware that having a sound governance framework is fundamental to fulfilling its responsibilities.

Key elements of a sound governance framework may include:

- Clearly defined Trustee oversight and control roles and responsibilities of Trustee Board of Directors;
- Properly composed Trustee Committees, including investment governance body, and with clearly defined and documented authorities delegated by the Trustee/Trustee Board; and
- Well established and effective reporting mechanisms.

1.1 TRUSTEE OVERSIGHT & CONTROL

MPF Trustees are required to ensure that its Board is properly composed and that its role and any delegated authorities are properly defined, documented and monitored. YFT exercises effective oversight and control over delegates and service providers through the maintenance of a robust governance framework and ensures that its Board is properly composed for the oversight and management of its MPF business and operations.

The Board of YFT maintains a documented terms of reference for its Board of Directors which defines the roles and responsibilities of the Board including:

- The Board plays an important role in the strategic planning and policy formulation of YFT and in monitoring its management;
- The Board at all times ensures YFT act in the best interest of members;
- The Board ensures YFT has established and maintained a strong, comprehensive and robust governance framework for the oversight and management of its MPF business and operations;
- The Board ensures the obligations to discharge the trustee's duty is reflected in governance framework and procedure to facilitate good decision making and deliver value for money to its scheme members;
- The Board ensures proper policies and procedures are in place to effectively identify, manage and address conflicts of interest;
- The Board reviews and discusses the nomination of a new director and termination of an existing director;
- The Board approves the hiring/termination of IMs, as well as the addition/replacement/termination of Constituent Funds ("CFs") or any underlying funds under the Scheme; and
- The Independent Non-Executive Directors ("INEDs") serve to maintain appropriate checks and balances and provides an independent perspective to, and a broader outlook on, the decision-making of YFT.

The Board presently meets at least twice a year to discuss business updates including fund performance, financial results, compliance manual updates, summary of complaint cases, Compliance Report, and Internal Audit Report. As at 31 December 2025, the Board comprised four directors with diverse knowledge, experience and expertise. The Board aims to ensure that at least one-third of its members are INEDs. YFT has established policies and procedures to review the number of INEDs on the Board.

During 2025, there were two INEDs, one of whom retired with effect from 19 December 2025. A new INED was subsequently proposed and appointed with effect from 12 May 2026 following the approval of the MPFA. Currently, both INEDs are appointed under renewable three-year contracts, subject to Board approval. Additionally, the Board conducts annual performance assessments of its INEDs.

1.2 FIT AND PROPER & SUITABLY QUALIFIED

YFT maintains a formal training program for new Directors and understands it needs to ensure all Board members are fit and proper and suitably qualified to perform their duties. YFT has procedures in place for evaluating and monitoring the performance of both the Board and its Directors.

1.3 DELEGATED AUTHORITY

YFT delegates authority in three key areas (Investment, Compliance and Risk) to its established committees. All committees are clearly defined, documented and monitored. INEDs serve on both the Investment Committee and Compliance Committee. Each committee meets at least twice a year.

1.3.1 Investment Committee

The primary responsibility of YFT's Investment Committee is to oversee the IMs' performance in terms of fund investment and mandate compliance on behalf of the Board and report the results of their activities to the Board. The Investment Committee reviews, evaluates and monitors fund performance, and formulates policies and procedures in relation to the fund performance review and follow up. Moreover, and as required, the Committee undertakes analysis for Board approval, on hiring and termination of IMs, and the addition or replacement of CFs (or underlying funds) under the Scheme. It oversees and approves investment governance framework in the best interests of members, and also reports to the Board where incidents are considered by the Committee as material at the time and frequency as the Committee sees fit. The Committee presently meets at least twice a year and reviews its Terms of Reference annually to ensure they are updated in accordance with evolving industry standards.

YFT implements a 3-tier monitoring mechanism for CFs with a 3-year investment time horizon, during which 3-month, 1-year and 3-year performance is monitored.

1.3.2 Compliance Committee

The Compliance Committee is established to implement corporate governance oversight of YFT's business conduct, compliance with laws, regulations and relevant codes of conduct. It also assists the Board of Directors of YFT to oversee YFT's activities in the areas of compliance with laws and regulations applicable to its business.

The Compliance Committee presently meets at least twice a year. Members of the Committee receive Compliance Reports (which covers regulatory changes, internal audit findings, complaint cases, non-compliance issues and applications to regulators) twice a year, and the report is discussed during the Committee meetings.

1.3.3 Risk Committee

The Risk Committee has its sole and exclusive function, responsibility for the oversight of the risk management policies and practices of YFT's operations and of the operation of the YFT's risk management framework. It assists the Board of Directors to fulfil its oversight responsibilities with regard to YFT's risk appetite, risk management and compliance framework, and the governance structure that supports it. The Committee is responsible for identifying, assessing and monitoring key risk parameters associated with MPF business and operations, evaluating major investigations findings on risk management matters as delegated by the Board or on its own initiative and management's response, and advising the Board on risk-related issues as requested by the Board or in the opinion of the Committee which require the Board's attention.

