Manulife 宏利

The notice contains important information that requires your immediate attention.
Should you have any query about this notice, please seek independent professional advice.

March 26, 2021

To Policyowners of Manulife Investment Plus ("MI Plus") / Manulife Investment Solutions ("MISo") / Alpha / Alpha Regular Investor ("ARI") / Matrix (each a "Plan" and collectively, the "Plans")

Various Changes of the Underlying Funds

We would like to notify you of the following changes with regard to the following underlying funds (each an "**Underlying Fund**" and collectively, the "**Underlying Funds**") corresponding to the following investment choices under the Plans, following our receipt of the shareholder notice of the Underlying Funds dated March 4, 2021 (the "**Shareholder Notice**"). The changes will be effective as of April 6, 2021, unless otherwise stated.

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv Janus Henderson Global Technology Leaders Fund	Janus Henderson Horizon Fund – Global Technology Leaders Fund	Class A Accumulation Shares
Alpha, ARI and Matrix	MIL Janus Henderson Global Technology Leaders Fund		
MI Plus and MISo	Manulife Inv Janus Henderson Japanese Smaller Companies Fund	Janus Henderson Horizon Fund – Japanese Smaller Companies Fund	Class A Accumulation Shares
Alpha, ARI and Matrix	MIL Janus Henderson Japanese Smaller Companies Fund		

1. Change of Registrar and Transfer Agent and Hong Kong Representative

International Financial Data Services (Luxembourg) S.A. ("**IFDS Luxembourg**") will be appointed as the registrar and transfer agent of Janus Henderson Horizon Fund (the Underlying Funds being sub-funds of which), in replacement of RBC Investor Services Bank S.A., with effect from April 6, 2021.

The appointment of IFDS Luxembourg follows a comprehensive review of Janus Henderson Group's third-party servicing arrangements. By making this change, Janus Henderson Group aims to deliver a more streamlined and efficient service for clients, with greater consistency across fund ranges and jurisdictions by minimising the differences between Janus Henderson Group's Luxembourg and Irish based fund ranges in terms of client experience.

In conjunction with this change and in order to serve Hong Kong investors in a more efficient manner, the Hong Kong representative of the Janus Henderson Horizon Fund will also be changing from RBC Investor Services Trust Hong Kong Limited to Janus Henderson Investors Hong Kong Limited with effect from April 6, 2021.

On the basis that the Underlying Funds will also benefit from a cost reduction as a result of moving to IFDS Luxembourg, the costs of implementing the transfer of services to IFDS Luxembourg will be shared between Janus Henderson Group and the Underlying Funds.

Allocation of costs will be based on the proportional benefits to the Underlying Funds, amortised over 2 years. Such costs are non-material by reference to the Underlying Funds' net asset value and will not have a material impact on the fees and expenses incurred by the Underlying Funds.

2. Change of Securities Lending Agent

As disclosed in the current Hong Kong offering documents of the Underlying Funds, the Underlying Funds may, for the purposes of efficient portfolio management and to generate income, enter into securities lending transactions. The maximum proportion and maximum expected proportion of the Underlying Fund's net asset value which may engage in securities lending are 50% and 30% respectively.

J.P. Morgan Bank Luxembourg S.A ("**JPM**") will be appointed as the securities lending agent (the "**Securities Lending Agent**") of Janus Henderson Horizon Fund, in replacement of BNP Paribas Securities Services, London Branch ("**BPSS**"), with effect from April 6, 2021.

The appointment of JPM follows a comprehensive review of Janus Henderson Group's third-party servicing arrangements. Following an extensive due diligence process, JPM has been appointed based on increased revenue potential from securities lending for the benefit of the Underlying Funds (as described below) and their more comprehensive securities lending programme offering in terms of global reach, dedicated servicing and number of borrowers within their programme. By making this change, Janus Henderson Group also aims to deliver a more streamlined and efficient service for clients, with greater consistency across fund ranges and jurisdictions by minimising the differences between our Janus Henderson Group's Luxembourg and Irish based fund ranges in terms of client experience.

The change of securities lending agent will result in an increase of the portion of the securities lending revenue that is retained by the Underlying Funds from 85% to 92%[1], with a maximum of 8% being retained by JPM to cover the direct and indirect costs of running the lending programme and providing the requisite operational and collateral infrastructure, plus the compliance and risk oversight. The additional availability of the cash collateral management services within the JPM programme provides increased revenue opportunities for the Underlying Funds that are not currently available with BPSS.

As a result of the above appointment, there will be changes to the Underlying Funds' collateral management policy to reflect the way JPM will be running the securities lending programme for Janus Henderson Horizon Fund. These changes are set out in point 3 - 'Updates to Disclosures relating to Securities Financing Transactions and of Reuse (SFTR), Collateral Management Policy for Securities Lending and OTC derivatives and Counterparty Ratings Disclosures' below.

