



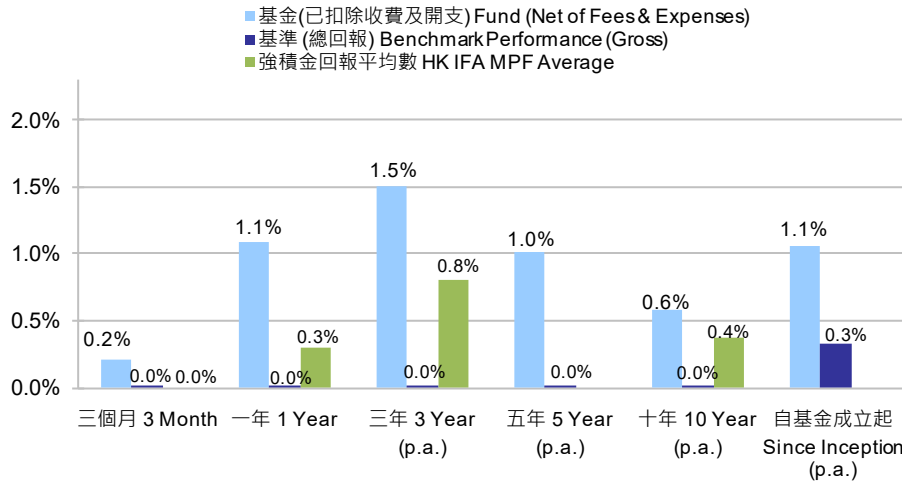
Update on Money Market Fund Performance

As mentioned in the May 2021 Newsletter, Money Market Fund (“MMF”) recorded a negative return of -0.42% in the month of April 2021, which was mainly due to a stop-loss order made by one of the investment managers against the unforeseen sudden price drop in two fixed income securities issued by a China's State-owned enterprise.

The Trustees, Investment Committee, and the Scheme Office have interviewed the investment manager and thoroughly investigated the case. It is concluded that it is not a breach or non-compliance of any regulations, investment guidelines or restrictions, and code of conduct. In this context, the investment manager has made legitimate buy and sell investment decisions based on the investment mandate, and thus no actions are required to take restoring the fund / investors to the position that it / they would have been in had the relevant issue not arisen.

Notwithstanding the fact that it is not an investment breach, the investment manager has agreed to waive one-year management fee for the period from 1 July 2021 to 30 June 2022 and slightly reduce the management fee thereafter in order to sustain a long-term relationship with us.

The past performance of MMF has been good. Please refer to the following chart for comparison of our MMF returns with the benchmark returns and MPF average return in different periods as of 31 March 2021.



The market has been stabilized, and the return of MMF is slightly positive in the month of May 2021. Please rest assured that Scheme Office will continue monitoring all the portfolios vigilantly and acting in the best interest of Scheme members.

HAPFS Office
July 2021