



Mass Mandatory Provident Fund Scheme

31 December 2024

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Scheme report

Financial development of the Mass Mandatory Provident Fund Scheme (“the Scheme”)

Hong Kong’s economy sustained its recovery trajectory in 2024, supported by robust commodity trade, with an estimated annual growth rate of 2.5%. Looking ahead to 2025, the economic outlook presents a mix of opportunities and challenges. The evolving global political and economic environment, coupled with subdued external demand, introduces a degree of uncertainty. Nonetheless, factors such as easing interest rates and deeper integration with Mainland China are expected to generate new momentum for growth. Overall, Hong Kong’s economy is projected to maintain positive growth in 2025, with total output anticipated to reach a historic high.

During the reporting period, the total contributions received and receivable by the Scheme were HK\$491.1 million (2023: HK\$514.7 million). They consisted of HK\$226.8million (2023: HK\$218.3 million) mandatory contributions, HK\$44.9million (2023: HK\$48.7 million) voluntary contributions and HK\$219.1 million (2023: HK\$247.7 million) transfers-in contributions. The net assets of the Scheme amounted to HK\$5,053.6 million (2023: HK\$4,615.7 million) as at the year end.

Changes to the governing rules of the Scheme from 1 January 2024 to the date of this report

Effective from 26 June 2024, the administrative services of the Scheme will be performed by eMPF Platform Company Limited (“eMPF Platform”). As the relevant administrative services previously performed by YF Life Trustees Limited (“the Trustee”) ceased, members and employers were advised not to submit new instructions to the Trustee. The eMPF Platform has since provided relevant services directly to members and employers.

Additionally, certain administrative procedures were updated to align with the operations of the eMPF Platform. For example, “non-regular voluntary contributions” were renamed as “Special Voluntary Contributions”. These changes did not have any material impact on the rights or interests of members and employers.

The Trust Deed was also amended to reflect the following changes: (i) addition of grounds for suspension of valuation and dealing of Constituent Funds and (ii) changes to the default arrangement for members who do not submit switching instructions or investment mandate changes in respect of termination of Constituent Fund.

The name of the BCT Pooled Investment Fund Series was changed to “Bonitas Pooled Investment Fund Series”, effective 2 July 2024.

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 and 26 Jun 2024, 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 2024 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.

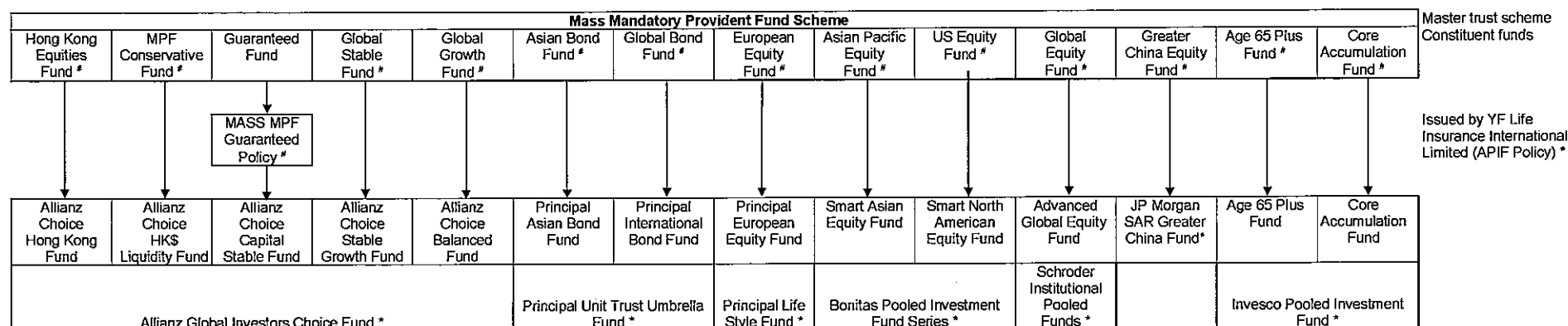
All the above constituent funds are unlisted funds.

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)

Channels for acquiring further information about the Scheme

Members may obtain further information about the Scheme and its operations from the Trustee at its hotline number 2533 5522.

Particulars of the Trustee, service providers, auditor, banks and promoter 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 (Effective from 26 June 2024)

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

Scheme report (continued)

Auditor

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

Particulars of the Trustee, service providers, auditors, banks and promoter 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

Promoter

YF Life Insurance International Limited *
27th Floor,

YF Life Tower,
33 Lockhart Road
Wanchai, Hong Kong

* This is the holding company of the Trustee.

Scheme report (continued)

Directors of the Trustee

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

Mr Yip Ka Lin Victor	(Resigned on 1 July 2024)
Mr Wong Gah Jih	
Mr Yu Tin Yau Elvin	
Mr Chan Man Ko	
Mr Tse Chi Hung	
Mr Tiu Chi Ho	(Appointed on 26 September 2024)

The business/correspondence address of these directors is:

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

Controllers of the parent company of the Trustee

YF Life Insurance International Limited ("YF Life")

The controllers of YF Life during the year and up to the date of this report are:

Yunfeng Financial International Holdings Limited
Yunfeng Financial Group Limited
Yunfeng Financial Holdings Limited
Key Imagination Limited
Jade Passion Limited
Massachusetts Mutual Life Insurance Company
MassMutual International LLC
Mr Yu Feng
Mr Chan Man Ko

Independent non-executive directors of YF Life

Ms Liu Shu Yen	
Mr Ng Yu Lam Kenneth	(Resigned on 28 March 2025)
Mr Qi Daqing	
Mr Xu Jinghui	
Mr Zhuo Shihao	(Appointed on 28 March 2025)

The business/correspondence address of these controllers is:

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 2024, the fund returned 3.39%* versus the benchmark's return of 0.77%. The benchmark return of the fund was the Hong Kong Mandatory Provident Fund Scheme Authority's prescribed savings rate.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
MPF Conservative Fund (Launch date: 1 December 2000)	3.39	1.48	0.91	0.70
Benchmark	0.77	0.32	0.18	0.43
Deviation from the benchmark	2.62	1.16	0.73	0.27

1.1.2 Trustee's commentary

The Fund outperformed the benchmark in the various periods.

Hong Kong money market rates declined over the first half of 2024. The aggregate balance remained almost unchanged at HKD 45 billion. The usual seasonal factors of quarter-end related funding needs and dividend payment had little impact on Hong Kong interbank rates. With overall liquidity conditions staying fairly stable, most of the decline in HK rates was driven by the movement in US money market rates, with the 3-month HIBOR declining by 40bps to 4.75% at end June. The Hong Kong dollar (HKD) also remained steady, ending the 6-month period relatively unchanged against the US dollar at 7.80.

In the second half of 2024, HKD money market rates fell sharply, declining 8.1% from June to December. The decline in rates in Q3 was driven by moves in US money market rates. In Q4, there was a change in trajectories, where the HKD money market rates faced a departure from moves in the US money market rates. The Hong Kong Dollar strengthened 0.51% over the second half, boosted by strong equity performance in the Hang Seng Index along with the implementation of easing policies by the PBoC.

In regards to economic data, the Hong Kong economy faced some weakness over the second half, as Q3 GDP growth came in lower than expected at 1.8%. Retail sales recorded a sharp decline of 10.1% year-on-year in August along with a 7.3% year-on-year decline in November (versus expectations of -3.4%). On the other hand, unemployment continued to show resilience, staying around the 3% level.

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)

In Hong Kong, the latest Budget introduced key measures to support future HK development, including innovation and technology, and further integration and cooperation with mainland China. Government bond issuances are expected to increase to finance higher capital works expenditures, but government debt to GDP is expected to maintain a stable and manageable level, lower than that of many advanced economies.

* Performance is calculated net of fees for the year 2024. Past performance is not indicative of future results.

1.2 Guaranteed Fund

1.2.1 Analysis of investments during the year

In 2024, the fund returned 0.20%* versus the benchmark's return of 3.08%. 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 (10%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed saving rate (10%).

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Guaranteed Fund (Launch date: 20 January 2006)	0.20	(1.87)	(0.83)	0.06
Benchmark	3.08	0.23	2.13	3.41
Deviation from the benchmark	(2.88)	(2.10)	(2.96)	(3.35)

1.2.2 Trustee's commentary

The fund has about 30% equities at 2024 year end and its return was behind the benchmark for various periods.

Investment report (continued)

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

1.2 *Guaranteed Fund (continued)*

1.2.2 Trustee's commentary (continued)

Global bonds closed a rollercoaster year with modestly positive returns, with corporate bonds, especially high yield, outperforming government debt. Yields initially rose as sticky inflation meant investors reined in hopes for multiple rate cuts in 2024, but subsequently declined as signs of weakening economic momentum in the late summer reawakened these hopes. Bond yields rose once more towards year end as the US Federal Reserve (Fed) signalled it would slow the pace of its rate cuts in 2025. Also of note was the US yield curve which, in September, turned positively sloped for the first time in more than two years.

Inflation eased, with headline rates falling back towards official targets. Canada became the first G7 nation to cut rates, with the European Central Bank swiftly following in June. While the Fed waited until September, it then surprised the markets with a 50-bps reduction given growing concerns over the health of the US labour market. While this was followed by two 25-bps cuts in November and December, at its last meeting of the year the Fed warned it would slow the pace of rate cuts in 2025. In contrast, the Bank of Japan bucked the trend for lower rates as it finally exited its below-zero interest rate policy.

Global equities surged over 2024. Many markets hit fresh highs as the threatened US recession failed to materialise and most major central banks started to cut interest rates. Sentiment, particularly towards US stocks, was further lifted when the Republican Party won a landslide victory in November's elections.

The investment manager holds a cautiously optimistic view on equities. The Trump Administration appears committed to supporting equity markets; however, uncertainty around US-China trade negotiations persists, and the fundamental backdrop remains fragile. For instance, China's manufacturing PMI continues to signal weakness, underscoring the risk of another potential leg down in equities. Amongst the regions, we have reinforced our strong preference for rest of the world versus the US, as investor attention increasingly shifts their focus on the US fiscal deficit. A weakening US dollar should also provide broad support for emerging Asia.

Investment report (continued)

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

1.2 *Guaranteed Fund (continued)*

1.2.2 Trustee's commentary (continued)

The investment manager holds a neutral stance in global fixed income. An expectation that the US economy will underperform other major markets in 2025, and concerns about US policy credibility, are sustaining downward pressure on the US dollar. Market expectations of a US rate cut have been pushed out towards year end, however, softer US inflation data and falling oil prices may mean there is still some policy easing in store for 2025. The US central bank's policy stance remains data-dependent and cautious, with a preference to cut later rather than sooner. This wait-and-see approach seems to favour a larger cut late in the year rather than a series of smaller cuts. Imminent monetary policy easing remains a greater likelihood in Europe. In contrast, UK monetary policy is likely to remain restrictive for a while longer with April inflation data surprised to the upside. In Japan, BOJ is likely to keep its interest rate normalization trend given resilient inflation. The possibility of a reduction in long-end JGB issuance is increasing which may keep long-end yields contained in the near term.

* Performance is calculated net of fees for the year 2024. 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 2024, the fund returned 4.97%* versus the benchmark's return of 6.09%. 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 (17%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (5%).

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Global Stable Fund (Launch date: 1 December 2000)	4.97	1.24	2.10	3.39
Benchmark	6.09	1.60	3.44	5.04
Deviation from the benchmark	(1.12)	(0.36)	(1.34)	(1.65)

1.3.2 Trustee's commentary

The fund has about 51% equities at 2024 year end and its return in 2024 was behind the benchmark for various periods.

US shares soared over 2024, with both the S&P 500 Index and Nasdaq Composite Index hitting fresh highs. The US economy proved far more resilient than expected, which helped to underpin corporate earnings, and sentiment was also lifted by the Federal Reserve's (Fed) decision in September to cut rates for the first time in more than four years. Shares were given a further boost when Donald Trump secured a decisive victory in the US presidential election.

European stocks also rallied over the year, reaching fresh highs, although they lagged many other developed equity markets. Disappointing economic growth and rising political risk, particularly in Germany and France due to budget disagreements, weighed on sentiment. The prospect of Donald Trump's return to the White House also raised the spectre of higher tariffs for European exports to the US.

Equity markets in the Asia ex Japan region delivered strong gains over 2024. Sentiment was lifted by resilient growth in the US economy, the start of rate-cutting cycles for many developed market central banks and signs that the Chinese authorities may finally be implementing measures to boost domestic economic activity.

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)

Global bonds closed a rollercoaster year with modestly positive returns, with corporate bonds, especially high yield, outperforming government debts. Yields initially rose as sticky inflation meant investors reined in hopes for multiple rate cuts in 2024, but subsequently declined as signs of weakening economic momentum in the late summer reawakened these hopes. Bond yields rose once more towards year end as the US Federal Reserve (Fed) signalled it would slow the pace of its rate cuts in 2025. Also of note was the US yield curve which, in September, turned positively sloped for the first time in more than two years.