For the avoidance of doubt, there is no change to the maximum proportion (i.e. 50%) and maximum expected proportion (i.e. 30%) of the Underlying Funds' net asset value which may engage in securities lending as currently disclosed in the prospectus of the Underlying Funds (the "**Prospectus**").

3. **Updates to Disclosures relating to Securities Financing Transactions and of Reuse (SFTR), Collateral Management Policy for Securities Lending and OTC derivatives and Counterparty Ratings Disclosures**

The table below summarises the changes in the Underlying Funds' use of securities financing transactions and updates to the Janus Henderson Horizon Fund's policies in respect of (i) collateral management and (ii) counterparty selection in terms of credit rating assessments, in relation to securities financing transactions and over-the-counter (OTC) derivatives in which the Underlying Funds may engage in accordance with their investment policies.

Please note save as described below, there is no change to the Underlying Funds' risk profile, the composition of the Underlying Funds' portfolios or the way the Underlying Funds are managed as a result of these updates.

Securities Financing Transactions	
Current	Janus Henderson Horizon Fund and the Underlying Funds are not involved in, and do not enter into repurchase or reverse repurchase transactions.
With effect from April 6, 2021	To provide increased revenue opportunities for the Underlying Funds, reverse repurchase transactions (as a buyer) may be entered into by the Securities Lending Agent on behalf of the Underlying Funds for reinvestment of cash collateral. Other than for such purpose, the Underlying Funds will not enter into reverse repurchase transactions. The Underlying Funds will be subject to the risks associated with reverse repurchase transactions and reinvestment of cash collateral. In the event of the failure of the counterparty with which cash has been placed, the Underlying Funds may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements. Reinvestment of cash collateral may introduce market exposures inconsistent with the objectives of the Underlying Funds, or yield a sum less than the amount of collateral to be returned. The Underlying Funds will continue to not enter into repurchase transactions (as a seller). For the avoidance of doubt, the Underlying Funds may continue to engage in securities lending and total return swaps as currently disclosed in the Prospectus.
Collateral management policy - Reuse and reinvestment of collateral for securities lending	
Current	Cash can be posted and may be accepted as collateral. If cash collateral is received, it may not be reinvested. Non-cash collateral may not be re-used by Janus Henderson Horizon Fund.

[1] Please note, JPM charges a fee of up to 0.05% of the reinvested cash collateral for its cash collateral management services. This fee is deducted from the cash collateral reinvestment return before any securities lending revenue is then apportioned between the relevant Underlying Fund and JPM.

With effect from April 6, 2021	Non-cash collateral received will not be sold, re-invested or pledged. Cash collateral received may only be reinvested in the following ways: - placed on deposit with eligible credit institutions; - invested in high-quality government bonds; - used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and Janus Henderson Horizon Fund is able to recall at any time the full amount of cash on accrued basis; or - invested in eligible short-term money market funds. Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. The Underlying Funds will be subject to the risks associated reinvestment of cash collateral as mentioned above.
Collateral management policy - Reuse and reinvestment of collateral for OTC derivatives (including Total Return Swaps)	
Current	Cash can be posted and may be accepted as collateral. If cash collateral is received, it may not be reinvested. Non-cash collateral may not be re-used by Janus Henderson Horizon Fund.
With effect from April 6, 2021	Non-cash collateral received will not be sold, re-invested or pledged. Cash collateral received may only be reinvested in the following ways: - placed on deposit with eligible credit institutions; - invested in high-quality government bonds; or - invested in eligible short-term money market funds. Re-invested cash collateral will be diversified in accordance with the diversification requirements applicable to non-cash collateral. The Underlying Funds will be subject to the risks associated reinvestment of cash collateral as mentioned above.
Collateral management policy - Haircuts for Securities Lending	
Current	The margin applied to collateral transactions will range from **102.5%** to **110%** of the value of securities on loan (depending on the combination of securities on loan and the type of collateral received).
With effect from April 6, 2021	The margin applied to collateral transactions will range from **102%** to **110%** of the value of securities on loan (depending on the combination of securities on loan and the type of collateral received).
Counterparty Selection - Counterparty Ratings	
Current	Counterparties will **normally** carry a minimum “A” rating from at least one of Fitch, Moody’s and Standard & Poor’s.
With effect from April 6, 2021	Counterparties will typically have a minimum **investment grade** long-term credit rating (i.e. BBB- or higher by Standard & Poor’s, Baa3 or higher by Moody’s, BBB- or higher by Fitch). Please note the minimum long-term credit rating requirement as stated in the Prospectus is subject to change, in which case the Prospectus will be updated accordingly at the next available opportunity. All counterparties will continue to be subject to approval and review by the Counterparty Risk Committee of the investment manager of the Underlying Funds and comply with all eligibility requirements including the prudential rules considered by the Commission de Surveillance du Secteur Financier as equivalent to European Union (“**EU**”) prudential supervision rules.