The Risk Committee presently meets at least twice a year. The Key Risk Indicator ("KRI") Report is formally circulated to the Committee members, and outlier items are reported and discussed in the meeting.

YFT has established a governance infrastructure to foster a robust culture of risk management, as well as to ensure effective monitoring of protocols and processes. YFT's risk management framework follows the three lines of defense model, comprising: (1) Key Business Functions, (2) the Risk Committee, and (3) Internal Audit.

SECTION TWO

ASSESSMENT AREAS

2.1 VALUE-FOR-MONEY (VFM) ASSESSMENT

MPF Trustees are expected to deliver value-for-money MPF schemes and services to their members. They should establish parameters and criteria for assessing what constitutes good value-for-money to scheme members.

While the concept of value-for-money is straightforward, its application (particularly in the context of retirement savings schemes) can be complex and far-ranging.

MPF is designed for long-term investment and retirement purposes. However, by the nature of staff employment, members' account consolidation and change of investment preferences, members may remain in an MPF scheme for varying time periods. Therefore, value-for-money should be assessed across long-, medium- and short-term investment horizons.

The parameters by which YFT defines its Scheme's value-for-money revolve around a robust, secure and proven governance framework. This framework aims to protect member balances while delivering investment returns within a fee structure designed to assist most members in achieving their retirement savings goals, and that the entirety of the scheme offerings is intended to provide value-added services to both members and employers.

Notably, the most significant determinant of investment returns is market movement, an external factor beyond the control of MPF schemes. As such, no scheme can deliver the best value-for-money to all scheme members based solely on investment performance. It is therefore essential for trustees to pursue continuous improvement in their VFM proposition—an obligation to which YFT remains firmly committed.

Key considerations in assessing the value for MPF scheme members may include:

- Overall performance of CFs (where after-fees performance is assessed);
- Level of fees and other charges;
- Service quality provided to employers and members;
- Communication and Education;
- MPF fund range and suitability as part of the retirement solutions offered to MPF scheme members;
- IM selection, ongoing review and monitoring; and
- Conflict of interest monitoring.

Table 1 – Summary of VFM Assessment as of 31 December 2025

	Assessment criteria	Assessment results	Follow up actions / plans
1	Fund performance	All CFs recorded positive 1 year net returns in 2025, reflecting an overall improvement in performance during the year. While performance across funds remains mixed over longer periods, several funds achieved returns in line with or above their benchmarks. The Trustee maintains a robust and structured monitoring framework, including regular performance reviews and engagement with IMs.	The directors of YFT review the funds' performances and discuss with the IMs on ways to improve fund performance regularly. An Investment Committee was established to monitor the funds' performance and provide advice on follow up actions where necessary.

		Where necessary, timely remedial actions, such as IM replacement, have been implemented to enhance outcomes and safeguard members' interests.	
2	Fee level	13 out of 14 CFs have FERs at or below industry averages, with all CFs showing improvement compared to the previous year following the onboarding to the eMPF Platform. The Guaranteed Fund remains above the industry average due to its guarantee structure.	On-going review - The FER has improved compared to the previous year
3	Services to scheme members	Services remain competitive, supported by enhanced digital capabilities following eMPF onboarding, improving accessibility, efficiency and overall member experience.	On-going review
4	Range of funds	The Scheme offers a well-diversified and satisfactory range of 14 CFs covering different asset classes, investment policies and objectives, providing suitable investment options to suit our scheme member needs and risk profiles.	On-going review

2.1.1 Investment Performance Monitoring

Please refer to section 1 "Analysis of investments and Trustee's commentary" in the Scheme's Annual Consolidated Report for the year ended 31 December 2025 for the analysis of investment returns of individual CFs under the Scheme against benchmark.

Fund price variances are monitored daily. In case where variances exceeding thresholds or are inconsistent with major indices, an explanation from the relevant IMs is required. Peer group relative fund performance is reviewed monthly and IMs are asked to explain underperformance where necessary.

Fund performance is monitored on a quarterly basis. For CFs with a three-year track record, YFT implements a three-tier monitoring mechanism, reviewing performance over 3-month, 1-year, and 3-year periods. In addition, as part of the ongoing monitoring process, if a fund performs beyond our tolerance level, IMs are required to formally report to YFT yearly through annual due diligence questionnaires and ESG questionnaires.

The MPF Conservative Fund, managed by Allianz, performed outside our tolerance level during the first to fourth quarters of 2025. After review, YFT resolved to replace the IM for this fund from Allianz to Principal. The application for the change of IM was approved by the MPFA and took effect on 11 May 2026. We will continue to monitor the fund's performance and are looking forward to its improvement.