Inflation eased, with headline rates falling back towards official targets. Canada became the first G7 nation to cut rates, with the European Central Bank swiftly following in June. While the Fed waited until September, it then surprised the markets with a 50-basis-points (bps) reduction given growing concerns over the health of the US labour market. While this was followed by two 25-bps cuts in November and December, at its last meeting of the year the Fed warned it would slow the pace of rate cuts in 2025. In contrast, the Bank of Japan bucked the trend for lower rates as it finally exited its below-zero interest rate policy.

The investment manager hold a cautiously optimistic view on equities. The Trump Administration appears committed to supporting equity markets; however, uncertainty around US-China trade negotiations persists, and the fundamental backdrop remains fragile. For instance, China's manufacturing PMI continues to signal weakness, underscoring the risk of another potential leg down in equities. Amongst the regions, we have reinforced our strong preference for Rest of the world versus the US, as investor attention increasingly shifts their focus on the US fiscal deficit. A weakening US dollar should also provide broad support for emerging Asia.

The investment manager holds a neutral stance in global fixed income. An expectation that the US economy will underperform other major markets in 2025, and concerns about US policy credibility, are sustaining downward pressure on the US dollar. Market expectations of a US rate cut have been pushed out towards year end, however, softer US inflation data and falling oil prices may mean there is still some policy easing in store for 2025. The US central bank's policy stance remains data-dependent and cautious, with a preference to cut later rather than sooner. This wait-and-see approach seems to favour a larger cut late in the year rather a series of smaller cuts. Imminent monetary policy easing remains a greater likelihood in Europe. In contrast, UK monetary policy is likely to remain restrictive for a while longer with April inflation data surprised to the upside. In Japan, BOJ is likely to keep its interest rate normalization trend given resilient inflation. Possibility of a reduction in long end JGB issuance is increasing which may keep long end yields contained in the near term.

* Performance is calculated net of fees for the year 2024. 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 2024, the fund returned 7.82%* versus the benchmark's return of 9.25%. 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 (24%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (5%).

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Global Growth Fund (Launch date: 1 December 2000)	7.82	2.65	3.15	4.08
Benchmark	9.25	3.06	4.70	5.71
Deviation from the benchmark	(1.43)	(0.41)	(1.55)	(1.63)

1.4.2 Trustee's commentary

The fund has about 70% equities at 2024 year end and its return was behind the benchmark for various periods.

Global equities surged over 2024. Many markets hit fresh highs as the threatened US recession failed to materialise and most major central banks started to cut interest rates. Sentiment, particularly towards US stocks, was further lifted when the Republican Party won a landslide victory in November's elections. At a sector level, AI-related companies in the communication services and information technology sectors surged, with consumer discretionary and financials stocks also outperforming. In contrast, materials and health care were the weakest sectors in the MSCI All Countries World Index.

Global bonds closed a rollercoaster year with modestly positive returns, with corporate bonds, especially high yield, outperforming government debt. Yields initially rose as sticky inflation meant investors reined in hopes for multiple rate cuts in 2024, but subsequently declined as signs of weakening economic momentum in the late summer reawakened these hopes. Bond yields rose once more towards year end as the US Federal Reserve (Fed) signalled it would slow the pace of its rate cuts in 2025. Also of note was the US yield curve which, in September, turned positively sloped for the first time in more than two years.

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)

Inflation eased, with headline rates falling back towards official targets. Canada became the first G7 nation to cut rates, with the European Central Bank swiftly following in June. While the Fed waited until September, it then surprised the markets with a 50-basis-points (bps) reduction given growing concerns over the health of the US labour market. While this was followed by two 25-bps cuts in November and December, at its last meeting of the year the Fed warned it would slow the pace of rate cuts in 2025. In contrast, the Bank of Japan bucked the trend for lower rates as it finally exited its below-zero interest rate policy.

The investment manager holds a cautiously optimistic view on equities. The Trump Administration appears committed to supporting equity markets; however, uncertainty around US-China trade negotiations persists, and the fundamental backdrop remains fragile. For instance, China's manufacturing PMI continues to signal weakness, underscoring the risk of another potential leg down in equities. Amongst the regions, we have reinforced our strong preference for rest of the world versus the US, as investor attention increasingly shifts their focus on the US fiscal deficit. A weakening US dollar should also provide broad support for emerging Asia.

The investment manager holds a neutral stance in global fixed income. An expectation that the US economy will underperform other major markets in 2025, and concerns about US policy credibility, are sustaining downward pressure on the US dollar. Market expectations of a US rate cut have been pushed out towards year end, however, softer US inflation data and falling oil prices may mean there is still some policy easing in store for 2025. The US central bank's policy stance remains data-dependent and cautious, with a preference to cut later rather than sooner. This wait-and-see approach seems to favour a larger cut late in the year rather a series of smaller cuts. Imminent monetary policy easing remains a greater likelihood in Europe. In contrast, UK monetary policy is likely to remain restrictive for a while longer with April inflation data surprised to the upside. In Japan, BOJ is likely to keep its interest rate normalization trend given resilient inflation. Possibility of a reduction in long end JGB issuance is increasing which may keep long end yields contained in the near term.

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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 2024, the fund returned 1.95%* versus the benchmark's return of 3.07% and the benchmark was ICE BofA Asian Dollar Investment Grade Index.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Asian Bond Fund (Launch date: 17 March 2003)	1.95	(0.83)	0.51	4.52
Benchmark	3.07	1.24	2.96	4.64
Deviation from the benchmark	(1.12)	(2.07)	(2.45)	(0.12)

1.5.2 Trustee's commentary

The Fund underperformed the benchmark for various periods.

2024 was marked by generally supportive market backdrop due to firm US economic growth and a supportive monetary policy backdrop, with the year culminating in a strong mandate for a new incoming US administration that propelled strong performance of US assets. The Federal Reserve and European Central bank cut rates by 100bps, while the Bank of England cut rates by 50bps. However, the delivery turned out to be somewhat less aggressive than market pricing at the end of 2023, and this was compounded by concerns over the incoming US administration's policies, which in turn led to a more restrained tone in monetary policy to end the year.

Meanwhile, data points to a divergence in economic conditions between US and the rest of the world, most visibly in Europe. The US ended the year with growth well north of 2%, and inflation improved significantly, as core CPI decelerated from 3.9% at the end of 2023 to 3.3% towards the end of 2024. In Europe, growth remained below 1%, and core inflation dipped below 3% for the first time since early 2022. With soft landing growth conditions, the labor market eased from its tightness seen in 2023, and unemployment rates rose 0.1-0.3% for major economies. Bond yields rose save for the very front end of the curve, despite easing monetary policy.

Investment report (continued)

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

1.5 Asian Bond Fund (continued)

1.5.2 Trustee's commentary (continued)

In Asia, China's economy remained under pressure for much of the year due to aversion to fiscal stimulus and lingering property market woes, with exports being the major bright spot. There was a sharp pivot to growth in Q3 to support sentiment, which helped China equities perform strongly in second half of the year. However, hard economic data only showed modest improvement in 2H 2024. Elsewhere in Asia, Indonesia and India faced elections whose outcomes largely promised continuity despite reduced majority in India while bringing in elements of populism in Indonesia. Asian central banks were largely in monetary policy easing mode with growth outlook hinging on extent of such easing cycle and trade uncertainty.

New bond issuances in Asia investment grade space totaled USD 132billion in 2024, a pickup over USD 98 billion in 2023, although net supply (net of maturing bonds) continued to remain negative resulting in positive technical backdrop. Asia investment grade credit spreads tightened 30bps during the year with issuers from China and Hong Kong seeing spread tightening of 57bps and 44bps respectively. The Asia credit space have held in well and generally outperformed US investment grade, largely due to a lack of supply and supportive technicals while fundamentals remained largely intact with China the major economy undergoing the medium-term transition.

The fund outperformed the benchmark during the year where credit spreads were tighter but underlying treasury yields were higher with the curve steepening. The main contributor to fund's outperformance was credit selection and off-benchmark allocations. In off-benchmark allocation, the fund benefited from bonds of issuers from Japan and Australia that contributed strongly to the outperformance. As these allocations were paired with underweights to relatively tighter parts of Asia investment grade in Korea, China and Taiwan, such allocations proved to be detractors from the fund's relative performance. Specifically in China and Korea, underweight allocations to sovereign, agencies and local governments were detractors. Credit selection in Singapore was a positive contributor with exposures to banks and transportation segments. Credit selection also contributed in Indonesia where an underweight to the Sovereign bonds were paired with an overweight to the quasi sovereigns and corporates; and in India where active rotation generated outperformance. Off-benchmark local currency allocations were overall positive with SGD gains more than offsetting small detractors from INR and IDR allocations.

* Performance is calculated net of fees for the year 2024. 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 2024, the fund returned -3.88%* versus the benchmark's return of -2.61%. The components of the benchmark were as follows: Bloomberg Global Aggregate Securitized TR Index Value Unhedged USD (HK\$ return).

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Global Bond Fund (Launch date: 17 March 2003)	(3.88)	(3.43)	(2.31)	0.65
Benchmark	(2.61)	(2.20)	0.09	2.54
Deviation from the benchmark	(1.27)	(1.23)	(2.40)	(1.89)

1.6.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

2024 proved to be a unique year for fixed income markets where bond yields rose despite policy makers delivering interest rate cuts on the back of improving inflation data. The Federal Reserve and European Central bank cut rates by 100bps, while the Bank of England cut rates by 50bps. Overall, global central banks cut policy rates by a weighted average of 90bps over the course of the year. However, the delivery turned out to be somewhat less aggressive than market pricing at the end of 2023, and this was compounded by concerns over the incoming US administration's policies which in turn led to a more restrained tone in monetary policy to end the year. Meanwhile, data points to divergence in economic conditions between US and the rest of the world, most visibly in Europe. US appears to be ending the year with growth well north of 2%, and inflation improved significantly, as core CPI decelerated from 3.9% at the end of 2023 to 3.3% towards the end of 2024. In Europe, growth remained below 1%, held up by southern Europe while Germany and French economies contracted, and core inflation dipped below 3% for the first time since early 2022. With soft landing growth conditions, the labor market eased from its tights seen in 2023, and unemployment rates rose 0.1-0.3% for major economies.

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)

The global fixed income market, as represented by the Bloomberg Barclays Global Aggregate Index, declined 1.7% in 2024. This came about from a combination of higher yields and a stronger USD. Yields rose 17bps, led by developed markets over concerns of US President Trump's tariff threats and tax cut promises leading to higher deficits and inflation globally. The dollar appreciated 7% against most currencies except Malaysian Ringgit. The yield rise was dampened by Europe, where low growth and inflation nearing target led the ECB to pursue a full easing cycle in contrast with a Federal Reserve that pulled back earlier dovishness towards the end of the year. China onshore yields declined over deflation concerns and a shift in monetary policy stance towards accommodative for the first time since the global financial crisis. Meanwhile, corporate credit spreads in US tightened as recession concerns were allayed by resilient economic data and a buoyant stock market. The asset class also attracted large inflows from investors due to high all-in yields ahead of a more protracted interest rate cut cycle.

The fund outperformed the benchmark over the review period, with tracking error between 100-200bp over the course of the year.

Over the year, duration and curve outperformed by 6bps. This came about from active management in duration over the course of the year, including an underweight positioning at the start of the year as the market pricing for policy easing appeared to be overdone. The fund subsequently covered the duration underweight later in Q1 and added to duration as levels turned more attractive and we entered more fully into the policy easing cycle. By region, the main performance contributor came from European government bonds, where a subsequent overweight benefited from a more dovish ECB and weaker EU data. In EM, underweight in China government bonds detracted from performance as onshore yields fell amidst deflationary concerns. Given the increased fiscal stimulus to support growth, it is doubtful the current low levels of government bond yields can persist. They are already yielding far below interbank rates, which already reflect increased liquidity provision by PBOC. In the US, active management of duration and curve positioning helped reduce the duration drag from the rise in yields despite an overweight bias.

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)

Currency positioning saw a 28bps drag overall. This came about mainly from overweight positioning in commodity developed market currencies, which depreciated sharply in Q4 over concerns around US policies. The move appears to be heavily tied to reaction of higher beta currencies towards USD strength rather than underlying fundamentals. As prices for key commodity exports from the respective countries, such as copper and iron ore tied to infrastructure development, or soft commodities such as milk tied to household demand, stabilized in Q4 and are starting to rise, this improvement would likely be reflected in the respective currencies. Other currency positioning contributed positively to performance in 2024. Underweight in EUR against a basket of both EM and DM currencies in Europe saw positive contribution as growth conditions diverged within Europe. Outside Europe, underweight in CNY, KRW against other Asia EM currencies, and MXN saw a small positive contribution, as the fund benefited from carry and liquidity conditions differentials in the region.