4. **EU Sustainable Finance Disclosures**

The European Parliament and European Council have introduced new regulations for the investment management industry to establish a framework to facilitate sustainable investment.

In particular, the EU Sustainable Finance Disclosure Regulation (SFDR) stipulates that firms are now required to introduce sustainability-related disclosures in fund documentation in order to provide further information for investors on how investment managers consider sustainability risks in their investment decisions, and the likely impact on investment returns. Factors which are considered under sustainability broadly include environmental, social and governance ("**ESG**") matters.

In order to meet the SFDR requirements, the Prospectus will be updated to include additional disclosures to demonstrate how the investment manager of the Underlying Funds considers sustainability risks in their investment decisions in respect of the Underlying Funds and the likely impact on investment returns.

(i) Janus Henderson Horizon Fund – Global Technology Leaders Fund

Additional clarifications are added in the Underlying Fund's investment strategy in the Prospectus to demonstrate that it promotes the EU criteria for environmentally sustainable economic activities.

The revised Hong Kong offering documents of the Underlying Fund reflecting the relevant disclosures arising from SFDR will be issued on or around March 10, 2021. A comparison of both Underlying Funds' current and revised investment strategy will also be available on Janus Henderson's website www.janushenderson.com[2] on or around March 10, 2021.

(ii) Janus Henderson Horizon Fund – Japanese Smaller Companies Fund

Disclosures will be added in the Prospectus to state that, while the analysis of ESG factors is an integral component across the investment capabilities of the investment manager of the Underlying Fund, and one of a number of inputs to the selection of investments and portfolio construction, the investment processes for the Underlying Fund is primarily designed to maximise long-term risk-adjusted returns for investors of the Underlying Fund. Therefore, in managing the Underlying Fund, the investment manager of the Underlying Fund does not maximise portfolio alignment with sustainability risks as a separate goal in its own right, nor does it precisely attribute the impact of ESG factors on returns for the Underlying Fund.

Please note that the updates are for enhancement of disclosures only. There is no change to the Underlying Funds' risk profile, the composition of the Underlying Funds' portfolios or the way the Underlying Funds are managed as a result of these clarifications, which are consistent with the Underlying Funds' existing investment objectives and policies.

5. **Miscellaneous administrative, clarificatory and general updates**

The Hong Kong offering documents of the Underlying Funds will also be revised to include certain miscellaneous administrative, clarificatory and general updates.

i) General updates and enhancement of the risk disclosures in the Prospectus;

ii) Updates to the list of directors of Janus Henderson Horizon Fund (the "**Directors**") and the management company of the Underlying Funds in the Prospectus;

iii) Enhancement of disclosures relating to credit default swaps and financial indices to which the Underlying Funds may have exposure via financial derivative instruments in accordance with the Underlying Funds' existing investment policies;

iv) Updates to the list of documents available for inspection in the Prospectus; and

v) Other miscellaneous, administrative, clarificatory, editorial, cosmetic and general tidy-up amendments.

In respect of the changes mentioned above, unless otherwise stated in respect of the relevant change, the Directors confirm that:

- There will be no material change in the operation and/or manner in which the Underlying Funds are being managed.
- There will be no change to the features (including investment objectives and policies) or overall risk profile of the Underlying Funds.
- There will not be material adverse impact on the rights or interests of the shareholders of the Underlying Funds.
- There are no new fees, charges or increases in existing fees or charges borne by the Underlying Funds.

Unless otherwise stated for the specific changes, the Directors confirm that the costs and expenses in connection with the changes in the Shareholder Notice will be borne by the Underlying Funds. These costs and expenses will not have a material impact on the fees and expenses incurred by the Underlying Funds. The costs incurred in connection with these changes are insignificant by reference to the Underlying Funds' net asset value.

[2] This website has not been reviewed by the Securities and Futures Commission (the "**SFC**") and may contain information relating to funds not authorised by the SFC and not available to Hong Kong investors.

Please refer to the Shareholder Notice and latest offering documents of the Underlying Funds for further information relating to the above and other changes.

If you have any enquiry, please do not hesitate to contact your Manulife Insurance Advisor or call our Customer Service Hotline at (852) 2108 1110 (in relation to MI Plus and MISo) and (852) 2510 3941 (in relation to ARI, Alpha and Matrix) in Hong Kong or (853) 8398 0383 in Macau during office hours: 9:00am - 6:00pm, Monday to Friday.

Customer Services
Individual Financial Products
Manulife (International) Limited
Incorporated in Bermuda with limited liability