

## YF Life Trustees Ltd. Guaranteed Fund

Published in September 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. The Guaranteed Fund under the Scheme invests solely in an underlying approved pooled investment fund in the form of insurance policy provided by YF Life Insurance International Limited. The guarantee is also given by YF Life Insurance International Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of YF Life Insurance International Limited. The guarantee will only be provided by YF Life Insurance International Limited if and when a scheme member withdraws accrued benefits as a result of any one of the following qualifying events: a) attainment of normal retirement age; b) attainment of early retirement age; c) death or d) total incapacity. Please refer to Clauses 3.1.1 and 8.3.2 of the MPF Scheme Brochure of the Scheme for details of the credit risk, guarantee features and guarantee conditions.
5. 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.
6. 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 primary investment objective of the Guaranteed Fund aims at achieving long-term capital appreciation through a primary emphasis on global fixed income securities and a secondary exposure to global equity markets.

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

As a result of the investments in the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund, the Guaranteed Fund and the underlying APIF Policy are expected to invest 30% of their assets in equities and 70% in fixed-interest securities. The fixed income portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will consist of a range of instruments issued in countries around the world. The equity portion of the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund will be invested primarily in the Hong Kong, Japan, North American and European markets with a smaller proportion, being invested, at the discretion of the investment manager, in other Asian countries and emerging markets.

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.

### Fund Data as at July 31, 2023

#### Launch Date:

January 20, 2006

#### Investment Manager:

Allianz Global Investors Asia Pacific Limited

#### Fund Size:

HKD199.65million

#### Fund Risk Indicator <sup>b</sup>:

7.51%

#### Risk Class <sup>c</sup>:

4

#### Fund Descriptor:

Guaranteed Fund -  
Conditionally guarantee  
payable

#### Latest Fund Expense Ratio:

3.39%

### Fund Price (HKD)

Month	Since Inception	End* of					
	Jan 2006	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023
Price	10.0000	9.9273	10.1720	10.1360	9.8898	9.9967	10.1111

#### Notes:

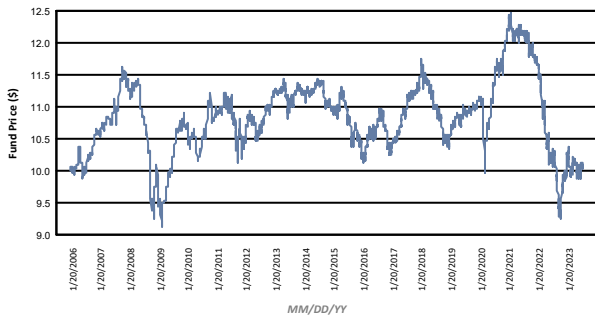
- a. Fund prices are quoted in Hong Kong dollars whilst the investments of the underlying fund are denominated in different currencies. This may therefore involve some risk due to exchange rate fluctuations.
- b. Fund Risk Indicator is an annualized standard deviation based on the monthly rates of return 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.
- d. The Guaranteed Fund will provide guarantee on NET contributions only made by or for a scheme member (i.e. contribution monies less any offer spread imposed).
- e. The Guaranteed Rate of Return will be announced at least 14 days before the end of an interest period by YF Life Insurance International Limited to YF Life Trustees Limited by way of notice, and such rates may remain unchanged, or may be increased or decreased after each review. YF Life Insurance International Limited has the discretion to declare the Guaranteed Rate of Return, which would be greater than or equal to 0%. YF Life Trustees Limited shall as soon as practicable inform the members of such declaration by written notice before the end of an interest period.
- f. For the period from April 01, 2023 to September 30, 2023, the Declared Guaranteed Rate of Return is 2.5% per annum.
- g. The investment objective was changed with effect from 21 July 2014.
- h. The underlying fund was changed with effect from 21 July 2014.
- \* Ending Date is the last valuation date of the month.

Source: YF Life Trustees Ltd.

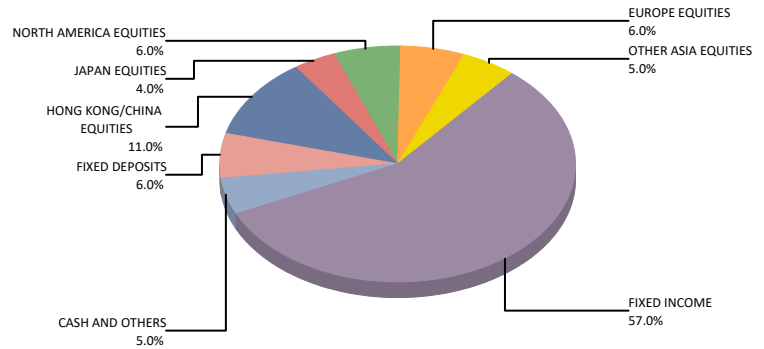
The fund is subject to market fluctuations and to the risks inherent in all investments. The prices of units of any investment fund may go down as well as up. The past performance of a fund is not indicative of future performance and yields are not guaranteed.

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

**Fund Price Trend Since Inception**



**Portfolio Asset Allocation#^**



Source: Allianz Global Investors Asia Pacific Limited

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-Jul
	-2.50%	-4.97%	-1.16%	10.15%	-8.23%	6.54%	9.59%	-3.37%	-16.22%	2.53%

Fund Performance	1 year	3 years	5 years	10 years	Since launch
Annualized	-2.02%	-4.26%	-1.64%	-0.94%	0.06%

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
ISHARES CORE MSCI CHINA ETF	2.72%
OVERSEA-CHINESE BANKING CORPORATION LTD 4.50% 25/08/2023	2.27%
HSBC S&P 500 UCITS ETF	2.02%
OVERSEA-CHINESE BANKING CORPORATION LTD 5.01% 24/10/2023	1.72%
OVERSEA-CHINESE BANKING CORPORATION LTD 5.00% 21/09/2023	1.70%
US TREASURY N/B 2.375% 15/05/2029	1.22%
ISHARES CORE FTSE 100 UCITS ETF	1.04%
ISHARES MSCI AUSTRALIA ETF	1.04%
US TREASURY 1.625% 15/05/2031	1.00%
LYXOR US TREASURY 7-10Y DR ETF	0.99%

Source: Allianz Global Investors Asia Pacific Limited

**Fund Review**

US bonds were mixed in July. Treasury bonds sold off as stronger-than-expected data caused the 10-year to retest 4.0%, a level last seen in March. Nevertheless, yields remained volatile, falling on weaker-than-expected inflation and job data before rising once more towards month end. Overall, the inversion of the yield curve became less extreme as yields on longer dated maturities rose more than those on shorter dated ones. In the Eurozone, whilst government bond returns were negative, corporate bonds rose in value. The yield on the 10-year German Bund initially rose, nearing a four-month high of 2.7%, but subsequently fell to close the month around 2.5%, slightly above its level at the end of June. Global equities rallied in July, buoyed by further signs of cooling inflation and hopes of a soft landing for the US economy.

**Fund Performance**

The fund's net asset value increased 1.14% from last month.

# The assets of Guaranteed Fund are invested exclusively into the Allianz Choice Capital Stable Fund of the Allianz Global Investors Choice Fund.  
^ Due to rounding, the sum of portfolio may not equal 100%.