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.

June 20, 2024

To Policyowners of Manulife Investment Plus 2
(the "Plan")

Merger of the Underlying Fund

We would like to notify you of the merger of the following merging underlying fund (the "**Merging Underlying Fund**") corresponding to the following investment choice (the "**Investment Choice**") under the Plan with the following receiving underlying fund (the "**Receiving Underlying Fund**") (the "**Merger**"), which will be effective on August 9, 2024 or a later date as may be determined by the directors of Invesco Funds (the "**Directors**") which may be up to four (4) weeks later, subject to the prior approval of a later date by the Commission de Surveillance du Secteur Financier (the "**CSSF**") and immediate notification of same to the shareholders of the Merging Underlying Fund in writing (the "**Effective Date**").

Name of Investment Choice	Name of Merging Underlying Fund	Name of Receiving Underlying Fund
Invesco Responsible Japanese Equity Value Discovery Fund	Invesco Funds - Invesco Responsible Japanese Equity Value Discovery Fund	Invesco Funds - Invesco Japanese Equity Advantage Fund

Underlying Fund Level

Background and rationale for the proposed merger

According to the shareholder notice of Invesco Funds (the Merging Underlying Fund and the Receiving Underlying Fund being sub-funds of which) dated May 8, 2024 (the "**Shareholder Notice")**, the fund manager of the Merging Underlying Fund is retiring at the end of June 2024 and it has been decided to cease the Merging Underlying Fund's strategy. The Directors have resolved to merge the Merging Underlying Fund with the Receiving Underlying Fund as the Directors believe that the Receiving Underlying Fund represents a good investment alternative as the Receiving Underlying Fund is the core Japanese equity fund of Invesco Funds and managed by the same investment manager and investment sub-manager of the Merging Underlying Fund. In addition, it is anticipated that the proposed merger will retain assets over the longer term with higher growth potential, better resources and marginally lower costs due to economies of scale.

Key comparison of the Merging Underlying Fund and the Receiving Underlying Fund

A summary of the key features of the Merging Underlying Fund and the Receiving Underlying Fund are set out below. Please refer to Appendix I of the Shareholder Notice for additional details. You are encouraged to review the product key facts statements (the "**KFS**") and prospectus (the "**Prospectus**") of the Merging Underlying Fund and the Receiving Underlying Fund for full details of the Merging Underlying Fund and Receiving Underlying Fund.

For the avoidance of doubt, the investment policy is different for the Merging Underlying Fund and the Receiving Underlying Fund (although both the Merging Underlying Fund and the Receiving Underlying Fund invest in Japanese equities). There are a few other differences as further detailed in the Appendix 1 of the Shareholder Notice (e.g. the profile of typical investor). However, the share class of the Merging Underlying Fund and the Receiving Underlying Fund, management company, the investment manager, the investment sub-manager, the key service providers (such as the depositary, the administration agent and the auditors of the Merging Underlying Fund and Receiving Underlying Fund), types and naming conventions of share class, the operational features (such as base currency, business days, dealing cut-off point, settlement date, net asset value calculation, distribution policy and reports of the Merging Underlying Fund and Receiving Underlying Fund) and the fee structure are the same for the Merging Underlying Fund and the Receiving Underlying Fund.

Investment objective and policy and related risks

Both the Merging Underlying Fund and the Receiving Underlying Fund are invested in Japanese equities and both funds are categorised as article 8 products under the Sustainable Finance Disclosure Regulation ("**SFDR**") as they both promote environmental and social characteristics in their management processes. Only the Merging Underlying Fund is marketed as an environmental, social and governance ("**ESG**") fund in Hong Kong. The investment strategy of the Merging Underlying Fund utilises a fundamental, bottom-up approach and will invest in companies that, in the opinion of the investment manager of the Merging Underlying Fund, are attractively valued and demonstrate sustainable growth, while the investment strategy of the Receiving Underlying Fund will invest in Japanese companies who make advantageous use not only of their capital but also of their intangible assets (for example, but not limited to, brand values, technical development or strong customer base).

