MPF Average Disparity Index

4th Quarter 2024

Sun Life 永明金融

Trump Policies to Affect Sector Performances

What is MPF Average Disparity Index?

MPF Average Disparity Index (the "Index") is the average return difference in percentage between the top performing fund and the bottom performing fund of each of the following 18 categories (as shown in the diagram below) in last quarter. The larger the index value, the bigger the average return difference between the top performing fund and the bottom performing fund of each category.

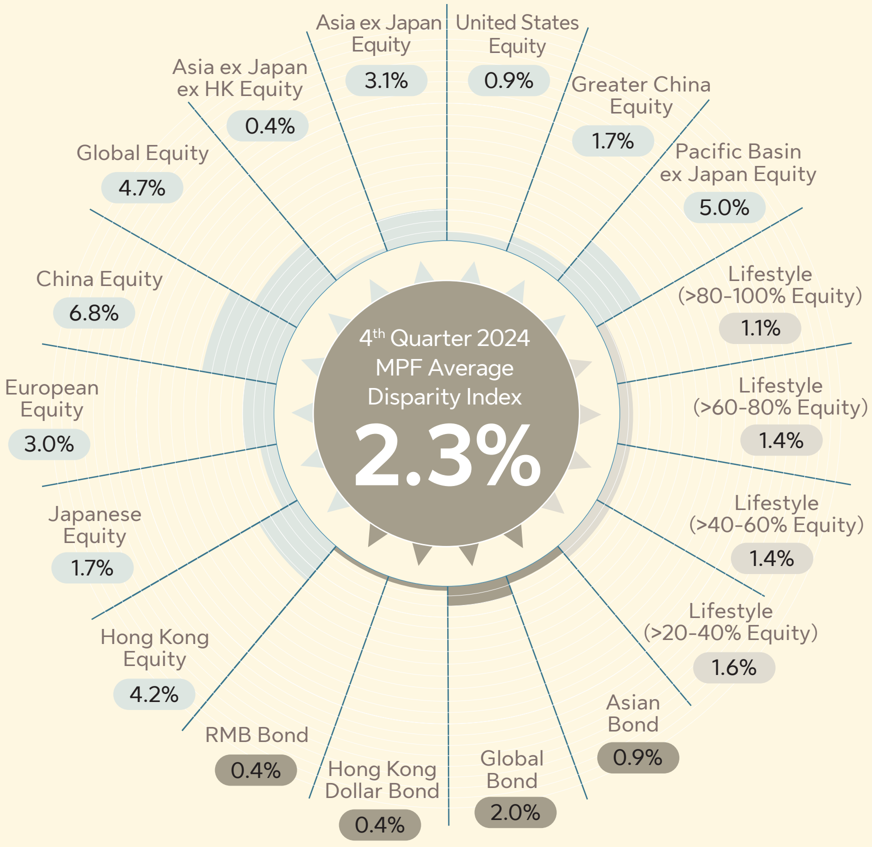
In addition, with the following 18 MPF Disparity Sub-indices by fund category, you can understand the return difference between the top performing fund and the bottom performing fund of individual categories. This information enables you to compare with the MPF fund(s) you have chosen and reference.

Disparity of US Equity Narrowed in 4th Quarter

- Sun Life MPF Average Disparity Index was 2.3% in the fourth quarter of 2024, decreasing from 3.7% in the third quarter. Most equity sub-indices decreased in this quarter. Performance disparity of China Equity was the largest, though narrowing from 7.2% in the previous quarter to 6.8% this quarter. Performance disparity of US Equity was just 0.9% this quarter, reflecting very similar results in US equity funds. Donald Trump's victory in US presidential election last November triggered surges in concept stocks that support Trump win. But these stocks were not core positions in US equity funds. Markets expected cyclical stocks to benefit from Trump's economic policies when he returns.

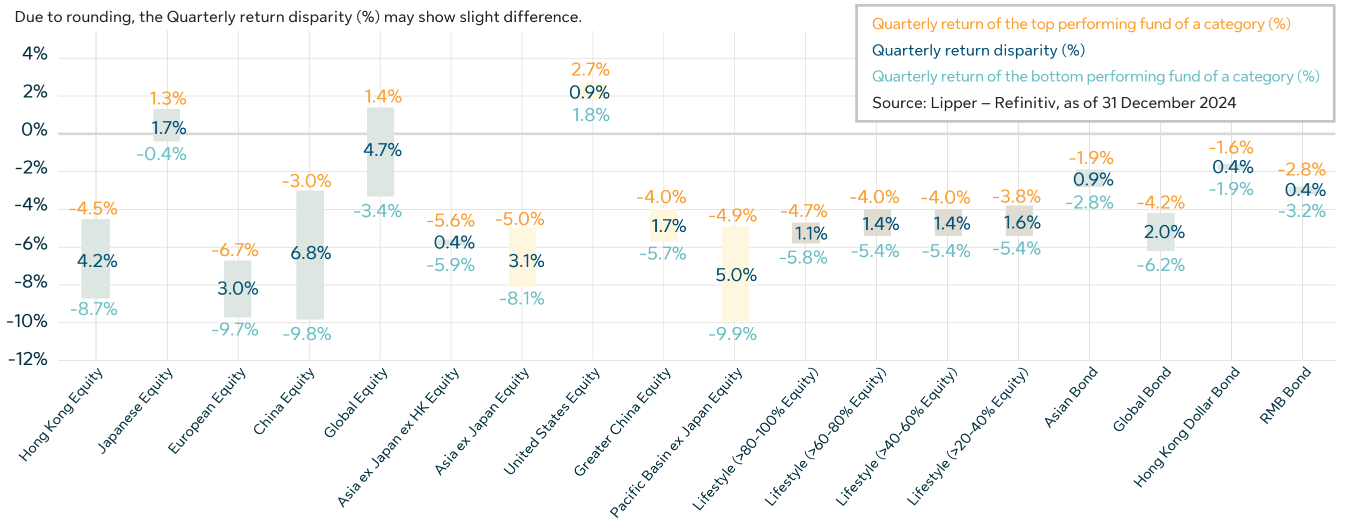
- As for bond funds, performance disparity of Asian Bond funds widened from 0.2% in the previous quarter to 0.9% in the fourth quarter. Markets concerned about rate cut pace of Asian central banks when Trump is back to the White House.