Table 2 - Assessment on Fund Performance as of 31 December 2025

Name of CF [Name of benchmark]	Annualized net return (% per annum)							
	1 Year		5 Years		10 Years		Since launch	
	CF	Benchmark	CF	Benchmark	CF	Benchmark	CF	Benchmark
Age 65 Plus Fund [FTSE MPF All-World Index (20%), FTSE MPF WGBI (77%) and MPFA's prescribed savings rate (3%)]	7.09%	5.49%	0.57%	0.02%	N/A (Less than 10 years)		2.54%	2.22%
Asian Pacific Equity Fund	30.27%#	32.24%	2.61%#	5.36%	4.48%#	8.98%	3.86%#	6.65%

[FTSE MPF Asia Pacific ex Japan ex Australia ex New Zealand Index]								
Asian Bond Fund [ICE BofA Asian Dollar Investment Grade Index]	7.16%#	8.12%	*N/A (*Restructured since 17 Apr 2023)		*N/A (*Restructured since 17 Apr 2023)		4.63%#	4.79%
MPF Conservative Fund [MPFA's prescribed savings rate]	2.01%	0.19%	1.79%	0.36%	1.11%	0.20%	0.75%	0.42%
Core Accumulation Fund [FTSE MPF All-World Index (60%), FTSE MPF WGBI (37%) and MPFA's prescribed savings rate (3%)]	15.82%	13.56%	6.50%	5.37%	N/A (Less than 10 years)		7.08%	6.68%
European Equity Fund [FTSE MPF European Index]	30.13%#	31.10%	8.81%#	11.32%	6.62%#	9.45%	3.16%#	5.61%
Greater China Equity Fund [FTSE MPF Greater China (Total Net) Index]	34.25%#	35.83%	-2.05%#	4.23%	8.05%#	8.94%	5.57%	5.50%
Global Bond Fund [BBG Global Agg x Securitized TR Index Value Unhedged USD]	7.14%#	8.16%	-2.32%	-2.41%	-0.99%#	1.26%	0.93%#	2.78%
Global Equity Fund [FTSE MPF All World Index]	19.98%#	21.76%	9.60%#	11.87%	7.92%#	12.08%	7.19%#	21.22%
Global Growth Fund [FTSE WGBI (25%), FTSE AW North America (14%), FTSE AW Europe (14%), FTSE Japan (9%), FTSE AW Asia Pacific ex Japan ex Hong Kong (9%), FTSE MPF Hong Kong (24%) and MPFA's prescribed savings rate (5%)]	21.03%#	22.33%	3.19%#	4.79%	5.57%#	7.04%	4.07%#	6.33%
Global Stable Fund [FTSE WGBI (45%), FTSE AW North America (10%), FTSE AW Europe (10%), FTSE Japan (6.5%), FTSE AW Asia Pacific ex Japan ex Hong Kong (6.5%), FTSE MPF Hong Kong (17%) and MPFA's prescribed savings rate (5%)]	16.49%#	17.31%	1.49%#	2.63%	4.05%#	5.31%	3.88%#	5.50%
Guaranteed Fund [Financial Times Stock Exchange (FTSE) World Government Bond Index (WGBI) (60%), FTSE All-World (AW) North America (6%), FTSE AW Europe (6%), FTSE Japan (4%), FTSE AW Asia Pacific ex Japan ex Hong Kong (4%), FTSE MPF Hong Kong (10%) and MPFA's prescribed saving rate (10%)]	9.42%#	12.15%	-1.90%#	0.63%	0.58%#	3.50%	0.51%#	3.83%

Hong Kong Equities Fund [FTSE MPF Hong Kong Index]	34.97%#	36.90%	-0.72%#	0.76%	4.23%#	5.53%	2.62%#	4.75%
US Equity Fund [FTSE MPF North America Index]	16.81%#	17.68%	5.95%#	13.27%	11.85%#	14.06%	8.56%#	10.00%

*To broaden the Scheme's fund choices, the Asian Balanced Fund was restructured to Asian Bond Fund with effect from 17 April 2023.

#The annualized net return of the CF underperformed the respective benchmark.

Table 3 - Follow-up Actions / Plans to Improve Value for Scheme Members

Name of CF	Underlying investment fund	IM	Follow-up actions / plans
Guaranteed Fund	Allianz Choice Capital Stable Fund (under Allianz Global Investors Choice Fund) via Approved Pooled Investment Funds ("APIF") Policy	Allianz Global Investors Asia Pacific Limited	IM has provided explanations and analysis on fund performance. The fund's performance has gradually improved, reaching first-quartile peer ranking by Q4 2025. YFT will continue to monitor fund performance to ensure members' best interests are safeguarded.
Greater China Equity Fund	JPMorgan SAR Greater China Fund (Single APIF)	JPMorgan Asset Management (Asia Pacific) Limited	The application to replace the IM for this fund has been approved by the MPFA and took effect on 11 May 2026. A reduction in the investment management fee has also been implemented following the change.
Global Bond Fund	Principal International Bond Fund (under Principal Unit Trust Umbrella Fund)	Principal Asset Management Company (Asia) Limited	Fund performance has shown improvement, with first-quartile peer ranking for 1-year returns by Q4 2025. YFT has reviewed the fund performance and the IM's investment strategy and will continue close monitoring under the existing fund performance monitoring framework.