Allocation and selection contributed +20bps. This came about from diversified sets of positions versus the benchmark. In the US, the fund is overweight TIPs in Q1 and again in Q4, which benefited from a pickup in inflation expectations. In credits, bottoms-up pick from our US IG team delivered with overweight calls on Yankees, US regional banks, Tech, Defense, and Telcos. These bottoms-up picks outperform the broader rally in US IG index. Our Asia team's calls on high quality insurers in HK and Japan also contributed to performance in the fund. In Europe, the fund's overweight position in Spanish government bonds and Italian government bonds benefited from both higher carry against German bunds, and also spread compression over the course of the year, buoyed by stronger economic fundamentals.

Against the peer group the fund performance fell to the 4th quartile, net of fees. The main driver for this underperformance against peer group is a more diversified currency exposure, as well as longer duration exposure. This reflects the peer group's hedged currency and duration profile. This underperformance was attributable to short term market moves. The fund is positioned to outperform over the course of the cycle – we expect retracement in performance from our positions in the coming quarters.

- * Performance is calculated net of fees for the year 2024. Past performance is not indicative of future results.

Investment report (continued)

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

1.7 Global Equity Fund

1.7.1 Analysis of investments during the year

The fund returned 15.15%* in 2024 compared with a 17.07% return for its benchmark, the FTSE MPF All World Index.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Global Equity Fund (Launch date: 17 March 2003)	15.15	7.50	5.51	6.65
Benchmark	17.07	10.30	9.52	9.60
Deviation from the benchmark	(1.92)	(2.80)	(4.01)	(2.95)

1.7.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

Global stock markets moved higher in the year, led by strong performance by US equities. Global equities started the year with strong gains in first quarter amid a resilient US economy and ongoing enthusiasm around AI. US equities had a robust advance in the quarter supported by some well-received corporate earnings as well as ongoing expectations of rate cuts. In the second quarter, there were worries at the start of the quarter that the US economy may be overheating, however, hopes of a soft landing for the economy grew as US inflation showed signs of cooling. Strength in some Asian markets helped emerging market equities outperform developed markets in the quarter on the back of optimism in expansion in AI.

Global equities gained in the third quarter despite pronounced volatility amid changing expectations for the path of US interest rates. Emerging markets performed strongly, supported by the announcement of new stimulus measures in China. In the fourth quarter, US equities advanced following Donald Trump's victory in the Presidential election, but other regional markets came under pressure amid worries over trade tariffs. Overall, major equity markets moved higher in the year.

* Performance is calculated net of fees for the year 2024. 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 10.38%* in 2024 compared with a 12.12% return for its benchmark, the FTSE MPF Asia Pacific ex-Japan ex-Australia ex New Zealand Index.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Asian Pacific Equity Fund (Launch date: 19 March 2007)	10.38	(1.46)	0.70	2.55
Benchmark	12.12	3.52	4.98	5.35
Deviation from the benchmark	(1.74)	(4.98)	(4.28)	(2.80)

1.8.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

Asia ex Japan equities achieved gains in 2024, beginning with a modest gain in the first quarter. Share prices bounced back from cheap levels and investors displayed cautious optimism that the gloom surrounding China may be starting to lift. The market saw solid gains in the second quarter, particularly in Taiwan, India and Singapore. Shares in China also achieved strong gains in the quarter, as low valuations for many Chinese stocks encouraged Asia-focused investors to cautiously return to the Chinese market following concerns about India's high valuations and Japan's continued currency weakness. Ongoing investor optimism for stocks expected to gain from the expansion of artificial intelligence (AI), drove shares in Taiwan higher in the second quarter.

Asian equities were higher in the third quarter, supported by strong performance from Thailand, Hong Kong and China equities. Shares in China achieved strong gains in the quarter following a raft of stimulus measures by the Chinese government – ranging from rate cuts to fiscal support – in a bid to reverse a slowdown in the broader economy. However, the Asian equities declined in fourth quarter amid investor fears over potential tariffs following Donald Trump's re-election as US President in November. China and Hong Kong experienced sharp declines in the quarter as the prospect of a second Trump presidency raised the risk of heightened tensions over trade and technology. As part of his election campaign, Donald Trump had pledged to impose tariffs of 60% or more on manufactured goods from China.

* Performance is calculated net of fees for the year 2024. 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 4.15%* in 2024 compared with a 4.64% return for its benchmark, the FTSE MPF European Hedged TR.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
European Equity Fund (Launch date: 19 March 2007)	4.15	2.70	4.16	1.82
Benchmark	4.64	6.38	6.57	4.33
Deviation from the benchmark	(0.49)	(3.68)	(2.41)	(2.51)

1.9.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

European equity markets delivered strong gains in the first quarter of 2024, building upon the powerful rally that commenced in the final months of 2023. Investor sentiment improved and became comfortable with rate cuts likely taking place in the second half of the year while a return to growth and improving earnings laid the foundation for ongoing upside in equities.

European equity markets built upon healthy first quarter gains adding roughly half a percent as the second quarter concluded. Investor sentiment dampened over the period as snap elections in both France and the UK brought uncertainty surrounding fiscal policies and growth initiatives. The backdrop did lead to modest profit taking and a shift into areas with more depressed valuations, i.e. health care and energy.

Global equity investors enjoyed solid advances across a wide majority of sectors and regions during the third quarter of 2024, fueled by a strong finish in September. Synchronized monetary easing played a vital role. Following rate cuts, European equities reached all-time highs on the news of China's stimulus and rate cuts. There were still concerns about growth in Europe as many countries were dealing with political uncertainty. Signs of a slowdown appeared across the Eurozone as PMIs pulled back over the quarter.

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)

The fourth quarter was tough for the European equity markets as fragile political states, tariff uncertainty and poor growth dynamics all contributed to almost double-digit losses as the fourth quarter concluded. The post-election surge in the value of the U.S. dollar, along with ongoing anemic growth and geopolitical uncertainty weighed on many European companies. The region was able to eke out modest gains for the full year, but the steep losses of the quarter left for a sour end to the year.

The fund benefited from stock selection in the Industrials sector led by Thales. Thales is a French aerospace & defense company. The company is split into three segments (i) Aerospace (26% of sales), which includes civil and military avionics, in-flight entertainment and space (ii) Defense & Security (55% of sales) which includes high-tech military equipment for multiple platforms and (iii) Digital, Intelligence & Security (19% of sales) with half of revenues from cybersecurity. Thales is well placed to benefit from rising defense budgets with >60% of group sales to defense, and >50% of defense sales coming from European (ex-UK) markets, which are set to grow rapidly.

Financials was another area of relative strength driven by European banks including UniCredit, Societe Generale, AIB Group, and National Bank of Greece. All are benefiting from total shareholder return yields of around 12%, better than peers, as balance sheets have been repaired. Further upside coming from recovering related economies that will drive volume loan growth off trough levels.

Information Technology was also a relative detractor over the year. ASML is the market leader in lithography tools, a critical part of the semiconductor manufacturing process enabling 'Moore's law'. The company benefits from technology transitions as well as new additions in leading edge logic and memory chip capacity. ASML currently has a market share of close to 100% within EUV lithography tools. During the year, ASML reported solid results but it was overshadowed by headlines of stricter trade restrictions with China. However, we continue to have high conviction in the long-term fundamentals and leadership position of ASML.

Healthcare was a relative detractor. ICON is a top 3 contract research organization (CRO) providing Ph. 1-3 clinical research services, data management, regulatory/medical affairs, real-world trials, and central lab. Earnings were poor as there was deterioration in both Large Pharma and Biotech. Bookings were weak while revenue headwinds were apparent due to study delays and cancellations. Following the announcement, we met with management, and they reaffirmed 2024 guide and level set vaccine exposure. Commentary also remained confident and noted that Johnson and Johnson were already shifting back to growth or incrementally better than commentary on their third quarter call.

* Performance is calculated net of fees for the year 2024. 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 15.69%* in 2024 compared with a 19.72% return for its benchmark, the FTSE MPF Hong Kong Index.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Hong Kong Equities Fund (Launch date: 19 March 2007)	15.69	(1.92)	0.50	1.06
Benchmark	19.72	(3.26)	1.62	3.18
Deviation from the benchmark	(4.03)	1.34	(1.12)	(2.12)

1.10.2 Trustee's commentary

The Fund underperformed its benchmark for one year, ten years and since launch while it outperformed for five years period.

Hong Kong equities gained in 2024. The FTSE MPF Hong Kong Index ended the year up 19.7% in HKD terms, making it one of the better performing asset classes globally. Most of the gains in 2024 occurred in a relatively short period towards the end of September and into October, spurred by a significant change in government policy focused on stabilizing the economy as well as financial markets. Since then, Hong Kong equities have remained broadly stable, as investors wait for more detail on the extent of the expected fiscal stimulus as well as a potential market stabilization package.

The portfolio delivered strong absolute returns but lagged the benchmark over the year. Stock selection in the technology and financials sectors was the main detractor. This was partly offset by positive stock selection in health care, utilities and industrials sectors. At a single stock level, the top detractor was an oncology-focused private hospital business in China. Despite a well managed business, the market was concerned over the acquisition activities of the company and its exposure to local government debt. We reduced the position to control the risk while we monitor the recovery progress of the stock.

Conversely, a top contributor was Trip.com, the largest online travel booking platform in China. Trip.com should continue to see sustained earnings growth as a result of increased travel volumes as well as potentially improving operational efficiency through the adoption of GenAI.

Investment report (continued)

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

1.10 Hong Kong Equities Fund (continued)

1.10.2 Analysis of investments during the year (continued)

Looking ahead, our view is to be more optimistic on the outlook for China equities. Over the last year, the government in China has taken action on a number of occasions to provide support for domestic equity markets. We believe this should help to limit the downside risks.

For a more sustained equity market recovery, it will be important to see signs of ongoing macro-economic stabilization, especially with regards to the real estate sector. Further government policy support will likely be needed to achieve this, especially as export growth is expected to slow in the year ahead.

Portfolio activity in recent months has been focused on adding to stocks which are more sensitive to an improvement in the domestic economy and financial markets. We also believe higher yielding stocks should continue to be well supported given the low interest rate environment in China.

* Performance is calculated net of fees for the year 2024. 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 21.77%* in 2024 compared with a 23.50% return for its benchmark, the FTSE MPF North America Index.

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
US Equity Fund (Launch date: 19 March 2007)	21.77	10.33	10.67	8.12
Benchmark	23.50	13.80	12.28	9.70
Deviation from the benchmark	(1.73)	(3.47)	(1.61)	(1.58)

1.11.2 Trustee's commentary

The Fund underperformed its benchmark for various periods.

In 2024, US equities showed remarkable performance across the year. US shares registered a robust advance in the first quarter, supported by some well-received corporate earnings as well as ongoing expectations of rate cuts later this year. The pace of monetary policy easing is likely to be slower than had been expected at the end of last year, given resilient US economic data, but this did little to dampen appetite for equities. The second quarter continued this trend, led higher by the information technology and communication services sectors. Ongoing enthusiasm around AI continued to boost related companies amid some strong earnings and outlook statements.

In the third quarter, performance became more mixed, with all sectors except energy posting positive returns. The Federal Reserve left interest rates unchanged at a 23-year high, but the release of weaker job data prompted fears of delayed interest rate cuts. The Fed eventually announced a 50-basis point reduction to rates. In the final quarter, US equities rounded off the year on a high note supported by Donald Trump's victory in the presidential election, and the accompanying "Red Sweep" which saw the Republicans take control of Congress. Shares were buoyed by expectations that Trump's policy programme will lift growth, lower taxes and cut regulation.

* Performance is calculated net of fees for the year 2024. 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 12.78%* in 2024 compared with a 20.50% return for its benchmark, the FTSE MPF Greater China (Total Net) index.

	<i>Annualised return</i>			<i>Since launch</i>
	<i>1 year</i>	<i>5 years</i>	<i>10 years</i>	
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Greater China Equity Fund (Launch date: 1 May 2011)	12.78	0.28	4.17	3.73
Benchmark	20.50	1.70	4.90	4.30
Deviation from the benchmark	(7.72)	(1.42)	(0.73)	(0.57)

1.12.2 Trustee's commentary

The Fund underperformed its benchmark in 2024 and various periods.

The fund underperformed the benchmark due to weak stock selection, particularly in China. By sector, stock selection in Technology was the most significant detractor, although this was partially offset by the positive contribution from the overweight position. Stock selection in Financials and Consumer Staples, as well as the underweight position in the former and the overweight position in the latter, also negatively impacted performance. Conversely, stock selection in Industrials and Real Estate, along with zero exposure to Basic Materials, contributed positively.

