

YF Life Trustees Ltd. US Equity 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 US Equity Fund is to provide capital appreciation in the long-term through investment in US equities. The US Equity Fund seeks to achieve the above objective by investing into the Franklin MPF US Opportunities Fund of Templeton MPF Investment Funds.

As a result of investing into the Franklin MPF US Opportunities Fund of Templeton MPF Investment Funds, the portfolio of the US Equity Fund will invest principally in equity securities of US companies demonstrating accelerating growth, increasing profitability, or above-average growth or growth potential as compared with the overall economy. Equity securities generally entitle the holder to participate in a company's general operating results. They include common stocks, convertible securities and warrants on securities to the extent permissible under the relevant regulatory requirement as set out in the Mandatory Provident Fund Schemes (General) Regulation.

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.

Fund Data as at March 31, 2023

Launch Date:

March 19, 2007

Investment Manager:

Franklin Templeton Investments (Asia) Ltd.

Fund Size:

HKD739.93million

Fund Risk Indicator ^b:

24.66%

Risk Class ^c:

6

Fund Descriptor:

Equity Fund - U.S.

Latest Fund Expense Ratio:

1.08%

Fund Price (HKD)

Month	Since Inception	End* of					
	Mar 2007	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Price	10.0000	26.6271	27.5903	25.6658	27.6134	27.0456	28.6104

Notes:

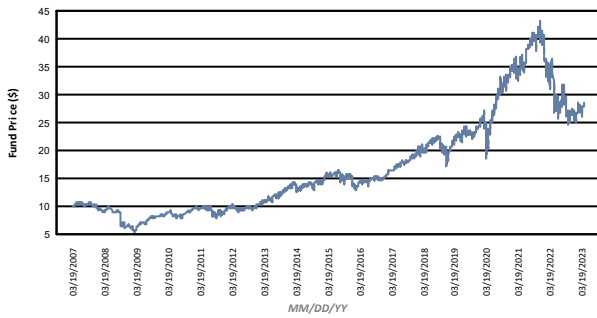
Source: YF Life Trustees Ltd.

- 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.
 - d. The investment objective was changed with effect from 1 July 2012.
 - e. The underlying fund was changed with effect from 1 July 2012.
- * Ending Date is the last valuation date of the month.

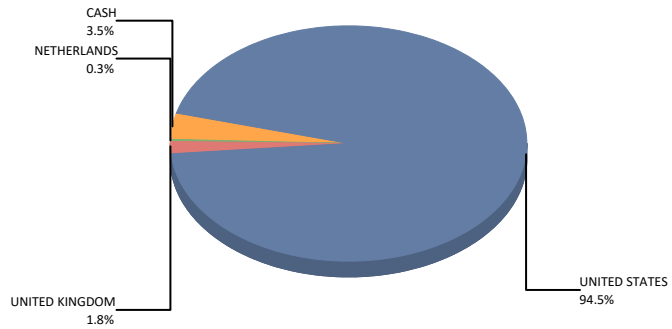
The fund is subject to market fluctuations and to the risks inherent in all investments. The prices of units of any investment fund may go down as well as up. The past performance of a fund is not indicative of future performance and yields are not guaranteed.

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

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
	6.45%	5.11%	-1.45%	26.70%	-1.59%	30.64%	43.08%	16.10%	-36.96%	11.47%

Fund Performance	1 year	3 years	5 years	10 years	Since launch
Annualized	-19.20%	10.18%	7.36%	10.01%	6.77%

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
MASTERCARD INC	5.54%
APPLE INC	5.53%
MICROSOFT CORP	5.41%
AMAZON.COM INC	5.16%
ALPHABET INC	3.73%
NVIDIA CORP	3.39%
SERVICENOW INC	2.87%
VISA INC	2.82%
UNITEDHEALTH GROUP INC	2.77%
META PLATFORMS INC	2.68%

Source: Franklin Templeton Investments (Asia) Ltd.

Fund Review

The fund outperformed its benchmark, the FTSE AW MPF USA (35% Hedged into HKD) Index, in the first quarter of 2023, helped by stock selection in the financials sector, where a lack of exposure to the banks industry proved beneficial. An overweighting and stock selection in the information technology (IT) sector also produced strong relative results. Holdings in chipmakers Monolithic Power Systems and NVIDIA were key to this outperformance. Semiconductors are at the heart of digital transformation and end-market demand remains robust, in our view. Conversely, an underweight in Apple curbed relative fund performance but contributed to positive absolute returns. The shares of the iPhone maker gained amidst a broader recovery in tech stocks. Other notable contributors included Meta Platforms and Amazon.com. In the communication services sector, the shares of Facebook-parent Meta Platforms are up strongly so far this year. The company has taken to managing its expenses aggressively, which has helped it deliver solid fourth-quarter 2022 financial results. In the consumer discretionary sector, Amazon's fourth-quarter results came in ahead of consensus expectations for both revenue and operating profit, largely due to its online retail business.

Turning to detractors, stock selection in the real estate and industrials sectors hindered relative performance, pressured by tower operator SBA Communications and real estate information provider CoStar Group, respectively. Both companies issued disappointing forward earnings guidance, which weighed on their stocks. Elsewhere, health insurer UnitedHealth Group underperformed over the quarter as growing inflation has put pressure on the profit margins for many companies in the health care sector.

Fund Performance

The fund's net asset value increased 5.79% from last month.

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