Table 4 - Assessment on Performance of Investment Managers

Name of CF	IM of CF	Investment vehicle	Last due diligence review on IM of CF	Last review on choice of underlying fund
Hong Kong Equities Fund	Allianz Global Investors Asia Pacific Limited	Allianz Choice Hong Kong Fund (under Allianz Global Investors Choice Fund)	Jan 2025	Sep 2025
MPF Conservative Fund		Allianz Choice HK$ Liquidity Fund (under Allianz Global Investors Choice Fund)	Jan 2025	Sep 2025
Guaranteed Fund		Allianz Choice Capital Stable Fund (under Allianz Global Investors Choice Fund) Through APIF Policy	Jan 2025	Sep 2025

Global Stable Fund		Allianz Choice Stable Growth Fund (under Allianz Global Investors Choice Fund)	Jan 2025	Sep 2025
Global Growth Fund		Allianz Choice Balanced Fund (under Allianz Global Investors Choice Fund)	Jan 2025	Sep 2025
Greater China Equity Fund	JPMorgan Asset Management (Asia Pacific) Limited	JPMorgan SAR Greater China Fund (Single APIF)	Jan 2025	Sep 2025
Age 65 Plus Fund	Invesco Hong Kong Limited	Age 65 Plus Fund (under Invesco Pooled Investment Fund)	Jan 2025	Sep 2025
Core Accumulation Fund		Core Accumulation Fund (under Invesco Pooled Investment Fund)	Jan 2025	Sep 2025
European Equity Fund	Principal Asset Management Company (Asia) Limited	Principal European Equity Fund (under Principal Life Style Fund)	Jan 2025	Sep 2025
Asian Bond Fund		Principal Asian Bond Fund (under Principal Unit Trust Umbrella Fund)	Jan 2025	Sep 2025
Global Bond Fund		Principal International Bond Fund (under Principal Unit Trust Umbrella Fund)	Jan 2025	Sep 2025
US Equity Fund	Schroder Investment Management (Hong Kong) Limited	Smart North American Equity Fund (under Bonitas Pooled Investment Fund Series)	Jan 2025	Sep 2025
Asian Pacific Equity Fund		Smart Asian Equity Fund (under Bonitas Pooled Investment Fund Series)	Jan 2025	Sep 2025
Global Equity Fund		Advanced Global Equity Fund (under Schroder Institutional Pooled Funds)	Jan 2025	Sep 2025

2.1.2 Fees & Charges

The stated management fee of a scheme is a forward insight and includes fees charged by one or more of the trustee, custodian, administrator, IMs and scheme provider for providing their services to the fund as well as the underlying APIFs. It is a fee which an MPF scheme or a fund is expected to pay.

The Fund Expense Ratio ("FER") is the actual expenses members were charged as a percentage of fund assets. YFT reviews the FER of the CFs annually against the relevant industry information.

The Scheme successfully onboarded to the eMPF Platform, resulting in significant fee reductions. Together with our continued efforts to engage with IMs, the Scheme's FER is expected to continue declining in the coming years.

Table 5 - Assessment on Fee Level as of 31 December 2025

Name of CF	Launch date	Net asset value - 31 Dec 2025 (HK$)	FER (expressed as a percentage per annum)	Fund category	Industry average FER*	FER as of 31 Dec 2024	FER Comparison: 2024 vs 2025
Age 65 Plus Fund	04/03/2017	146,476,478	0.76%	Mixed Asset Fund	0.77%	0.80%	Improved in 2025
Asian Pacific Equity Fund	03/19/2007	327,562,448	1.18%	Equity Fund	1.46%	1.55%	Improved in 2025
Asian Bond Fund	04/17/2023	327,777,363	1.12%	Bond Fund	1.21%	1.50%	Improved in 2025
MPF Conservative Fund	12/01/2000	668,547,338	0.80%	MMF - MPF Conservative Fund	0.83%	0.88%	Improved in 2025
Core Accumulation Fund	04/03/2017	431,102,721	0.76%	Mixed Asset Fund	0.77%	0.80%	Improved in 2025
European Equity Fund	03/19/2007	159,766,382	1.13%	Equity Fund	1.46%	1.49%	Improved in 2025
Greater China Equity Fund	12/31/2014	681,194,790	1.09%	Equity Fund	1.46%	1.41%	Improved in 2025
Global Bond Fund	03/17/2003	168,260,748	1.13%	Bond Fund	1.21%	1.41%	Improved in 2025
Global Equity Fund	03/17/2003	346,645,590	1.12%	Equity Fund	1.46%	1.47%	Improved in 2025
Global Growth Fund	12/01/2000	496,370,375	1.07%	Mixed Asset Fund	1.31%	1.42%	Improved in 2025
Global Stable Fund	12/01/2000	296,663,285	1.07%	Mixed Asset Fund	1.31%	1.42%	Improved in 2025
Guaranteed Fund	01/20/2006	280,335,170	2.88%^	Guaranteed Fund	1.80%	3.25%	Improved in 2025
Hong Kong Equities Fund	03/19/2007	520,766,631	1.03%	Equity Fund	1.46%	1.34%	Improved in 2025
US Equity Fund	03/19/2007	1,054,183,943	1.05%	Equity Fund	1.46%	1.05%	Improved in 2025

*Source: Data retrieved from the MPF Fund Platform of MPFA

^The FER of the CF is above the respective industry average FER.