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)

At the stock level, Silergy, a maker of power management integrated circuits, was the worst performer. The company is expanding its product offerings across various segments, including auto, consumer electronics, industrial, IT, and communication. As non-AI demand remains weak, the stock underperformed due to slower-than-expected guidance, industrial segment weakness, and high operating expenses impacting profitability. Baidu fell after reporting weak 3Q results, with total revenue falling 3%. AI monetization has been slow to materialize, while competition in their core search business is intensifying. PDD was volatile throughout the year, falling sharply after announcing 3Q24 results, which, although strong in absolute terms, missed street expectations due to ongoing merchant support efforts. Faraday Technology fell on weaker-than-expected earnings, partly due to growth in expenses. The earnings have become more cyclical in the near term, with a shift towards design services for Chinese AI clients, adding volatility. Wuxi Biologics was hit by rising US-China geopolitical risks, while Kingdee International Software suffered from a de-rating as its transition from a project-based to a cloud/subscription-based model has been challenged by macro headwinds. The uncertainty around the speed of profitability improvement weighed on investor sentiment.

On the positive side, Trip.com was the top contributor as travel demand remained resilient amidst a generally weak consumption environment. Other key contributors included China Pacific Insurance, Meituan, CATL, and Tencent.

* Performance is calculated net of fees for the year 2024. 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 2024, the fund returned 3.83%* compared with a 3.30% return for its benchmark. The components of the benchmark were as follows: FTSE MPF All-World Index (20%), FTSE MPF WGBI (77%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (3%).

	<i>Annualised return</i>			<i>Since launch</i> %
	<i>1 year</i> %	<i>5 years</i> %	<i>10 years</i> %	
Age 65 Plus Fund (Launch date: 1 April 2017)	3.83	1.04	-	1.96
Benchmark	3.30	0.53	-	1.81
Deviation from the benchmark	0.53	0.51	-	0.15

1.13.2 Trustee's commentary

The fund is a relatively 'low risk' fund and has about 20% equities at 2024 year end and its return outperformed the benchmark in 2024 and various periods.

Investment report (continued)

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

1.13 Age 65 Plus Fund (continued)

1.13.2 Trustee's commentary (continued)

According to the Investment Manager, the portfolio achieved a positive return and outperformed its benchmark over the one-year financial period ended 31 December 2024.

The positive selection effect from equity was sufficient to offset the impact from fixed income, given that the allocation to bonds was three times more than equity. Overall, the outperformance in this financial year was primarily driven by an overweight in equity, an underweight in cash, and effective security selection from equity.

The equity portion delivered a return of 19.16% in 2024, outperforming the benchmark return of 17.07%. Meanwhile, the fixed income portion returned 1.05%, slightly trailing the benchmark return of 1.21%.

* Performance is calculated net of fees for the year 2024. 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 2024, the fund returned 11.09%* compared with a 9.54% return for its benchmark. The components of the benchmark were as follows: FTSE MPF All-World Index (60%), FTSE MPF WGBI (37%) and Hong Kong Mandatory Provident Fund Schemes Authority's prescribed savings rate (3%).

	Annualised return			Since launch %
	1 year %	5 years %	10 years %	
Core Accumulation Fund (Launch date: 1 April 2017)	11.09	5.89	-	6.00
Benchmark	9.54	5.09	-	5.82
Deviation from the benchmark	1.55	0.80	-	0.18

1.14.2 Trustee's commentary

The fund is a relatively 'high risk' fund and has about 60% equities at 2024 year end and its return outperformed the benchmark for one year and five years.

According to the Investment Manager, the portfolio achieved a positive return and outperformed its benchmark over the one-year financial period ended 31 December 2024.

The positive selection effect from equity contributed significantly, despite the mildly negative impact from fixed income in both allocation and selection. Overall, the outperformance during this period was primarily driven by global equity.

The equity portion delivered a return of 19.16% in 2024, outperforming the benchmark return of 17.07%. Meanwhile, the fixed income portion returned 1.05%, slightly trailing the benchmark return of 1.21%.

* Performance is calculated net of fees for the year 2024. 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.

On April 17, 2023, the investment manager of Asian Balanced Fund, Global Bond Fund and European Fund was changed from Franklin Templeton Investments (Asia) Limited to Principal Asset Management Company (Asia) Limited while the investment manager of Asian Pacific Equity Fund, Global Equity Fund and US Equity Fund was changed from Franklin Templeton Investments (Asia) Limited to Schroder Investment Management (HK) Limited. The performance of those investment managers will be closely monitored to ensure the fund performance is line with the markets. Furthermore, the Asian Balanced Fund was restructured and renamed to Asian Bond Fund on April 17, 2023.

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:

	<i>% of net asset value</i>
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:

	<i>% of net asset value</i>
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 States	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 Bonitas Pooled 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:

	<i>% of net asset value</i>
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:

	<i>% of net asset value</i>
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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation	(3,034,769)	(3,118,246)	(3,778,685)	(118,011)	(1,503,341)
Capital appreciation - realised and unrealised	21,625,377	20,536,640	5,501,322	122,191	2,819,164
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	602,523,671	546,118,015	551,659,226	441,205,339	352,953,847
Total net asset value	602,074,934	545,644,630	551,181,290	441,169,028	352,778,941
Net asset value per unit	11.8391	11.4507	11.0888	11.0534	11.0533

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	-	-	-	-	-
Capital appreciation/(depreciation) - realised and unrealised	6,121,842	7,613,439	(31,115,235)	(5,805,981)	17,766,550
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	216,695,514	205,956,565	184,381,735	206,261,609	195,554,254
Total net asset value	216,695,514	205,956,565	184,381,735	206,261,609	195,554,254
Net asset value per unit	10.1135	10.0918	9.8611	11.7716	12.1819

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
2024	10.6683	9.8195	0.214
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(3,348,624)	(3,610,862)	(3,714,104)	(4,307,967)	(3,645,072)
Capital appreciation/(depreciation) - realised and unrealised	16,460,512	15,027,683	(43,824,867)	4,022,411	43,191,811
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	263,914,528	260,287,434	247,833,966	304,181,928	303,645,277
Total net asset value	263,522,823	259,740,683	247,292,639	303,536,885	303,007,587
Net asset value per unit	22.3372	21.2718	20.3364	24.1278	24.1547

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
2024	23.5986	20.5881	4.981
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(5,270,601)	(5,719,481)	(5,808,856)	(6,621,169)	(5,491,937)
Capital appreciation/(depreciation) - realised and unrealised	37,340,670	24,736,004	(70,009,498)	15,169,689	76,339,899
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	419,535,297	408,367,720	398,343,589	468,521,616	466,897,517
Total net asset value	418,922,006	407,512,733	397,480,197	467,533,078	465,923,131
Net asset value per unit	26.1954	24.2861	23.1625	27.5726	27.0903

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
2024	28.0007	23.3720	7.832
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(4,902,437)	(4,316,279)	(1,780,982)	(1,996,101)	(1,902,709)
Capital appreciation/(depreciation) - realised and unrealised	11,573,280	25,651,936	(49,618,528)	(2,598,776)	14,858,630
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	329,520,885	344,742,922	331,194,608	379,269,327	418,335,119
Total net asset value	328,839,181	343,898,646	330,772,032	378,824,795	417,837,207
Net asset value per unit	26.2174	25.7140	24.1360	27.8924	28.3129

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital (depreciation)/appreciation	(1,970,308)	(1,519,504)	(683,312)	(739,636)	(720,075)
Capital (depreciation)/appreciation - realised and unrealised	(3,689,506)	6,772,752	(17,845,903)	(5,230,003)	2,275,000
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	146,292,669	130,186,278	115,750,992	138,215,622	140,953,767
Total net asset value	145,985,288	129,882,142	115,609,123	138,061,711	140,791,462
Net asset value per unit	11.5148	11.9788	11.4818	13.2831	13.8715

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(4,424,534)	(3,315,246)	(1,308,253)	(1,365,524)	(1,018,863)
Capital appreciation/(depreciation) - realised and unrealised	47,314,384	53,764,626	(68,100,382)	51,178,663	19,031,449
Income derived from investment #	-	-	-	-	-
Value of scheme assets derived from investment	304,448,640	278,225,753	231,443,329	299,259,181	225,132,039
Total net asset value	305,212,159	279,484,982	231,142,181	298,912,105	224,861,373
Net asset value per unit	40.6449	35.2935	28.9274	37.5478	30.8328

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(3,499,459)	(2,864,866)	(1,276,285)	(1,531,397)	(1,328,776)
Capital appreciation/(depreciation) - realised and unrealised	28,976,350	12,103,319	(58,063,515)	(8,943,352)	18,442,065
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	263,605,425	244,487,027	232,031,625	280,632,898	305,711,248
Total net asset value	264,964,802	244,939,722	231,734,135	280,303,793	305,348,829
Net asset value per unit	15.6566	14.1834	13.6346	17.2336	17.9324

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(1,807,281)	(1,306,831)	(471,366)	(459,831)	(390,926)
Capital appreciation/(depreciation) - realised and unrealised	5,587,633	18,252,114	(9,612,512)	3,593,740	(1,914,179)
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	112,068,528	107,688,333	78,093,530	86,063,194	71,049,380
Total net asset value	111,828,734	107,427,817	77,989,001	85,959,687	70,957,632
Net asset value per unit	13.7960	13.2451	10.9631	12.3449	11.7697

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(4,728,646)	(5,350,829)	(5,265,708)	(5,512,959)	(4,232,943)
Capital appreciation/(depreciation)					
- realised and unrealised	57,512,508	(68,351,623)	(49,808,327)	(44,879,206)	85,616,201
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	386,506,822	344,155,460	393,798,125	379,571,222	377,357,213
Total net asset value	385,990,764	343,418,624	392,977,343	378,769,008	376,578,953
Net asset value per unit	12.0615	10.4208	12.7034	14.8159	16.8741

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
2024	14.1736	9.2123	15.698
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 2024, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the (depreciation)/appreciation of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.11 US Equity Fund

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net (loss)/gain excluding capital appreciation/(depreciation)	(8,621,630)	(5,153,073)	141,289	179,085	(11,490)
Capital appreciation/(depreciation) - realised and unrealised	189,952,391	191,429,112	(370,980,368)	114,412,169	129,992,787
Income derived from investment *	-	-	-	-	-
Value of scheme assets derived from investment	962,630,811	863,119,912	646,988,949	989,654,277	572,795,003
Total net asset value	966,633,199	870,411,400	646,452,308	988,953,442	572,379,291
Net asset value per unit	40.0871	32.9193	25.6693	40.7132	35.0662

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
2024	47.7183	32.3691	22.774
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(6,604,254)	(7,989,315)	(8,114,215)	(10,388,505)	(4,806,330)
Capital appreciation/(depreciation) - realised and unrealised	66,374,503	(47,895,678)	(204,769,329)	(62,469,517)	158,265,323
Income derived from investment [#]	-	-	-	-	-
Value of scheme assets derived from investment	528,986,925	501,424,675	548,465,709	717,337,995	521,489,259
Total net asset value	527,638,504	500,324,549	547,258,417	715,603,965	520,319,221
Net asset value per unit	16.5029	14.6239	16.2196	22.8531	24.5744

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised Investment return %
2024	18.6901	13.2171	12.829
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 2024, there was no distribution income from the approved pooled investment fund. As a result, there was no other investment income except for the (depreciation)/appreciation of the investments as stated above.

Investment report (continued)

3 Performance table (continued)

3.13 Age 65 Plus Fund

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding capital appreciation/(depreciation)	(613,174)	(503,881)	(476,588)	(450,182)	(282,206)
Capital appreciation/(depreciation) - realised and unrealised	4,221,821	6,946,625	(11,599,276)	840,372	4,199,385
Income derived from investment [#]	-	-	-	-	-
Value of scheme assets derived from investment	109,282,861	87,216,439	71,354,732	79,002,395	60,158,982
Total net asset value	109,179,818	87,116,649	71,267,542	78,921,574	60,095,234
Net asset value per unit	11.6266	11.1970	10.3345	12.1808	12.1026

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	2024 HK\$	2023 HK\$	2022 HK\$	2021 HK\$	2020 HK\$
Net loss excluding appreciation/(depreciation)	(1,831,274)	(1,421,001)	(1,194,881)	(948,132)	(578,497)
Capital appreciation/(depreciation)					
- realised and unrealised	32,139,085	34,096,589	(32,160,841)	14,436,820	13,041,117
Income derived from investment [#]	-	-	-	-	-
Value of scheme assets derived from investment	329,162,631	256,378,899	187,745,340	185,362,350	118,631,436
Total net asset value	328,875,400	256,110,063	187,534,584	185,192,316	118,517,281
Net asset value per unit	15.7099	14.1403	12.1842	14.6000	13.2742

	Highest issue price HK\$	Lowest redemption price HK\$	* Net annualised investment return %
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 2024, 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

	<i>Fund expense ratio</i>	
	2024 %	2023 %
MPF Conservative Fund	0.87598	0.91464
Guaranteed Fund	3.24508	3.37451
Global Stable Fund	1.42291	1.51947
Global Growth Fund	1.42100	1.51986
Asian Bond Fund	1.49583	1.63940
Global Bond Fund	1.40505	1.55776
Global Equity Fund	1.46915	1.63973
Asian Pacific Equity Fund	1.54849	1.74510
European Equity Fund	1.49470	1.71262
Hong Kong Equities Fund	1.34092	1.48871
US Equity Fund	1.04762	1.08660
Greater China Equity Fund	1.40858	1.54653
Age 65 Plus Fund	0.80245	0.84822
Core Accumulation Fund	0.79883	0.83938

