

YF Life Trustees Ltd. Global Bond Fund

Published in May 2023

IMPORTANT NOTES:

1. The MASS Mandatory Provident Fund Scheme ("Scheme") is a mandatory provident fund scheme.
2. Investment involves risks and not all investment choice available under the Scheme would be suitable for everyone. There is no assurance on investment returns and your investments/accrued benefits may suffer significant loss.
3. You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of constituent funds, you are in doubt as to whether a certain constituent fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the constituent fund(s) most suitable for you taking into account your circumstances. In the event that you do not make any investment choices, please be reminded that your contributions made and/or benefits transferred into the Scheme will be invested according to the Default Investment Strategy as stated in Clause 6 of the MPF Scheme Brochure of the Scheme, and such arrangement may not necessarily be suitable for you.
4. For further details including the product features and risks involved, please refer to the relevant clauses, in particular Clause 3, of the MPF Scheme Brochure of the Scheme.
5. The risk level mentioned in Clause 3 of the MPF Scheme Brochure is for reference only and is not a substitute for independent professional advice. The risk level of each constituent fund is determined by the Trustees based on the percentage of Scheme assets of the relevant constituent funds being invested in equities and subject to regular review by the Trustees, and may change without any prior notice. The risk level is not a financial tool and must not be relied upon to make any investment decisions and selection of constituent funds.

Investment Objective

The investment objective of the Global Bond Fund is to seek total investment return over the medium to longer-term. The Global Bond Fund seeks to achieve the above objective by investing into the Templeton MPF Global Bond Fund of Templeton MPF Investment Funds.

As a result of investing into the Templeton MPF Global Bond Fund of Templeton MPF Investment Funds, the portfolio of the Global Bond Fund will primarily invest in fixed income securities issued by governments and governmental agencies globally. Investment assets used by the portfolio of the Global Bond Fund include debt obligations (bonds), preferred stocks, corporate debt obligations and convertible securities. The Global Bond Fund is actively managed to achieve as high a return as possible commensurate with the lower level of risk considered appropriate for retirement scheme investors.

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.

Fund Data as at March 31, 2023

Launch Date:

March 17, 2003

Investment Manager:

Franklin Templeton Investments (Asia) Ltd.

Fund Size:

HKD125.95million

Fund Risk Indicator ^b:

5.94%

Risk Class ^c:

4

Fund Descriptor:

Bond Fund - Global

Latest Fund Expense Ratio:

1.58%

Fund Price (HKD)

Month	Since Inception	End* of					
	Mar 2003	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Price	10.0000	10.9991	11.4736	11.4805	11.8909	11.5285	11.8352

Notes:

Source: YF Life Trustees Ltd.

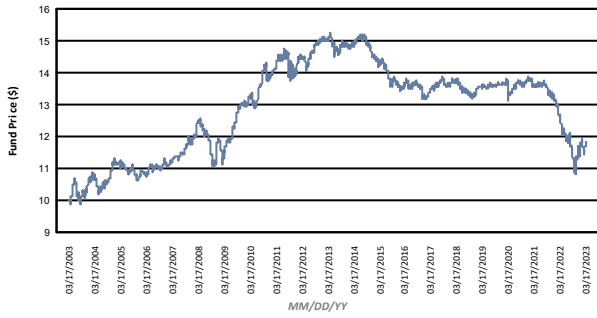
- a. Fund prices are quoted in Hong Kong dollars whilst the investments of the underlying fund are denominated in different currencies. This may therefore involve some risk due to exchange rate fluctuations.
 - b. Fund Risk Indicator is an annualized standard deviation based on the monthly rates of return over the past 3 years. It is calculated in accordance with Part C of the Performance Presentation Standards for MPF Investment Funds published jointly by the Hong Kong Investment Funds Association and Hong Kong Trustees' Association and recognized by the Mandatory Provident Fund Schemes Authority.
 - c. The risk class is prescribed by the Mandatory Provident Fund Schemes Authority according to the Code on Disclosure for MPF Investment Funds and the risk class has not been reviewed or endorsed by the Securities and Futures Commission.
- * Ending Date is the last valuation date of the month.

The fund is subject to market fluctuations and to the risks inherent in all investments. The prices of units of any investment fund may go down as well as up. The past performance of a fund is not indicative of future performance and yields are not guaranteed.

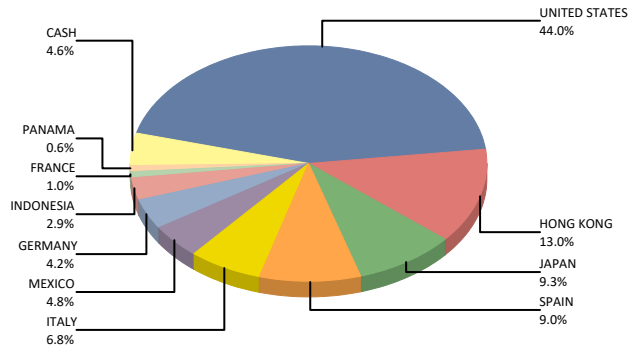
The fund will abide by the general investment fund restrictions in accordance with the MPFS Ordinance, MPFS (General) Regulation and Scheme Rules.

Global Bond Fund

Fund Price Trend Since Inception



Portfolio Asset Allocation#^



Source: Franklin Templeton Investments (Asia) Ltd.