2.1.3 Services to Employers & Members

The parameters for value for money extend beyond performance and fees, it also includes services to members. The Scheme was successfully onboarded to the eMPF Platform effective from June 26, 2024, continuing to provide a balanced suite of services and functions for both members and employers. The eMPF platform plays an active role in enhancing service quality and system functionalities. Please visit the eMPF Platform website for more information on service pledges.

2.1.3.1 Employer Experience

The obligation to select an initial MPF Scheme lies with the employers. It is therefore critical that MPF schemes provide services that simplify and streamline employers' administrative workload. Equally important is ensuring that participating employers have a positive experience when arranging enrollment, remitting contributions, generating reports, and managing member additions and terminations.

The Scheme offers multiple payment methods for making MPF contributions including direct deposit, cheque, direct debit authorization and bank transfer. Additionally, there are various methods for submitting contribution data to the eMPF Platform, including by walk-in to the eMPF Customer Service Centers, post, fax, email or online submission via the eMPF Web Portal or Mobile App. Through the eMPF Platform, employers can efficiently manage their MPF Scheme. They can also make inquiries via the eMPF Customer Service Hotline and Customer Service Centers.

YFT understands under a fiercely competitive market environment, technology is playing a critical role in business growth as digital technologies come to the fore in enhancing operational efficiency and boosting competitiveness. Employers can also access their MPF account information, including company details and account balances through the MASS MPF Enquiry System. Furthermore, they can make inquiries via the MASS MPF Hotline.

2.1.3.2 Member Experience

As MPF account balances grow, member services and experience expectations will also increase accordingly. The implementation of Employee Choice Arrangement ("ECA") on 1 November 2012 and the increasing numbers in personal accounts encourage active MPF management by members. Therefore, this has created a competitive MPF environment where Member Experience becomes increasingly crucial.

All kinds of MPF-related instructions, such as investment instructions, account management, and transfer of MPF benefits from another MPF scheme, can be placed by either submitting a paper form to the eMPF Platform or completing the process online via the eMPF Web Portal or Mobile App.

Both the eMPF Web Portal and Mobile App offer an online dashboard to members to view their MPF account balances and fund allocations. Members can also change their personal information, inquire about their account balances by fund and by source of contribution type, current investment mandate, contribution history, investment instructions, transfer in/out history via the eMPF Web Portal or Mobile App.

In addition, our mobile app – YFLink, is a one-stop platform for MPF, individual insurance and employee benefit account management. Through the YFLink, members can switch between linked accounts under YFL. Members can also review their MPF accounts and asset allocation details, fund price history, set fund price alert and receive notifications.

2.1.4 Communication & Education

As account balances grow, MPF schemes are realizing the importance of communicating and educating members. The Scheme provides a series of communication services and education to its members. Through our website, members can access Default Investment Strategy (DIS), global insights/wealth building tips and market analysis.

YFT plays an active role in improving its communication and education to members, as well as increasing the registration rate on the eMPF Platform. YFT has launched various promotional activities to enhance digital take up and to encourage employers and members to manage their MPF through e-services.

2.1.5 Range of MPF Funds & Suitability

A well rounded MPF scheme should have a broad selection of fund choices and should offer a full range of mixed asset (diversified) funds to cater for all members based on their risk profile and their investment objectives.

The Scheme has diverse selection of 14 third-party managed investment funds covering equities (local, regional and global), bonds, mixed assets, guaranteed fund and money markets.

The Scheme offers a Guaranteed Fund providing guarantees on both capital and return subject to conditions. The guarantee will be provided under qualifying events.

YFT reviews its fund range annually and on a need basis, and YFT has historically demonstrated a willingness to act in members' best interests.

2.1.6 Investment Manager Selection, Ongoing Review & Monitoring

YFT actively reviews the IMs' performance and has an effective fund performance monitoring mechanism.

While the primary responsibility of the Investment Committee is to oversee the IMs' performance in terms of funds and integrity on behalf of the Board, the Committee will advise the Board on the fund performance where necessary. The Committee also makes analysis and advise for Board approval, on hiring and termination of IMs, and the addition or replacement of CFs (or underlying funds) under the Scheme.

YFT continues to take proper actions with regards to CFs with underperformance issues by requesting IMs to provide detail explanations on underperformance. YFT will arrange meetings with the IMs if the fund continues to underperform, then seek the Board's direction on whether to continue using the IMs.

2.1.7 Conflict of Interest Monitoring

Conflicts of interest within an MPF Scheme can erode confidence and value of the Scheme to scheme members. Accordingly, YFT maintains conflict of interest policies and procedures for identifying, assessing and managing actual and potential conflicts, and it understands it needs to maintain a standard and documented item at all Board meetings to determine new or existing conflicts of interest of Directors or Executives. YFT also promotes segregation of duties and prevention of conflicts of interest between various units by implementing three lines of defence (at Business Departments and Units level, Risk and Compliance level, and Internal Audit Function). In addition, to aid transparency, the names and appointment dates of Directors and INEDs are disclosed in annual reports.

2.1.8 Conclusion

On an overall basis, YFT is satisfied that the Scheme members have been receiving value for money from the scheme over various periods. As this report demonstrates, the Scheme is well balanced across various assessment criteria consistent with YFT's parameters to assess value for money (including Investment performance, fees and charges, service quality, e-channel functionalities, fund choices, IM selection, ongoing review and monitoring, and conflict of interest) and importantly it is done in a robust, secure and proven governance framework.