Both the Merging Underlying Fund and the Receiving Underlying Fund are currently managed by Invesco Hong Kong Limited and sub-managed by Invesco Asset Management (Japan) Limited.

The overall risk profile of the Merging Underlying Fund and the Receiving Underlying Fund are almost the same, however, the Receiving Underlying Fund is subject to additional risks relating to liquidity risk.

The relevant or material risk factors applicable to both the Merging Underlying Fund and to the Receiving Underlying Fund are: Volatility Risk, Equities Risk, Investing in Small Companies, Country Concentration Risk, and ESG Investment Risk. Liquidity Risk is also applicable to the Receiving Underlying Fund. This is not a complete explanation of all the risks associated with investment in the Merging Underlying Fund and the Receiving Underlying Fund, however they represent all relevant or material risks of the Merging Underlying Fund and the Receiving Underlying Fund and you are advised to refer to the Prospectus (including the Hong Kong supplement) and/or the relevant key facts statements of the Merging Underlying Fund and Receiving Underlying Fund for further details of such risk factors.

For the full disclosure of the investment objectives / policies of the Merging / Receiving Underlying Funds, please refer to the KFS and Prospectus.

<u>Rebalancing and merger procedure</u>

The investment manager of the Merging Underlying Fund will ensure that the portfolio of investments of the Merging Underlying Fund transferred at the Effective Date are compatible with the investment objective and policy of the Receiving Underlying Fund. To this end, a portfolio rebalancing exercise will take place within two (2) weeks before the Effective Date. The Merging Underlying Fund will continue to accept subscription, switching or redemption requests up to 5 p.m. (Hong Kong time) on August 2, 2024 (the "**Last Dealing Date**"). Dealing in new shares of the Receiving Underlying Fund will be permitted on the first dealing day of the Receiving Underlying Fund after the Effective Date, being August 12, 2024.

As of the Effective Date, the assets and liabilities of the Merging Underlying Fund will be transferred to the Receiving Underlying Fund. The total costs associated with any rebalancing of the underlying investments of the portfolio (primarily dealing and transaction costs) undertaken within two weeks of the Effective Date as part of such rebalancing exercise are reasonably estimated at 35 basis points ("**bps**") of the Merging Underlying Fund's net asset value as at the rebalancing date, and shall be borne by the Merging Underlying Fund up to a maximum of 45 bps of the Merging Underlying Fund's net asset value as at the rebalancing date, as it is believed that the proposed merger will provide investors of the Merging Underlying Fund with a fund with improved positioning and resources, higher opportunities to achieve growth over the long term and marginal benefits accruing from increased economies of scale (rebalancing costs above a maximum of 45 bps of the Merging Underlying Fund's net asset value as at the rebalancing date will be borne by the management company of the Merging Underlying Fund).

The basis of this cost estimate is consistent with the methodology utilised by the Invesco Funds in order to mitigate the effect of dilution, as further described under the sub-section named "swing pricing mechanism" in Section 6.2 of the Prospectus. The cost estimate will reflect an approximation of the cost of purchasing or selling the underlying assets of the Merging Underlying Fund due to dealing charges, taxes and any bid/offer spread between the buying and selling prices of the underlying assets and may include anticipated fiscal charges.

It should be noted that during the rebalance period and in the two weeks leading up to the Effective Date that the Merging Underlying Fund may deviate from, and hence may not be in compliance with, its investment objective and policy, albeit the Merging Underlying Fund will remain invested in Japanese companies. This is due to the fact that the overlap between the Merging Underlying Fund and the Receiving Underlying Fund is small and the way the Merging Underlying Fund and the Receiving Underlying Fund are managed is different, which will result in a higher turnover and a different client experience than would otherwise be achieved if the portfolio rebalance exercise did not take place. A portfolio rebalancing exercise is hence necessary to ensure that the portfolio of investments of the Merging Underlying Fund transferred at the Effective Date are compatible with the investment objective and policy of the Receiving Underlying Fund.