Investment report (continued)

5 Investment portfolio and statement of movements in portfolio holdings

5.1 MPF Conservative Fund

Quoted investment	2024		
	Holdings Units	Market value HK\$	% of net assets
Allianz Choice HK\$ Liquidity Fund #	42,029,302.2569	602,523,671	100.07
Total investment, at market value		602,523,671	100.07
Total investment, at cost		564,126,884	

Name of investment	2024			Holdings as at 31 December 2024 Units
	Holdings as at 1 January 2024 Units	Additions Units	Disposals Units	
Allianz Choice HK\$ Liquidity Fund #	39,618,842.8244	12,951,827.0489	10,541,367.6164	42,029,302.2569

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

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Mass MPF Guaranteed Policy	21,342,500.2177	216,695,514	100.00
Total investment, at market value		216,695,514	100.00
Total investment, at cost		230,067,565	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Mass MPF Guaranteed Policy	20,327,057.5250	3,511,100.6664	2,495,657.9737	21,342,500.2177

Investment report (continued)

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

5.3 Global Stable Fund

Quoted investment	2024		
	Holdings Units	Market value HK\$	% of net assets
Allianz Choice Stable Growth Fund #	10,543,928.3865	263,914,528	100.15
Total investment, at market value		263,914,528	100.15
Total investment, at cost		207,438,636	

Name of investment	2024			Holdings as at 31 December 2024 Units
	Holdings as at 1 January 2024 Units	Additions Units	Disposals Units	
Allianz Choice Stable Growth Fund #	11,057,240.1483	477,537.1306	990,848.8924	10,543,928.3865

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

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Allianz Choice Balanced Fund #	8,760,394.5855	419,535,297	100.15
Total investment, at market value		419,535,297	100.15
Total investment, at cost		298,037,890	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Allianz Choice Balanced Fund #	9,314,957.1499	531,009.4365	1,085,572.0009	8,760,394.5855

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 (continued)

<i>Quoted investment</i>	<i>Holdings Units</i>	<i>2024</i>	<i>% of net assets</i>
		<i>Market value HK\$</i>	
Principal Asian Bond Fund *	32,835,849.6313	329,520,885	100.21
Total investment, at market value		329,520,885	100.21
Total investment at cost		309,146,430	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Principal Asian Bond Fund*	35,531,716.0426	921,901.3863	3,617,767.7976	32,835,849.6313

* 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 (continued)

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Principal International Bond Fund *	6,552,540.2712	146,292,669	100.21
Total investment, at market value		146,292,669	100.21
Total investment, at cost		146,576,897	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Principal International Bond Fund *	5,687,126.0897	1,799,102.2498	933,688.0683	6,552,540.2712

* 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 (continued)

<i>Quoted investment</i>	<i>Holdings Units</i>	<i>2024</i>	<i>% of net assets</i>
		<i>Market value HK\$</i>	
Advanced Global Equity Fund *	14,077,833.7214	304,448,640	99.75
Total investment, at market value		304,448,640	99.75
Total investment, at cost		235,124,400	

<i>Name of investment</i>	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	<i>2024</i>
				<i>Holdings as at 31 December 2024 Units</i>
Advanced Global Equity Fund *	15,058,032.1054	609,553.9565	1,589,752.3405	14,077,833.7214

* 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 (continued)

<i>Quoted investment</i>	<i>Holdings Units</i>	<i>2024</i>	
		<i>Market value HK\$</i>	<i>% of net assets</i>
Smart Asian Equity Fund *	23,029,146.1806	263,605,425	99.49
Total investment, at market value		263,605,425	99.49
Total investment, at cost		237,037,447	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Smart Asian Equity Fund *	23,848,437.5645	1,623,910.0468	2,443,201.4307	23,029,146.1806

* 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 (continued)

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Principal European Equity Fund *	4,576,224.2609	112,068,528	100.21
Total investment, at market value		112,068,528	100.21
Total investment, at cost		105,983,270	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Principal European Equity Fund *	4,630,023.7364	1,793,714.5363	1,847,514.0118	4,576,224.2609

* 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

<i>Quoted investment</i>	<i>Holdings Units</i>	<i>2024</i>	
		<i>Market value HK\$</i>	<i>% of net assets</i>
Allianz Choice Hong Kong Fund #	7,674,877.3462	386,506,822	100.13
Total investment, at market value		386,506,822	100.13
Total investment, at cost		378,263,374	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Allianz Choice Hong Kong Fund #	7,973,944.8633	1,490,747.8885	1,789,815.4056	7,674,877.3462

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 (continued)

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Smart North American Equity Fund *	42,491,814.4666	962,630,811	99.59
Total investment, at market value		962,630,811	99.59
Total investment, at cost		691,390,144	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Smart North American Equity Fund *	46,949,771.9097	2,416,221.6658	6,874,179.1089	42,491,814.4666

* 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

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
JP Morgan SAR Greater China Fund *	2,556,356.8610	528,986,925	100.26
Total investment, at market value		528,986,925	100.26
Total investment, at cost		546,282,010	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
JP Morgan SAR Greater China Fund *	2,764,955.4750	150,010.7410	358,609.3550	2,556,356.8610

* 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

<i>Quoted investment</i>	<i>2024</i>		
	<i>Holdings Units</i>	<i>Market value HK\$</i>	<i>% of net assets</i>
Age 65 Plus Fund *	8,879,299.0180	109,282,861	100.10
Total investment, at market value		109,282,861	100.10
Total investment, at cost		104,725,433	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Age 65 Plus Fund *	7,406,413.0040	2,720,134.9290	1,247,248.9150	8,879,299.0180

* 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

<i>Quoted investment</i>	<i>Holdings Units</i>	<i>2024</i>	<i>% of net assets</i>
		<i>Market value HK\$</i>	
Core Accumulation Fund *	19,840,428.6120	329,162,631	100.09
Total investment, at market value		329,162,631	100.09
Total investment, at cost		268,762,276	

<i>Name of investment</i>	<i>2024</i>			<i>Holdings as at 31 December 2024 Units</i>
	<i>Holdings as at 1 January 2024 Units</i>	<i>Additions Units</i>	<i>Disposals Units</i>	
Core Accumulation Fund *	17,278,068.9520	3,678,693.2130	1,116,333.5530	19,840,428.6120

* 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.



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 90 to 133, which comprise the statement of net assets available for benefits as at 31 December 2024, 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 2024, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 860.1 (Revised), *The Audit of Retirement Schemes* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Scheme in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor's report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

Report on the Audit of the Financial Statements (continued)

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 HKFRSs issued by the HKICPA and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the Scheme's 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.

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 HKSAAs 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.

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)

As part of an audit in accordance with HKSA's, 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.
- 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.



Independent auditor's report (continued)

To the Trustee of Mass Mandatory Provident Fund Scheme

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.

Certified Public Accountants

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

30 June 2025



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 2024 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 unqualified auditor's report thereon dated 30 June 2025.

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.

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 PN 860.1 (Revised) issued by the HKICPA. We have planned and performed our work to obtain reasonable assurance on whether the Scheme has complied with the above requirements.

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

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

Opinion

Based on the foregoing:

1. in our opinion:
 - a. proper accounting and other records have been kept during the year ended 31 December 2024 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 2024, 30 September 2024 and 28 March 2024;
 - 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 2024, 30 September 2024 and 28 March 2024; 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 2024.
2. as at 31 December 2024, 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 2024 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

30 June 2025

Statement of comprehensive income for the year ended 31 December 2024 (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), 5(d)	552,573	-	-	-	-	-	-
Reimbursement from trustee	5(i)	-	-	69,006	116,544	-	-	-
Total income		22,177,950	6,121,842	16,529,518	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(e) to 5(h)	-	-	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	6,121,842	13,111,888	32,070,069	6,670,843	(5,659,814)	42,889,850

Statement of comprehensive income
for the year ended 31 December 2024 (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 \$	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), 5(d)	-	-	-	-	-	-	-	-	552,573
Reimbursement from trustee	5(i)	-	-	26,772	-	92,949	6,138	17,410	-	328,819
Total income		28,976,350	5,587,633	57,539,280	189,952,391	66,467,452	4,227,959	32,156,495	20,541	522,412,783
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(e) to 5(h)	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	52,783,862	181,330,761	59,770,249	3,608,647	30,307,811	19,031	470,872,890

Statement of comprehensive income
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

		2023						
	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		4,444,847	1,430,009	2,432,856	6,237,247	59,887,884	(12,107,388)	75,779,769
Net realised loss on derivative financial instruments		-	-	-	-	-	-	(229,561)
Net unrealised gain/(loss) on investments		16,091,793	6,183,430	12,594,827	18,498,757	(34,235,948)	18,880,140	(21,687,053)
Net unrealised loss on derivative financial instruments		-	-	-	-	-	-	(98,529)
Rebates and other income	5(c), 5(d)	539,455	-	-	-	550,095	159,565	390,487
Total income		21,076,095	7,613,439	15,027,683	24,736,004	26,202,031	6,932,317	54,155,113
Expenses								
Bank charges		-	-	-	-	-	-	2,518
Trustee fees	5(a)	3,309,548	-	2,415,902	3,857,293	3,397,691	1,100,732	2,553,542
Fund administration fees	5(b)	58,500	-	58,500	58,500	58,500	58,500	58,500
Investment management fee	5(e) to 5(h)	-	-	993,603	1,586,596	1,224,921	442,484	938,671
Auditor's remuneration		78,496	-	37,787	59,318	50,043	18,958	40,657
Other expenses		211,157	-	105,070	157,774	135,219	58,395	111,845
Total expenses		3,657,701	-	3,610,862	5,719,481	4,866,374	1,679,069	3,705,733
Increase/(decrease) in net assets attributable to members		17,418,394	7,613,439	11,416,821	19,016,523	21,335,657	5,253,248	50,449,380

Statement of comprehensive income
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

Note	2023								The Scheme
	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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Income									
Interest income	-	-	-	-	-	-	-	9,968	9,968
Net realised gain/(loss) on investments	19,365,939	13,216,473	226,948	(34,608,663)	(4,576,290)	(781,506)	1,063,785	-	132,011,910
Net realised loss on derivative financial instruments	-	-	-	(693,601)	-	-	-	-	(923,162)
Net unrealised gain/(loss) on investments	(7,213,510)	5,035,641	(68,578,571)	227,101,457	(43,319,388)	7,728,131	33,032,804	-	170,112,510
Net unrealised loss on derivative financial instruments	(49,110)	-	-	(370,081)	-	-	-	-	(517,720)
Rebates and other income	5(c), 5(d) 390,723	140,705	-	1,124,486	-	-	-	-	3,295,516
Total income	12,494,042	18,392,819	(68,351,623)	192,553,598	(47,895,678)	6,946,625	34,096,589	9,968	303,989,022
Expenses									
Bank charges	2,729	-	-	3,027	-	-	-	1,300	9,574
Trustee fees	5(a) 2,401,692	963,101	3,619,046	3,596,095	5,488,904	446,671	1,277,365	-	34,427,582
Fund administration fees	5(b) 58,500	58,500	58,500	58,500	58,500	-	-	-	643,500
Investment management fee	5(e) to 5(h) 657,608	359,517	1,486,119	2,171,140	2,177,418	-	-	-	12,038,077
Auditor's remuneration	35,534	15,629	50,123	127,124	72,298	13,914	40,953	-	640,834
Other expenses	99,526	50,789	137,041	321,673	192,195	43,296	102,683	-	1,726,663
Total expenses	3,255,589	1,447,536	5,350,829	6,277,559	7,989,315	503,881	1,421,001	1,300	49,486,230
Increase/(decrease) in net assets attributable to members	9,238,453	16,945,283	(73,702,452)	186,276,039	(55,884,993)	6,442,744	32,675,588	8,668	254,502,792

The notes on pages 109 to 133 form part of these financial statements.