The Scheme provides performance and features that should assist most members to meet their retirement savings goals.

2.2 SUSTAINABLE INVESTING STRATEGY & IMPLEMENTATION PROGRESS

Environmentally aware, socially conscious and good governance ("ESG") themed investing has been a serious trustee consideration for some years and continues to become a formal strategy throughout 2025 with the issuing of the MPFA's "Principles for Adopting Sustainable Investing in the Investment and Risk Management Processes of MPF Funds" in November 2021. Development of formal Sustainable investing processes and strategies has accelerated and for YFT is a cornerstone to our MPF member value proposition.

YFT is committed to the MPFA ESG framework and is acutely aware of ESG factors as a source of financial risk and its impact over investment risk and return outcomes of the MPF scheme. YFT requires the IMs to provide relevant information through the annual questionnaire.

2.2.1 Trustee's View on the Impact of ESG Factors

YFT considers that ESG factors including climate change, social factors and business ethics can have a financially material impact over the investment risk and return outcomes of an MPF scheme particularly given their long-term nature. It is in members' best interests that ESG factors are taken into account in the investment and risk management processes. YFT has an obligation to act in the best interest of members at all times and this includes considering the impact of ESG factors.

YFT is acutely aware that to discharge its fiduciary duty and to mitigate material impact of long-term investment risk and return outcomes it needs to fulfil its sustainable investing obligations across four broad areas:

1. **Governance**: To be mindful of all material financial risks impacting the interest of MPF scheme members, of which ESG factors may be a source and therefore assume oversight of the integration of ESG factors into the investment and risk management processes;
2. **Strategy**: By understanding the impact of ESG factors, YFT incorporates and documents how ESG, along with other significant financial factors, are factored into our overall strategy at the MPF scheme level;
3. **Risk Management**: YFT considers ESG factors with no prejudice for the objective of obtaining an appropriate risk-return profile on purely financial grounds; and
4. **Disclosure**: YFT is committed to transparency and as such it commits to provide Trustee Governance Report to its members and the MPFA annually on YFT's ESG integration strategy and its ongoing refinement.

2.2.2 ESG Integration Strategy & Implementation

YFT expects IMs to take into account financially material ESG considerations when making investment decisions, maintain good stewardship and follow the industry's best practices. IMs should also adhere to globally recognized standards or support to other sustainable goals (such as Principles of Responsible Ownership issued by the SFC, Common Ground Taxonomy ("CGT"), EU's Sustainable Finance Disclosure Regulation ("SFDR"), signatory to the United Nations Principles for Responsible Investment ("UNPRI") etc.).

Within the Scheme, where the physical investment management function is carried out by IMs, YFT empowers the IMs to determine the relevance and materiality of different ESG factors. It should be made clear that the empowering of IMs to determine relevance and materiality does not discharge YFT from its duty to monitor and provide oversight. While IMs determine relevance and materiality at an investment level, as the Trustee, YFT will assess the IMs' ability to align with the Scheme's ESG integration strategy including:

- How IMs factor ESG into their relevant investment strategies/policies to demonstrate a clear intent of ESG integration;
- How the identification, assessment and management of ESG risks are incorporated and established in the investment process of IMs and backed by evidence and examples;
- IMs' policies on engagement activities; and
- How IMs report their ESG integration.

In undertaking such oversight, YFT has learned different IMs may take differing views and approaches. Positively, this assists in introducing new ideas and initiatives for considerations and YFT sees part of its responsibility is to harness the different approaches of the IMs to ensure that the governance, operations and investment processes fit appropriately into the Scheme's governance framework and investment objectives. As part of YFT's commitment to reporting transparency and to highlight the unique differences in approach to ESG by its IMs, YFT has summarized each IM's approach in the Appendix of this report.

2.2.3 Monitoring of ESG Integration Progress by the Trustee Board

YFT's commitment to ESG is reflected in it being a standing Trustee Board meeting agenda item where the implementation and progress of ESG integration strategies are monitored regularly. In the unlikely case where an IM fails to adhere to the Scheme's ESG integration policy, YFT will discuss with the relevant IMs on how alignment may be improved. YFT may terminate an IM's appointment if the outcome still cannot satisfy YFT's expectations.

2.2.4 Incorporation of ESG Factors into Relevant Investment Strategies

The learnings YFT accrues from inputs from IMs cannot be underestimated, particularly as IMs are requested to report on their ESG related risks and policies and relevant information. Each IM has a unique approach to their ESG strategy due to their respective approaches to investing, their philosophy, risk profile and investment objectives but crucially all YFT's appointed IMs are signatories to the UNPRI[1] which has arguably the highest ESG investment standards globally.

YFT also supports the Principles of Responsible Ownership published by the SFC and expects the IMs to have corporate governance policies in place which comply with the principles or other similar principles.