MPF Disparity Sub-indices* by fund category^ (displayed in percentage)



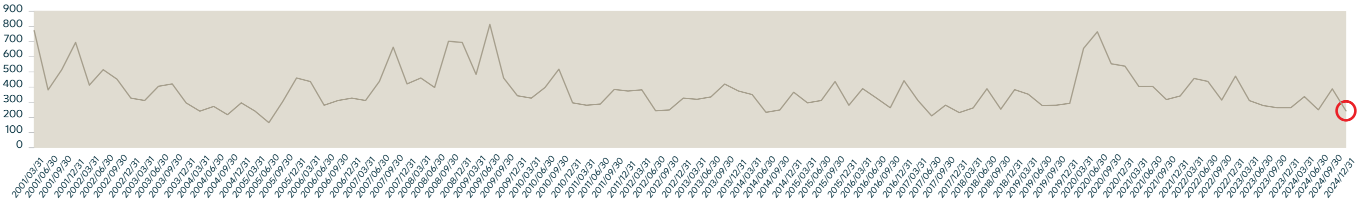
Top Performing Fund and Bottom Performing Fund of Each Category for 4th Quarter 2024

Due to rounding, the Quarterly return disparity (%) may show slight difference.



Historical values of MPF Average Disparity Index

Source: Sun Life Asset Management (HK) Limited, as of 31 December 2024



How is the MPF Average Disparity Index Compiled?

▶ **Performance Disparity**	=	Return difference between the top performing fund and the bottom performing fund
▶ **Quarter Return**	=	(Price end of this quarter) / (Price end of last quarter) – 1
▶ ***MPF Disparity Sub-Index of a category**	=	Quarterly return of the top performing fund of a category – Quarterly return of the bottom performing fund of a category
▶ **MPF Average Disparity Index**	=	Average net-of-fee return of the top performing MPF fund of each of 18 fund categories per quarter – Average net-of-fee return of the bottom performing MPF fund of each of 18 fund categories per quarter
▶ **Data Source**	=	Lipper – Refinitiv, as of 31 December 2024
▶ **Data Cut Off**	=	5th business day after quarter – end
▶ **ˆData Coverage**	=	"Lipper Classification Schemes: Hong Kong Pensions Funds"(as at 31 December 2024), has included 18 categories˜, cover 3 main asset classes: Equity, Bond and Mixed Assets
▶ **Assumption**	•	The index values are based on fund classification under "Lipper Classification Schemes: Hong Kong Pension Funds" including 18 categories˜ as of 31 December 2024 • All fund performance is net of fund management fees
▶ **Measurement Period**	=	Every calendar quarter
▶ Rounding of Index Value	=	Round off to one decimal place

~ Asia ex Japan Equity, Asia ex Japan ex HK Equity, China Equity, European Equity, Global Equity, Greater China Equity, Hong Kong Equity, Japanese Equity, Pacific Basin ex Japan Equity, United States Equity, Lifestyle (20-40% Equity), Lifestyle (40-60% Equity), Lifestyle (60-80% Equity), Lifestyle (80-100% Equity), Asian Bond, Global Bond, Hong Kong Dollar Bond and RMB Bond are included. And Default Investment Strategy (Age 65 Plus Fund), Default Investment Strategy (Core Accumulation Fund), Guaranteed Fund, Hong Kong Dollar Money Market, Hong Kong Equity (Index Tracking), MPF Conservative Fund, Other Fund, RMB and HKD Money Market are excluded.

Disclaimer

Future performance will vary from the past performance due to market conditions and other factors, including but not limited to investment cash flows, fund allocations, frequency and precision of rebalancing, tax-management strategies, cash balances, management fees, varying custodian fees, and/or the timing of fee deductions. As a result of these and potentially other variances, future performance may be differ materially from that of the past performance provided herein.

All information contained in this document shall only be used as general reference and general investment knowledge for sharing purposes, which may contain "forward-looking" information, including forecasts, estimates of yields or returns and involve risks and uncertainties. Market, economic and political conditions could cause actual results to differ materially from what presently anticipated or projected. All information contained in this document is not intended to provide any forms of guarantee or investment advice, and does not constitute a solicitation of an offer or offer, and shall not be regarded as the basis for any contract, to sell or to purchase any investment products. The views and forecasts contained in this document may be changed at any time without prior notice. Information is provided base on sources believed to be reliable, Sun Life Asset Management (HK) Limited, and its associated companies and their directors and employees (collectively "Sun Life Asset Management") gives no express or implied warranty, guarantee or represent its accuracy, effectiveness, completeness of the same.

Investment involves risk, and past performance figures shown are not indicative of future performance. Value of investment may go up or down, and may become valueless. An investor may not get back the amount originally invested. The information contained in this document has not been reviewed in the light of objectives, financial circumstances or needs of an individual investor. Sun Life Asset Management is not responsible for any loss or damage caused by reliance on any information or advice made in this document, nor is responsible for the accuracy or completeness of any information or advice.

This document has not been reviewed by the Securities and Futures Commission in Hong Kong or any regulatory authorities.

Issued by Sun Life Asset Management (HK) Limited