Statement of net assets available for benefits as at 31 December 2024

(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	-	69,006	116,544	-	-	-	-
Cash at bank	-	-	-	-	-	-	1,710,342	1,554,235
Total assets	615,092,096	217,184,952	264,816,817	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	216,695,514	263,522,823	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 2024 (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	-	26,772	7,757,488	92,949	6,138	17,410	8,136,094	2,135,872	10,271,966
Cash at bank	-	-	2,042,288	-	-	-	5,306,865	62,135,888	67,442,753
Total assets	<u>112,772,986</u>	<u>389,955,917</u>	<u>977,393,844</u>	<u>530,634,847</u>	<u>110,906,907</u>	<u>334,847,061</u>	<u>5,023,543,950</u>	<u>70,328,955</u>	<u>5,093,872,905</u>
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)	<u>944,252</u>	<u>3,965,153</u>	<u>10,760,645</u>	<u>2,996,343</u>	<u>1,727,089</u>	<u>5,971,661</u>	<u>47,180,824</u>	<u>(6,933,216)</u>	<u>40,247,608</u>
Net assets attributable to members	111,828,734	385,990,764	966,633,199	527,638,504	109,179,818	328,875,400	4,976,363,126	77,262,171	5,053,625,297

Statement of net assets available for benefits as at 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

	2023							
	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	546,118,015	205,956,565	260,287,434	408,367,720	344,742,922	130,186,278	278,225,753	244,487,027
Contributions receivable								
- from employers	-	-	-	-	-	-	-	-
- from members	-	-	-	-	-	-	-	-
Transfers in receivable	-	-	-	-	-	-	-	-
Amounts receivable on subscriptions	9,730,386	1,136,176	391,179	418,089	158,844	584,417	842,958	363,795
Amounts receivable on sales of investments	1,111,685	468,070	21,471	351,669	144,425	183,744	-	-
Other receivables	45,812	-	-	-	-	-	1,402,354	1,000,512
Cash at bank	-	-	-	-	-	-	-	-
Total assets	557,005,898	207,560,811	260,700,084	409,137,478	345,046,191	130,954,439	280,471,065	245,851,334
Liabilities								
Derivative financial instruments	-	-	-	-	-	-	98,529	49,110
Benefits payable	-	-	-	-	-	-	-	-
Transfers out payable	-	-	-	-	-	-	-	-
Forfeitures payable	-	-	-	-	-	-	-	-
Amounts payable on redemptions	1,111,685	468,070	21,471	351,669	144,425	183,744	219,946	341,010
Amounts payable on purchases of investments	9,776,198	1,136,176	391,179	418,089	158,844	584,417	-	-
Other payables	473,385	-	546,751	854,987	844,276	304,136	667,608	521,492
Total liabilities (excluding net assets attributable to members)	11,361,268	1,604,246	959,401	1,624,745	1,147,545	1,072,297	986,083	911,612
Net assets attributable to members	545,644,630	205,956,565	259,740,683	407,512,733	343,898,646	129,882,142	279,484,982	244,939,722

Statement of net assets available for benefits as at 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

	2023								
	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	107,688,333	344,155,460	863,119,912	501,424,675	87,216,439	256,378,899	4,578,355,432	-	4,578,355,432
Contributions receivable									
- from employers	-	-	-	-	-	-	-	9,252,614	9,252,614
- from members	-	-	-	-	-	-	-	8,710,777	8,710,777
Transfers in receivable	-	-	-	-	-	-	-	13,804,647	13,804,647
Amounts receivable on subscriptions	833,425	1,967,705	5,619,514	1,387,988	1,019,351	972,565	25,426,392	(25,426,392)	-
Amounts receivable on sales of investments	32,470	3,337,332	-	296,492	99,800	197,244	6,244,402	-	6,244,402
Other receivables	-	-	-	-	-	-	45,812	4,523,459	4,569,271
Cash at bank	-	-	7,602,453	-	-	-	10,005,319	24,636,275	34,641,594
Total assets	108,554,228	349,460,497	876,341,879	503,109,155	88,335,590	257,548,708	4,620,077,357	35,501,380	4,655,578,737
Liabilities									
Derivative financial instruments	-	-	370,081	-	-	-	517,720	-	517,720
Benefits payable	-	-	-	-	-	-	-	6,689,662	6,689,662
Transfers out payable	-	-	-	-	-	-	-	3,112,356	3,112,356
Forfeitures payable	-	-	-	-	-	-	-	-	-
Amounts payable on redemptions	32,470	3,337,332	4,140,398	296,492	99,800	197,244	10,945,756	(10,945,756)	-
Amounts payable on purchases of investments	833,425	1,967,705	-	1,387,988	1,019,351	972,565	18,645,937	-	18,645,937
Other payables	260,516	736,836	1,420,000	1,100,126	99,790	268,836	8,098,739	2,811,179	10,909,918
Total liabilities (excluding net assets attributable to members)	1,126,411	6,041,873	5,930,479	2,784,606	1,218,941	1,438,645	38,208,152	1,667,441	39,875,593
Net assets attributable to members	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

Statement of net assets available for benefits as at 31 December 2024 (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	216,695,514	263,522,823	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	10.1135	22.3372	26.1954	26.2174	11.5148	40.6449

		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	385,990,764	966,633,199	527,638,504	109,179,818	328,875,400	
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	12.0615	40.0871	16.5029	11.6266	15.7099	

Statement of net assets available for benefits as at 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

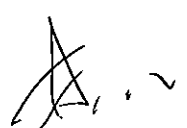

		2023						
	Note	MPF Conservative Fund \$	Guaranteed Fund \$	Global Stable Fund \$	Global Growth Fund \$	Asian Bond Fund \$	Global Bond Fund \$	Global Equity Fund \$
Representing:								
Net assets attributable to members		545,644,630	205,956,565	259,740,683	407,512,733	343,898,646	129,882,142	279,484,982
Total number of units in issue	6	47,651,711.5664	20,408,287.5951	12,210,561.6894	16,779,683.2043	13,373,961.2055	10,842,647.1381	7,918,886.8031
Net asset value per unit		11.4507	10.0918	21.2718	24.2861	25.7140	11.9788	35.2935

Statement of net assets available for benefits as at 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

Note	2023						
	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 \$
<i>Representing:</i>							
Net assets attributable to members	244,939,722	107,427,817	343,418,624	870,411,400	500,324,549	87,116,649	256,110,063
Total number of units in issue	6 17,269,504.6125	8,110,786.7781	32,954,976.9385	26,440,781.6595	34,212,909.2518	7,780,362.5381	18,112,130.8980
Net asset value per unit	14.1834	13.2451	10.4208	32.9193	14.6239	11.1970	14.1403

Approved and authorised for issue by the Trustee on **30 JUN 2025**



)
)
) For and on behalf of
) YF Life Trustees Limited
)
)

The notes on pages 109 to 133 form part of these financial statements.

Statement of changes in net assets attributable to members
- Master trust scheme
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024 \$	2023 \$
Net assets attributable to members brought forward	<u>4,615,703,144</u>	<u>4,245,285,109</u>
Contributions received and receivable from employers		
From employers		
- Mandatory	109,646,619	101,333,455
- Additional voluntary	26,550,300	29,379,488
From members		
- Mandatory	117,194,884	116,335,087
- Additional voluntary	18,342,505	19,319,000
Contribution surcharge received and receivable	230,493	645,964
Transfers in		
Group transfers in from other schemes	46,015,881	36,293,916
Individual transfers in from other schemes	<u>173,093,199</u>	<u>211,423,872</u>
	<u>491,073,881</u>	<u>514,730,782</u>

Statement of changes in net assets attributable to members
- Master trust scheme
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

	2024 \$	2023 \$
Benefits paid and payable		
Retirement	109,282,042	56,745,703
Early retirement	29,995,698	19,072,490
Death	10,433,276	4,598,323
Permanent departure	22,096,113	30,703,166
Total incapacity	3,659,871	1,847,797
Refund of additional voluntary contributions to leavers	10,986,682	11,738,249
Terminal illness	792,139	871,197
Transfers out		
Group transfers out to other schemes	44,121,256	31,071,128
Individual transfers out to other schemes	269,758,318	210,678,946
Forfeitures	1,783,609	10,791,880
Withdrawal of additional voluntary contributions	10,439,953	8,836,109
Long services payments	10,675,661	11,860,551
	<u>524,024,618</u>	<u>398,815,539</u>
Increase in the net assets attributable to members for the year	<u>470,872,890</u>	<u>254,502,792</u>
Net assets attributable to members carried forward	<u>5,053,625,297</u>	<u>4,615,703,144</u>

The notes on pages 109 to 133 form part of these financial statements.

Cash flow statement - Master trust scheme for the year ended 31 December 2024 (Expressed in Hong Kong dollars)

	2024 \$	2023 \$
Operating activities		
Increase in net assets attributable to members	470,872,890	254,502,792
Adjustments for:		
Interest income	(20,541)	(9,968)
Net gain on investments	(522,353,542)	(302,124,420)
Net loss on derivative financial instruments	842,692	1,440,882
Net changes in working capital:		
Decrease/(increase) in other receivables	(5,702,695)	5,610,409
Increase in other payables	4,088,164	2,001,742
Payment for purchases of investments	(1,474,104,445)	(1,168,485,396)
Proceeds from sales of investments	1,601,117,858	1,108,086,406
Net proceeds of derivative financial instruments	(1,020,661)	(923,162)
Net cash generated from/(used in) operating activities	73,719,720	(99,900,715)
Investing activity		
Interest received	20,541	9,968
Net cash generated from investing activity	20,541	9,968
Financing activities		
Contributions and transfers in received	489,875,498	512,686,294
Benefits, transfers out, forfeitures, long service payments and initial charges paid	(530,814,600)	(395,018,226)
Net cash (used in)/generated from financing activities	(40,939,102)	117,668,068

Cash flow statement - Master trust scheme for the year ended 31 December 2024 (continued)

(Expressed in Hong Kong dollars)

	2024 \$	2023 \$
Net increase in cash and cash equivalents	32,801,159	17,777,321
Cash and cash equivalents at 1 January	<u>34,641,594</u>	<u>16,864,273</u>
Cash and cash equivalents at 31 December	<u>67,442,753</u>	<u>34,641,594</u>
Analysis of balance of cash and cash equivalents:		
Cash at bank	<u>67,442,753</u>	<u>34,641,594</u>

The notes on pages 109 to 133 form part of these financial statements.

Statement of changes in net assets attributable to members - Constituent funds
for the year ended 31 December 2024
(Expressed in Hong Kong dollars)

	2024						
	<i>MPF Conservative Fund</i> \$	<i>Guaranteed Fund</i> \$	<i>Global Stable Fund</i> \$	<i>Global Growth Fund</i> \$	<i>Asian Bond Fund</i> \$	<i>Global Bond Fund</i> \$	<i>Global Equity Fund</i> \$
Net assets attributable to members brought forward	<u>545,644,630</u>	<u>205,956,565</u>	<u>259,740,683</u>	<u>407,512,733</u>	<u>343,898,646</u>	<u>129,882,142</u>	<u>279,484,982</u>
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	<u>(359,377,208)</u>	<u>(57,229,311)</u>	<u>(34,607,445)</u>	<u>(71,380,488)</u>	<u>(47,068,365)</u>	<u>(47,343,674)</u>	<u>(63,219,519)</u>
	<u>37,839,696</u>	<u>4,617,107</u>	<u>(9,329,748)</u>	<u>(20,660,796)</u>	<u>(21,730,308)</u>	<u>21,762,960</u>	<u>(17,162,673)</u>
Increase/(decrease) in net assets attributable to members for the year	<u>18,590,608</u>	<u>6,121,842</u>	<u>13,111,888</u>	<u>32,070,069</u>	<u>6,670,843</u>	<u>(5,659,814)</u>	<u>42,889,850</u>
Net assets attributable to members carried forward	<u>602,074,934</u>	<u>216,695,514</u>	<u>263,522,823</u>	<u>418,922,006</u>	<u>328,839,181</u>	<u>145,985,288</u>	<u>305,212,159</u>

Statement of changes in net assets attributable to members - Constituent funds
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

	S									
	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	52,783,862	181,330,761	59,770,249	3,608,647	30,307,811	470,853,859	19,031	470,872,890
Net assets attributable to members carried forward	264,964,802	111,828,734	385,990,764	966,633,199	527,638,504	109,179,818	328,875,400	4,976,363,126	77,262,171	5,053,625,297

Statement of changes in net assets attributable to members - Constituent funds
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

	2023						
	<i>MPF Conservative Fund \$</i>	<i>Guaranteed Fund \$</i>	<i>Global Stable Fund \$</i>	<i>Global Growth Fund \$</i>	<i>Asian Bond Fund \$</i>	<i>Global Bond Fund \$</i>	<i>Global Equity Fund \$</i>
Net assets attributable to members brought forward	551,181,290	184,381,735	247,292,639	397,480,197	330,772,032	115,609,123	231,142,181
Proceeds on units issued	306,414,366	58,350,835	27,161,572	35,892,476	31,644,235	32,652,637	31,838,060
Payments on units redeemed	(329,369,420)	(44,389,444)	(26,130,349)	(44,876,463)	(39,853,278)	(23,632,866)	(33,944,639)
	(22,955,054)	13,961,391	1,031,223	(8,983,987)	(8,209,043)	9,019,771	(2,106,579)
Increase/(decrease) in net assets attributable to members for the year	17,418,394	7,613,439	11,416,821	19,016,523	21,335,657	5,253,248	50,449,380
Net assets attributable to members carried forward	545,644,630	205,956,565	259,740,683	407,512,733	343,898,646	129,882,142	279,484,982

Statement of changes in net assets attributable to members - Constituent funds
for the year ended 31 December 2024 (continued)
(Expressed in Hong Kong dollars)

	2023									
	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	Total
Net assets attributable to members brought forward	231,734,135	77,989,001	392,977,343	646,452,308	547,258,417	71,267,542	187,534,584	4,213,072,527	32,212,582	4,245,285,109
Proceeds on units issued	36,405,154	34,641,789	143,790,308	244,873,643	122,758,855	34,550,425	84,300,576	1,225,274,931	(710,544,149)	514,730,782
Payments on units redeemed	(32,438,020)	(22,148,256)	(119,646,575)	(207,190,590)	(113,807,730)	(25,144,062)	(48,400,685)	(1,110,972,377)	712,156,838	(398,815,539)
	3,967,134	12,493,533	24,143,733	37,683,053	8,951,125	9,406,363	35,899,891	114,302,554	1,612,689	115,915,243
Increase/(decrease) in net assets attributable to members for the year	9,238,453	16,945,283	(73,702,452)	186,276,039	(55,884,993)	6,442,744	32,675,588	254,494,124	8,668	254,502,792
Net assets attributable to members carried 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

The notes on pages 109 to 133 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 and 26 June 2024 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 2024:

- MPF Conservative Fund
- Guaranteed Fund
- Global Stable Fund
- Global Growth Fund
- Asian Bond Fund (previously known as Asian Balanced 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 Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and 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.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Scheme. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Scheme for the current and prior accounting periods reflected in these financial statements.