2.2.5 Incorporation & Establishment of ESG Risk Identification, Assessment & Management in the Investment Managers' Investment Process

YFT would assess IMs on how relevant and material ESG factors are taken into account regarding investment and risk management processes. YFT expects IMs to demonstrate the capacity to analyze and act on ESG

[1] UNPRI signatory directory: https://www.unpri.org/signatories/signatory-resources/signatory-directory

considerations; and to provide clear and structured integration of ESG factors and data into the investment decision making process and examples of where these have been considered.

2.2.6 Investment Managers Reporting on ESG Integration

YFT requires IMs to report to YFT on ESG and stewardship matters on a regular basis and be responsive to queries from YFT. To achieve these, YFT would adopt the following methods:

- Refer to IM's website, annual report, Task Force on Climate-Related Financial Disclosures ("TCFD") report etc., to ensure their policies are applied in practice; and
- As part of the ongoing monitoring and oversight process, IMs are required to formally report to YFT yearly through annual due diligence questionnaire and ESG questionnaire for tracking if they comply with YFT's standards.

2.2.7 The Future of ESG & MPF

YFT understands that ESG investing is fluid and implementation of sustainable investment strategies are dynamic requiring ongoing refinement of Sustainably Investing Strategy and Implementation Progress.

Sustainable investing and the complexities around strategy, investing, oversight and monitoring are evolving. YFT's current initiatives and our commitment to developing ongoing processes and frameworks serves to reinforce YFT's commitment and understanding that ESG risk are among those evolving long term investment risks that need to be taken into account of in the investment and risk management processes.

APPENDIX – INVESTMENT MANAGERS' APPROACH TO ESG

Allianz Global Investors Asia Pacific Limited	Allianz Global Investors started its sustainable investing journey over 25 years ago and were among the first 50 asset managers to sign the UNPRI in 2007. They believe that sustainable investing can generate positive financial outcomes not just for their clients, but for the community at large. Given the diversity of investors' objectives and requirements they provide sustainable investing processes with a broad range of approaches, adaptable to different levels of ESG incorporation and client preferences. These enhance client investment decisions while helping create benefits for society as a whole. Allianz Global Investors believes ESG factors are important investment performance drivers, from both a return and a risk perspective. They use sustainability insights across its whole offering to generate value for clients. As an active investor, research is core to their ability to generate returns and have an active programme of engagement and stewardship and sustainability research available to all investors across Allianz. *Source: https://www.allianzgi.com/en/sustainability/sustainable-investing*
Invesco Hong Kong Limited	Invesco is committed to implementing sustainable investment practices in a manner consistent with our fiduciary responsibilities, applying an investment-led and client-focused approach to the design and delivery of sustainable investing solutions. By leveraging our global scale, deep sustainable investing expertise, and commitment to continuous innovation, we offer a comprehensive range of capabilities that help clients pursue their sustainability objectives. Our ambition is to be the preferred sustainable investing partner for clients with sustainability goals, helping them achieve long-term value creation and effective risk mitigation across diverse asset classes and geographies in line with those goals. As a global investor we recognize that consideration of sustainability factors should incorporate the unique characteristics of each asset class, as well as industry, sector, and geographical differences. Accordingly, we apply sustainable investing practices in ways that are tailored to the asset class, strategy, and client objectives. Our investment-led sustainable investing approach is supported by a global team of experts. Invesco's Sustainable Investing Services (SIS) team has deep sustainable investing expertise that enables it to provide support and analysis to our investment teams who are responsible for the delivery of a sustainable investment approach. Investment teams can draw on this expertise as required but ultimately maintain discretion on portfolio decisions in the execution of the applicable strategy. More information on Invesco's sustainable investing efforts, including a range of policies, statements and reports, can be found at: *https://www.invesco.com/apac/en/institutional/who-we-are/esg.html*

J.P. Morgan Asset Management (Asia Pacific) Limited	At J.P. Morgan Asset Management (JPMAM), our mission is to deliver long-term investment performance that helps our clients achieve their financial objectives. As a global investment manager, we are entrusted with the stewardship of our clients' financial assets, and are committed to providing investment insights that consider financially material factors, including sustainability risks, which impact the value of our investments today and in the future. Our approach to sustainable investing is rooted in a global perspective, and we offer solutions that align with our clients' financial goals while also seeking to meet a range of objectives for sustainable outcomes. We recognize the evolving nature of sustainable finance regulations and the development of jurisdiction-specific legislation, which may lead to varying definitions of 'sustainable investment' or 'ESG' investment. Therefore, any references to 'sustainable investing', 'SI', or 'ESG' in this document pertain to our internally defined criteria, not to any jurisdiction-specific regulatory definition. We believe considering, among others, financially material environmental, social and governance (ESG) factors allows for a more holistic assessment of a company's performance, as management of material issues may mitigate risk and/or unlock opportunities within an investment portfolio. Our strategy for sustainable investing emphasizes the use of proprietary resources, such as fundamental research, ESG data and analytics, and innovation, to deliver sustainable investment solutions. We demonstrate our commitment to active ownership by utilizing our voting rights and engaging with issuers to generate long-term value for our clients. This document provides insight into how we approach sustainable investing, including our governance, our sustainable investing philosophy, the principles guiding ESG integration, and our approach to developing dedicated products that reflect themes our clients care about, such as climate change, human capital management, and natural capital. At JPMAM, our approach to sustainable investing spans: • Integrating financially material ESG considerations in active investment processes that are determined to be ESG integrated under our governance process. • An investor-led, research-driven approach to investment stewardship that defines and directs company- and industry-level engagements. • Producing sustainable investing research and insights on a range of thematic ESG issues, including climate change. • Developing metrics and tools for ESG and climate change analytics to enhance investment capabilities and contribute to product innovation. • Working with our clients to build and implement sustainable investment solutions. • Continuing to develop proprietary, multi-dimensional research methods and analytics to support climate-aware investing, in recognition that climate factors represent a growing source of risks and opportunities in the decades to come. ESG integration is defined as the systematic inclusion of ESG factors in investment analysis and investment decisions. In actively managed strategies deemed by JPMAM to be ESG integrated under our governance process, we systematically assess financially material ESG factors among other factors in our investment decisions with the goals of managing risk and improving long-term returns. ESG integration does not change a strategy's investment objective, exclude specific types of companies, or constrain a strategy's investable universe. In addition, we offer sustainable investment solutions to clients seeking to generate long-term returns while simultaneously contributing to sustainable outcomes. To assess and periodically review the integration of financially material ESG factors in actively managed investment processes, we have developed and implemented a proprietary set of key metrics. This includes a process-focused, metric driven framework to validate the approach applied by our investment groups. More information on the topic can be found in our ESG integration paper.