Individual Year Return	2014 Jan-Dec	2015 Jan-Dec	2016 Jan-Dec	2017 Jan-Dec	2018 Jan-Dec	2019 Jan-Dec	2020 Jan-Dec	2021 Jan-Dec	2022 Jan-Dec	2023 Jan-Mar
	-2.14%	-6.37%	-3.04%	3.21%	-1.37%	1.96%	1.14%	-4.24%	-13.57%	3.09%

Fund Performance	1 year	3 years	5 years	10 years	Since launch
Annualized	-6.57%	-4.03%	-3.03%	-2.37%	0.84%

Source: YF Life Trustees Ltd. Performance is net of fees and is calculated on a NAV to NAV basis.

Top 10 Holdings#

Asset Holdings	% of NAV
UNITED STATES TREASURY NOTE/BOND, UNSECURED, 2.25%, 2/15/52	17.07%
UNITED STATES TREASURY FLOATING RATE NOTE, UNSECURED, 5.03846%, 1/31/25	14.97%
GOVERNMENT OF HONG KONG, 1.49%, 2/22/28	10.07%
GOVERNMENT OF SPAIN, SENIOR BOND, REG S, 4.40%, 10/31/23	8.99%
JAPAN GOVERNMENT FIVE YEAR BOND, BONDS, SR UNSECURED, 137, .10%, 9/20/23	8.64%
UNITED STATES TREASURY FLOATING RATE NOTE, UNSECURED, 4.87546%, 7/31/24	7.04%
ITALY TREASURY BOND, REG S, 4.50%, 5/01/23	6.79%
GOVERNMENT OF INDONESIA, SENIOR BOND, FR70, 8.375%, 3/15/24	2.90%
MEXICAN BONOS, SENIOR BOND, 8.00%, 11/07/47	2.81%
KREDITANSTALT FUER WIEDERAUFBAU, GOVT GUARANTEED, SR UNSECURED, EMTN, 2.52%, 3/23/26	2.29%

Source: Franklin Templeton Investments (Asia) Ltd.

Fund Review

The portfolio returned 268 basis points (bps) for the month as compared to the customized benchmark's return of 362 bps. The portfolio's excess return of -94 bps was mainly due to the following factors:

Our overweight duration exposure to both U.S. Treasuries and U.S. Corporates contributed to relative performance. Our overweight duration exposure to both Hong Kong and Japan detracted from relative performance. The global fixed income market experienced historical volatility in March, but ended the month posting a positive return. The month began with concerns about the Federal Reserve's response to persistent inflation and the growth repercussions from monetary tightening. Then, the March 10th collapse of Silicon Valley Bank—the second-largest bank failure in the U.S. and the largest since the 2007–2008 financial crisis—overshadowed the inflation and monetary concerns. This was followed on March 19th by UBS Group's acquisition of ailing Credit Suisse in a deal brokered by Swiss regulators. Fears of contagion quickly spread and investors' demand for the safety of government debt drove their yields sharply lower. Despite the turmoil, the Federal Reserve (Fed) raised interest rates 25 basis points (bps) in March, while the European Central Bank (ECB) and Bank of England (BoE) hiked rates 50 bps and 25 bps, respectively, during the month. With inflation remaining high, both central banks continue with hawkish rhetoric. Meanwhile, the Bank of Japan (BoJ) remained steadfast about maintaining its accommodative monetary policy. On the economic front, fears of a global recession have not yet materialized, although the lagging impact of aggressive tightening and repercussions from the troubles in the banking sector could eventually lead to a contraction. In the U.S., fourth quarter 2022 GDP was 2.6% versus a 3.1% expansion the prior quarter. GDP in the U.K., Germany and Japan was 0.1%, -0.4% and 0.1%, respectively, during the last three months of 2022. All told, the 10-year U.S. Treasury rate fell from 3.9% to 3.5% in March. The 10-year yield in the U.K., Germany and Japan also fell sharply. For the month, the Bloomberg Global Aggregate Bond Index returned 3.2%.

Overall, bond management detracted 80 bp from relative performance during the month.

Our overweight exposure to both the Mexican peso and Indonesian rupiah contributed to performance. Our underweight exposure to the Japanese yen and overweight exposure to the British pound detracted from performance. The U.S. dollar reversed course in March, as it fell 2.2% after rising the prior month. The greenback's decline was driven by several factors, including easing investor concerns about the safety and stability of U.S. banks. In addition, the core PCE Index (excluding food and energy) slowed more than expected to 4.6% year-over-year in February, the lowest since October 2021. While the Fed may raise rates another 25 bps at its next meeting in May, a pause is then anticipated, with some investors betting on a rate cut in 2H 2023. Meanwhile, the ECB and BoE are expected to continue raising rates given elevated inflation. Against this backdrop, the euro and pound gained 2.2% and 2.0%, respectively, in March. The Japanese yen also rallied, rising 2.2% versus the U.S. dollar during the month. Finally, the Australian dollar, South Korean won, and Swedish krona returned -1.0%, 1.6% and 1.6%, respectively, against the U.S. dollar in March. In terms of the Australian dollar, its weakness was partially attributed to weakness in the country's over levered real estate sector.

Overall, currency management detracted 19 bp from relative performance during the month.

The fund's net asset value increased 2.66% from last month.

The assets of Global Bond Fund are invested exclusively into the Templeton MPF Global Bond Fund of the Templeton MPF Investment Funds.
^ Due to rounding, the sum of portfolio may not equal 100%.