(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 HKFRSs 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 Summary of 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 Summary of 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 HKFRSs that are first effective for the current accounting period of the Scheme.

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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 0.47% to 1.00% during the period from 1 January 2024 to 25 September 2024, and an annual rate of 0.0295% to 0.14% during the period from 26 September 2024 to 31 December 2024 (2023: 0.47% to 1.00%) of the net asset value of the respective constituent funds. During the year, the Trustee received \$28,334,829 (2023: \$34,427,582) trustee fees, of which is nil (2023: 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 (2023: \$643,500) fund administration fees, of which nil (2023: 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 \$552,573 (2023: \$539,455), 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 \$4,124,035 (2023: \$4,066,318), 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 \$2,045,959 (2023: \$2,177,418), 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 \$6,240,825 (2023: \$3,767,419), 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 \$3,068,289 (2023: \$2,026,922), 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 2024, 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 \$328,819 (2023: Nil).

6 Units in issue

	Balance at 1 January 2024	Issued during the year	Redeemed during the year	Balance at 31 December 2024
MPF Conservative Fund	47,651,711.5664	34,034,014.9463	30,830,885.7400	50,854,840.7727
Guaranteed Fund	20,408,287.5951	6,098,536.5517	5,080,360.0633	21,426,464.0835
Global Stable Fund	12,210,561.6894	1,155,715.4103	1,568,815.1620	11,797,461.9377
Global Growth Fund	16,779,683.2043	1,993,380.8073	2,780,884.3170	15,992,179.6946
Asian Balanced Fund	13,373,961.2055	975,427.4867	1,806,623.7660	12,542,764.9262
Global Bond Fund	10,842,647.1381	5,821,303.3032	3,985,843.7481	12,678,106.6932
Global Equity Fund	7,918,886.8031	1,219,891.5777	1,629,541.4421	7,509,236.9387
Asian Pacific Equity Fund	17,269,504.6125	3,463,344.9274	3,809,373.0536	16,923,476.4863
European Equity Fund	8,110,786.7781	4,448,629.6617	4,453,550.7754	8,105,865.6644
Hong Kong Equities Fund	32,954,976.9385	14,281,001.9647	15,234,163.0580	32,001,815.8452
US Equity Fund	26,440,781.6595	8,823,471.8608	11,150,933.6524	24,113,319.8679
Greater China Equity Fund	34,212,909.2518	5,464,398.3667	7,704,780.9183	31,972,526.7002
Age 65 Plus Fund	7,780,362.5381	4,429,309.7700	2,819,174.2244	9,390,498.0837
Core Accumulation Fund	18,112,130.8980	7,105,627.0636	4,283,503.5636	20,934,254.3980

7 Soft commission arrangements

During the year ended 31 December 2024, 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 (2023: 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 2024 (2023: 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 2024 is \$3,587,342 (2023: \$3,657,701).

9 Bank loans and other borrowings

The Scheme had no bank loans or other borrowings as at 31 December 2024 (2023: Nil).

10 Commitments

The Scheme had no commitments as at 31 December 2024 (2023: Nil).

11 Contingent liabilities

The Scheme had no contingent liabilities as at 31 December 2024 (2023: Nil).

12 Negotiability of assets

At 31 December 2024, there was no statutory or contractual requirement restricting the negotiability of the assets of the Scheme (2023: 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, Franklin Templeton Investments (Asia) Limited, JP Morgan Asset Management (Asia Pacific) Limited and 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% (2023: 10%) increase in the underlying fund price of the constituent funds under the Scheme at 31 December 2024 would have increased the respective net profit and net asset value by the following amounts:

<i>Name of the constituent fund</i>	<i>2024 Increase in net income/ net asset value \$</i>	<i>2023 Increase in net income/ net asset value \$</i>
MPF Conservative Fund	60,252,367	54,611,802
Guaranteed Fund	21,669,551	20,595,656
Global Stable Fund	26,391,453	26,028,743
Global Growth Fund	41,953,530	40,836,772
Asian Bond Fund	32,952,089	34,474,292
Global Bond Fund	14,629,267	13,018,628
Global Equity Fund	30,444,864	27,822,575
Asian Pacific Equity Fund	26,360,542	24,448,703
European Equity Fund	11,206,853	10,768,833
Hong Kong Equities Fund	38,650,682	34,415,546
US Equity Fund	96,263,081	86,311,991
Greater China Equity Fund	52,898,693	50,142,468
Age 65 Plus Fund	10,928,286	8,721,644
Core Accumulation Fund	32,916,263	25,637,890
	<u>497,517,521</u>	<u>457,835,543</u>

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 2024, 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 \$533,454 (2023: \$317,475).

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 2023.

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:

	2024	2023
MPF Conservative Fund		
- Hong Kong dollars	100%	100%
Guaranteed Fund		
- Hong Kong dollars	41%	37%
- United States dollars	29%	31%
- Euro	13%	14%
- Japanese Yen	8%	10%
- Others	9%	8%
Global Stable Fund		
- Hong Kong dollars	37%	35%
- United States dollars	31%	31%
- Euro	13%	14%
- Japanese Yen	10%	11%
- Others	9%	9%
Global Growth Fund		
- Hong Kong dollars	38%	35%
- United States dollars	31%	31%
- Euro	11%	13%
- Japanese Yen	11%	12%
- Others	9%	9%
Asian Bond Fund		
- United States dollars	67%	67%
- Hong Kong dollars	33%	33%
Global Bond Fund		
- Hong Kong dollars	33%	33%
- Japanese Yen	9%	12%
- Euro	8%	20%
- United States dollars	22%	15%
- Others	28%	20%

13 Financial risk management (continued)

	2024	2023
Global Equity Fund		
- Hong Kong dollars	34%	33%
- United States dollars	37%	33%
- Euro	8%	9%
- Great British Pound	-	4%
- Japanese Yen	5%	6%
- Korean Won	-	2%
- Swiss Franc	-	3%
- Others	16%	10%
Asian Pacific Equity Fund		
- Hong Kong dollars	36%	32%
- Korean Won	9%	13%
- Thai Baht	2%	2%
- Singapore dollars	1%	1%
- New Taiwanese dollars	16%	15%
- Indian Rupee	21%	19%
- United States dollars	7%	7%
- Renminbi	3%	5%
- Others	5%	6%
European Equity Fund		
- Hong Kong dollars	34%	35%
- Euro	35%	32%
- United States dollars	4%	-
- Great British Pound	20%	19%
- Swiss Franc	3%	4%
- Others	4%	10%
Hong Kong Equities Fund		
- Hong Kong dollars	93%	94%
- United States dollars	1%	-
- Others	6%	6%
US Equity Fund		
- United States dollars	63%	63%
- Hong Kong dollars	33%	33%
- Others	4%	4%
Greater China Equity Fund		
- Hong Kong dollars	48%	44%
- United States dollars	5%	-
- Others	47%	56%

13 Financial risk management (continued)

	2024	2023
Age 65 Plus Fund		
- Hong Kong dollars	79%	78%
- United States dollars	14%	14%
- Euro	2%	2%
- Japanese Yen	1%	1%
- Others	4%	5%
Core Accumulation Fund		
- Hong Kong dollars	41%	40%
- United States dollars	40%	40%
- Euro	5%	5%
- Japanese Yen	4%	4%
- Others	10%	11%

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.

(Expressed in HKD)	2024		2023	
	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
Australian dollars	10% (10%)	- -	10% (10%)	- -
Euros	10% (10%)	19,818 (19,818)	10% (10%)	22,072 (22,072)
Great British Pounds	10% (10%)	2,281 (2,281)	10% (10%)	3,159 (3,159)
Indian Rupee	20% (20%)	10,874 (10,874)	20% (20%)	9,308 (9,308)

13 Financial risk management (continued)

(Expressed in HKD)	2024		2023	
	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
Japanese Yen	10% (10%)	13,134 (13,134)	10% (10%)	14,195 (14,195)
Korean Won	5% (5%)	1,196 (1,196)	5% (5%)	1,872 (1,872)
New Taiwanese dollars	5% (5%)	2,174 (2,174)	5% (5%)	1,837 (1,837)
Singapore dollars	10% (10%)	233 (233)	10% (10%)	245 (245)
Swiss Franc	20% (20%)	577 (577)	20% (20%)	2,493 (2,493)
Thai Baht	10% (10%)	541 (541)	10% (10%)	490 (490)
Philippine Peso	10% (10%)	185 (185)	- -	- -
Malaysian Ringgit	10% (10%)	562 (562)	- -	- -
Indonesian Rupiah	10% (10%)	458 (458)	- -	- -
Others	10% (10%)	53,286 (53,286)	10% (10%)	52,734 (52,734)

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 2023.

(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 APIF's Investment Manager has 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 APIF's 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 Manager disposes it as soon as practical.

As at 31 December 2024, the Scheme net assets amounted to \$5,053,625,297 (2023: \$4,615,703,144) and the investment in APIFs amounted to \$4,975,175,207 (2023: \$4,578,355,432).

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 2024

	Level 1	Level 2	Level 3	Total
<i>Financial assets – Investment fund</i>				
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
<i>Financial assets – Derivative financial instruments</i>				
Asian Pacific Equity Fund	-	518,390	-	518,390
<i>Financial liabilities – Derivative financial instruments</i>				
Global Equity Fund	-	194,034	-	194,034
US Equity Fund	-	664,107	-	664,107

13 Financial risk management (continued)

At 31 December 2023

	Level 1	Level 2	Level 3	Total
<i>Financial assets – Investment fund</i>				
MPF Conservative Fund	546,118,015	-	-	546,118,015
Guaranteed Fund	205,956,565	-	-	205,956,565
Global Stable Fund	260,287,434	-	-	260,287,434
Global Growth Fund	408,367,720	-	-	408,367,720
Asian Bond Fund	-	344,742,922	-	344,742,922
Global Bond Fund	-	130,186,278	-	130,186,278
Global Equity Fund	-	278,225,753	-	278,225,753
Asian Pacific Equity Fund	-	244,487,027	-	244,487,027
European Equity Fund	-	107,688,333	-	107,688,333
Hong Kong Equities Fund	344,155,460	-	-	344,155,460
US Equity Fund	-	863,119,912	-	863,119,912
Greater China Equity Fund	501,424,675	-	-	501,424,675
Age 65 Plus Fund	-	87,216,439	-	87,216,439
Core Accumulation Fund	-	256,378,899	-	256,378,899
<i>Financial liabilities – Derivative financial instruments</i>				
Global Equity Fund	-	98,529	-	98,529
Asian Pacific Equity Fund	-	49,110	-	49,110
US Equity Fund	-	370,081	-	370,081

There were no transfers between Level 1 and Level 2 during the year (2023: 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 HKFRSs.

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 2024 and 2023.

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.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the Scheme</i>
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 2024

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

As at 31 December 2023

<i>Structured entity</i>	<i>Number of investee funds</i>	<i>Total net assets</i> \$	<i>Carrying amount included in investment</i> \$
Unlisted open-ended investment funds	14	52,801,778,078	4,578,355,432

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 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	<u>557,376</u>	<u>1,687,071</u>
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	<u>61,936</u>	<u>161,613</u>
Total payments	<u>619,312</u>	<u>1,848,684</u>
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds *	<u>0.06%</u>	<u>0.05%</u>

* 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.

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 2023

	Age 65 Plus Fund \$	Core Accumulation Fund \$
Payments for services		
- Trustee fees	446,671	1,277,365
Total payments for services	446,671	1,277,365
Out-of-pocket expenses		
- Auditor's remuneration	13,914	40,953
- Printing and postage	16,146	47,522
- Insurance	14,502	42,513
- Price listing	12,648	12,648
Total out-of-pocket expenses	57,210	143,636
Total payments	503,881	1,421,001
Out-of-pocket expenses expressed as a percentage of net asset value of the DIS constituent funds *	0.07%	0.07%

* 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 2023.