	This approach aligns with our policies regarding the integration of sustainability risks in investment decision-making and advisory processes as applicable and detailed in the summary of our Sustainability Risks Policy. *Source: https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/sustainable-investing-statement.pdf*
Schroder Investment Management (Hong Kong) Limited	Schroders sees themselves as long-term stewards of their clients' capital, and this philosophy leads them to focus on the long-term prospects for the assets in which they invest. It is central to their investment process to analyze each investment's ability to create, sustain and protect value to ensure that it can deliver returns in line with their clients' objectives. Where appropriate Schroders also look to engage and to vote with the objective of improving performance in these areas. Schroders believes the responsibility of investors includes protecting the interests of their clients from the impacts of financial and non-financial risks. Assessing and engaging on sustainability is becoming more important to investment processes. In Schroders' view, ESG and industrial trends are intrinsically linked. Companies face competitive pressures from a wider range of sources, on a larger scale and at a faster pace than ever before. Investors no longer have a choice over whether to seek exposure to ESG risks and opportunities; all companies and portfolios will be impacted. Sustainability is fundamental to their investment principles at Schroders and they have an experienced and well-resourced Sustainable Investment team, who are embedded within their Investment function. As at March 2026, the team comprises over 40 dedicated ESG dedicated sustainability professionals. Schroders are a global team, spread across four regional hubs in London, Paris, Singapore and New York, aiming to ensure that sustainability is embedded through our global investment teams and client functions. *Source: https://mybrand.schroders.com/m/98020e8100ca31e2/original/schroders-esg-policy.pdf*

Principal Asset Management Company (Asia) Limited	Principal has delegated part of the investment management function, including fund-level risk management to Principal Global Investors, LLC and its affiliates. Principal leverages the group resources in helping to manage investment risks, including sustainability related risks. Principal has been a signatory to Principles for Responsible Investment ("The PRI") since 2010, highlighting the firm's dedication to Environmental Social and Governance (ESG) issues. To view Principal PRI report, please click PRI Assessment Report 2025. Over the years, their processes have grown to include engagement with companies on ESG issues and they believe that direct communication between investors and companies on ESG matters is an important element of the portfolio management services provided to clients. Engagement may lead them to make decisions that favor actions intended to maximize a company's shareholder value and contribute to their overall research to develop a holistic fundamental view of the company. Principal takes seriously their commitment to their community and society. Principal believes that they must take responsibility for educating others and ourselves by addressing a range of ESG issues that influence the wellbeing of their community and society and may enhance shareholder value. As a result, they commit to: • Engage and collaborate with the companies they invest in using their shareholder advantage to encourage responsible ESG practices by the company when aligned with their investment thesis of the company. • Encourage greater transparency by the companies on their ESG practices. • Encourage companies to manage risks related to ESG factors and react swiftly to achieve a competitive advantage relative to peers regarding remuneration, boards/directors, audit issues, regulations, litigations, another market factors that could impact a company. • Encourage companies to disclose through public reporting relevant ESG metrics and how it may fit into the company's overall business activities The relevant ESG policies and reports of the IM (e.g. UNPRI assessment report, public transparency report from UNPRI, Sustainability Report, TCFD Index and SASB Index) which describe how ESG are integrated into the investment process are made available on the company website. Separately, the IM collects and analyze the ESG related data of the portfolios (e.g. MSCI ESG rating, portfolio's ESG Leaders and Laggards etc.), and report to the trustee of the MPF Schemes on quarterly basis. *Source: https://www.principal.com/sustainability/esg-data-center*

BOARD ENDORSEMENT

The MASS Mandatory Provident Fund Scheme Governance Report has been endorsed by the Board of YFT on 29/06/2026.