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 for the period from 26 September 2024 (the material day, as appointed under section 19ZE(1)(b) of MPFSO, specified in the Mandatory Provident Fund Schemes (Appointment of Dates for Purposes of Section 19Y(3)) Notice) to 31 December 2024, as set out in the below table.

No comparative information had been presented as the related requirements were not effective during the comparative period ended 31 December 2023.

17 Fund expense ratio (continued)

	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	1.00854
US Equity Fund	1.09499	1.04750
Greater China Equity Fund	1.00482	1.06949
Age 65 Plus Fund	0.77647	0.79802
Core Accumulation Fund	0.77454	0.79471

18 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2024

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 2024 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 HKAS 21, <i>The effects of changes in foreign exchange rates: Lack of exchangeability</i>	1 January 2025
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRSs – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027

The Trustee 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.

MASS Mandatory Provident Fund Scheme

GOVERNANCE REPORT

For The Year
Ended 31 December 2024

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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. The Board consists of five directors with diverse knowledge, experience and expertise. The Board aims to ensure that at least one-third of members are INEDs. YFT has established policies and procedures to review the number of INEDs. Currently, two directors serve as INEDs 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 2024

	Assessment criteria	Assessment results	Follow up actions / plans
1	Fund performance	Refer to Table 2 below	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 closely monitor the funds' performance and provide advice on follow up actions where necessary.

2	Fee level	Refer to Table 5 below	On-going review - The FER has improved compared to the previous year
3	Services to scheme members	Remain competitive	On-going review
4	Range of Funds	Satisfactory – appropriate fund range of 14 CFs covering different fund types and investment policies and objectives to suit our scheme members	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 2024 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 an annual due diligence questionnaire and ESG questionnaire.

The Guaranteed fund, which is managed by Allianz, performed beyond our tolerance level during the 1st, 2nd and 4th quarter of 2024. YFT has held performance review meeting with Allianz in order to understand more on their investment strategy. We will put the fund under close monitoring and are looking forward to its improvement.

The Greater China Equity Fund, which is managed by JPMorgan, performed beyond our tolerance level during the 1st to 4th quarter of 2024. YFT has also queried JPMorgan on such performance. We have conducted a fund review exercise, including potential market replacement for the fund, and we will also put the fund under close monitoring and are looking forward to its improvement.

Table 2 - Assessment on Fund Performance as of 31 December 2024

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%)]	3.83%	3.30%	1.04%	0.53%	N/A (Less than 10 years)		1.96%	1.81%
Asian Pacific Equity Fund [FTSE MPF Asia Pacific ex Japan ex Australia ex New Zealand Index]	10.38%	12.12%	-1.46%	3.52%	0.70%	4.98%	2.55%	5.35%

Asian Bond Fund [ICE BofA Asian Dollar Investment Grade Index]	1.95%	3.07%	*N/A (*Restructured since 17 Apr 2023)		*N/A (*Restructured since 17 Apr 2023)		4.52%	4.64%
MPF Conservative Fund [MPFA's prescribed savings rate]	3.39%	0.77%	1.48%	0.32%	0.91%	0.18%	0.70%	0.43%
Core Accumulation Fund [FTSE MPF All-World Index (60%), FTSE MPF WGBI (37%) and MPFA's prescribed savings rate (3%)]	11.09%	9.54%	5.89%	5.09%	N/A (Less than 10 years)		6.00%	5.82%
European Equity Fund [FTSE MPF European Index]	4.15%	4.64%	2.70%	6.63%	4.16%	6.57%	1.82%	4.33%
Greater China Equity Fund [FTSE MPF Greater China (Total Net) Index]	12.78%	20.50%	0.28%	1.70%	4.17%	4.90%	3.73%	4.30%
Global Bond Fund [BBG Global Agg x Securitized TR Index Value Unhedged USD]	-3.88%	-2.61%	-3.43%	-2.20%	-2.31%	0.09%	0.65%	2.54%
Global Equity Fund [FTSE MPF All World Index]	15.15%	17.07%	7.50%	10.30%	5.51%	9.52%	6.65%	9.60%
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%)]	7.82%	9.25%	2.65%	3.06%	3.15%	4.70%	4.08%	5.71%
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%)]	4.97%	6.09%	1.24%	1.60%	2.10%	3.44%	3.39%	5.04%
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%)]	0.20%	3.08%	-1.87%	0.23%	-0.83%	2.13%	0.06%	3.41%
Hong Kong Equities Fund [FTSE MPF Hong Kong Index]	15.69%	19.72%	-1.92%	-3.26%	0.50%	1.62%	1.06%	3.18%

US Equity Fund [FTSE MPF North America Index]	21.77%	23.50%	10.33%	13.80%	10.67%	12.28%	8.12%	9.70%
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*To broaden the Scheme's fund choices, the Asian Balanced Fund was restructured to Asian Bond Fund with effect from 17 April 2023.

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

Name of CF	Underlying investment fund	IM	Follow-up actions / plans
MPF Conservative Fund	Allianz Choice HK\$ Liquidity Fund (under Allianz Global Investors Choice Fund)	Allianz Global Investors Asia Pacific Limited	IM to provide explanation and analysis. Continue to monitor in view of early signs of performance slippage
Guaranteed Fund	Allianz Choice Capital Stable Fund (under Allianz Global Investors Choice Fund) via Approved Pooled Investment Funds ("APIF") Policy		IM to provide explanation and analysis. Explanation was received from IM on 28 May 2024. Continue to monitor in view of early signs of performance slippage
Greater China Equity Fund	JPMorgan SAR Greater China Fund (Single APIF)	JPMorgan Asset Management (Asia Pacific) Limited	IM to provide explanation and analysis. Review meeting was arranged with IM on 12 Jun 2024 and 27 Sep 2024. Continue to monitor in view of early signs of performance slippage

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 2024	Sep 2024
MPF Conservative Fund		Allianz Choice HK\$ Liquidity Fund (under Allianz Global Investors Choice Fund)	Jan 2024	Sep 2024
Guaranteed Fund		Allianz Choice Capital Stable Fund (under Allianz Global Investors Choice Fund) Through APIF Policy	Jan 2024	Sep 2024
Global Stable Fund		Allianz Choice Stable Growth Fund (under Allianz Global Investors Choice Fund)	Jan 2024	Sep 2024
Global Growth Fund		Allianz Choice Balanced Fund (under Allianz Global Investors Choice Fund)	Jan 2024	Sep 2024
Greater China Equity Fund	JPMorgan Asset Management (Asia Pacific) Limited	JPMorgan SAR Greater China Fund (Single APIF)	Jan 2024	Sep 2024
Age 65 Plus Fund	Invesco Hong Kong Limited	Age 65 Plus Fund (under Invesco Pooled Investment Fund)	Jan 2024	Sep 2024
Core Accumulation Fund		Core Accumulation Fund (under Invesco Pooled Investment Fund)	Jan 2024	Sep 2024

European Equity Fund	Principal Asset Management Company (Asia) Limited	Principal European Equity Fund (under Principal Life Style Fund)	Jan 2024	Sep 2024
Asian Bond Fund		Principal Asian Bond Fund (under Principal Unit Trust Umbrella Fund)	Jan 2024	Sep 2024
Global Bond Fund		Principal International Bond Fund (under Principal Unit Trust Umbrella Fund)	Jan 2024	Sep 2024
US Equity Fund	Schroder Investment Management (Hong Kong) Limited	Smart North American Equity Fund (under Bonitas Pooled Investment Fund Series)	Jan 2024	Sep 2024
Asian Pacific Equity Fund		Smart Asian Equity Fund (under Bonitas Pooled Investment Fund Series)	Jan 2024	Sep 2024
Global Equity Fund		Advanced Global Equity Fund (under Schroder Institutional Pooled Funds)	Jan 2024	Sep 2024

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 sponsor or promotor of a scheme 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 2024

Name of CF	Launch date	Net asset value - 31 Dec 2024 (HK\$)	FER (expressed as a percentage per annum)	Fund category	Industry average FER*	FER as of 31 Dec 2023	FER Comparison: 2023 vs 2024
Age 65 Plus Fund	04/03/2017	109,179,818	0.80%	Mixed Asset Fund	0.77%	0.85%	Improved in 2024
Asian Pacific Equity Fund	03/19/2007	264,964,802	1.55%	Equity Fund	1.48%	1.75%	Improved in 2024
Asian Bond Fund	03/17/2003	328,839,181	1.50%	Bond Fund	1.23%	1.64%	Improved in 2024
MPF Conservative Fund	12/01/2000	602,074,934	0.88%	MMF - MPF Conservative Fund	0.98%	0.91%	Improved in 2024
Core Accumulation Fund	04/03/2017	328,875,400	0.80%	Mixed Asset Fund	0.77%	0.84%	Improved in 2024
European Equity Fund	03/19/2007	111,828,734	1.49%	Equity Fund	1.48%	1.71%	Improved in 2024
Greater China Equity Fund	12/31/2014	527,638,504	1.41%	Equity Fund	1.48%	1.55%	Improved in 2024
Global Bond Fund	03/17/2003	145,985,288	1.41%	Bond Fund	1.23%	1.56%	Improved in 2024
Global Equity Fund	03/17/2003	305,212,159	1.47%	Equity Fund	1.48%	1.64%	Improved in 2024
Global Growth Fund	12/01/2000	418,922,006	1.42%	Mixed Asset Fund	1.32%	1.52%	Improved in 2024

Global Stable Fund	12/01/2000	263,522,823	1.42%	Mixed Asset Fund	1.32%	1.52%	Improved in 2024
Guaranteed Fund	01/20/2006	216,695,514	3.25%	Guaranteed Fund	1.81%	3.37%	Improved in 2024
Hong Kong Equities Fund	03/19/2007	385,990,764	1.34%	Equity Fund	1.48%	1.49%	Improved in 2024
US Equity Fund	03/19/2007	966,633,199	1.05%	Equity Fund	1.48%	1.09%	Improved in 2024

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

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 considered that the economic environment for the year ended 31 December 2024 remained challenging for all IMs. 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 2024 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 ESG 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 UNPRI¹ 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 being a responsible investor and its ESG investing practices are fully aligned to Invesco's purpose of helping people get more out of life.

Invesco is a strong advocate of responsible investing practices for its clients. They're an active member and supporter of several external organizations as well as participants in various advocacy groups such as:

- PRI Investor Signatory with A or A+ ratings across all categories in 2020
- Supporter and discloser of Task Force for Climate Related Disclosure
- Leader and participant in Climate Action 100+

Invesco integrates ESG practices into their investment processes, tailoring their approach for each asset class, and working with the companies in which they invest. As such assessments of the following core ESG aspects are part of a holistic consideration of the risk and opportunity.

- Materiality
- ESG momentum
- Engagement

Engaging with companies Invesco invests in on behalf of their clients is integral to its investment process. This helps manage risk, enhance returns and deliver better outcomes for clients. It also enriches their understanding of unfolding challenges and opportunities.

Source: <https://www.invesco.com/apac/en/institutional/who-we-are/esg.html>

**J.P. Morgan Asset
Management (Asia Pacific)
Limited**

J.P. Morgan Asset Management defines ESG integration as the systematic inclusion of financially material ESG factors (including sustainability risks) as additional inputs into investment analysis and investment decision-making, where possible and appropriate. ESG factors encompass a wide range of issues including (but not limited to) climate risk, natural resource use, human capital management, diversity, business conduct, governance practices, shareholder rights and executive compensation, as they can impact negatively the value of an investment.

J.P. Morgan Asset Management considers financially material ESG factors when assessing an investee company's performance. ESG integration is used to support mitigating risk and can unlock opportunities in an investment portfolio. By considering financially material ESG factors, they believe that ESG integration can inform better long-term investment decision making and can help build stronger portfolios for clients.

Active ownership is a key component of both standard investment processes and a commitment to ESG integration. It is used to not only to understand how companies and issuers consider issues related to ESG but also to try to influence their behavior and encourage best practices, for the purpose of enhancing returns for their clients.

Engagement is defined as active interaction with investee companies or issuers, exercising its professional investment voice as a long-term investor through industry participation and proxy voting. Active ownership in the context of ESG integration allows it to manage ESG risks and to systematically incorporate insights gained from engagement into investment decisions.

Source: <https://am.jpmorgan.com/content/dam/jpm-am-aem/global/en/sustainable-investing/esg-integration-approach.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 December 2023, the team comprises over 50 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 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 ESG related risks. Principal Global Investor LLC ("PGI") 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. The latest PRI Assessment Report can be found here [GetFile \(principal.com\)](#). PGI believes ESG integration can foster stronger relationships with investors and communities by aligning with their values, improving security analysis potential by providing a holistic view of factors driving risk and return, and potentially aiding investment outcomes by considering climate, regulatory, and environmental factors within client portfolios.

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

**Principal Asset
Management Company
(Asia) Limited**

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 30/06/2025.