To the extent that the rebalancing costs are borne by the Merging Underlying Fund, shareholders who remain in the Merging Underlying Fund during the rebalancing period will be subject to the rebalancing costs.

Please refer to Appendix 1 of the Shareholder Notice for detailed disclosure of the investment objective and policy of the Merging Underlying Fund and the Receiving Underlying Fund.

Merger costs

There are no unamortized preliminary expenses relating to the Merging Underlying Fund and the Receiving Underlying Fund. The management company of the Merging Underlying Fund will bear the costs associated with the preparation and implementation of the proposed merger including all legal, advisory and administration costs.

The name and currency of share class of the Merging Underlying Fund and Receiving Underlying Fund after the Merger will remain the same.

For details of the Merging / Receiving Underlying Funds and the Merger, please refer to the Shareholder Notice.

Investment Choice Level

The value of your holdings in the Investment Choice will not be changed due to the Merger. After the merge, the number of units you are holding in the Investment Choice will be adjusted depending on the unit price of the Merging Underlying Fund and the Receiving Underlying Fund as of the Effective Date.

The Investment Choice will be linked to the Receiving Underlying Fund and the name of the Investment Choice will be changed accordingly as follows:

	Current	After Merger
Name of Investment Choice	Invesco Responsible Japanese Equity Value Discovery Fund	Invesco Japanese Equity Advantage Fund

For avoidance of doubt, there will be no changes in the risk level of the Investment Choice after the merger.

Trading Timeline

Due to the close of dealing in the Merging Underlying Fund and the Merger mentioned above, the valuation and dealing of the Investment Choice will be suspended from August 3, 2024 to August 13, 2024 (both dates inclusive). All instructions (including but not limited to any initial premium, top-up (whether by way of lump-sum top-up premium or regular top-up premium), switch-in and/or switch-out/redemption received by us from 3:00pm on August 1, 2024 to August 13, 2024 (both dates inclusive) will be processed after the resumption of valuation and dealing for the Investment Choices on August 14, 2024 after the merger. During the period from 3:00pm on August 1, 2024 to August 13, 2024 (both dates inclusive), policyowners may withdraw or change his/her instructions in respect of any initial premium, top-up, switching and/or redemption of the Investment Choices.

Pursuant to the relevant Principal Brochures relating to the Investment Choices, Manulife (International) Limited (Incorporated in Bermuda with limited liability) ("**Manulife**") may, having regard to the interests of the policyowner, suspend or defer the dealing of the units of the Investment Choice and the determination of the unit price of the Investment Choice or its units in the circumstances that the valuation and dealings in the underlying fund are deferred or suspended; or it is not reasonably practicable for Manulife to subscribe for or redeem units in the underlying fund.

Your Action

(i) For existing holding of notional units of the Investment Choice

If you are holding any notional units of the Investment Choice and no longer wish to hold such Investment Choice, you may switch out such holding free of charge starting from the date of this notice **until 3:00pm on August 1, 2024**, both dates inclusive (the "**Period**"), to any other investment choice(s) that is/are open for subscription under the Plan.

Please note that the minimum switching amount requirement of the Plan is waived during the Period when you instruct us to switch your entire units of the Investment Choice to any other available investment choice(s) under the Plan that is/are open for subscription at the time of switching. We would very much appreciate your provision of switching instruction by sending the completed and signed prescribed form to our Administration Office within the Period.

(ii) For existing regular premium to the Investment Choice

If you have arranged regular premium to the Investment Choice, you may change such regular premium allocation instruction to any other investment choice(s) that is/are open for subscription under the Plan free of charge, by sending a completed and signed prescribed form to our Administration Office **before 3:00pm on August 1, 2024**, to update your regular premium allocation instruction. Please be reminded that the minimum subscription amount requirements under the Plan are still applicable.

If we do not receive any instruction from you by the end of the Period, your existing holding and/or regular premium allocation will remain in the Investment Choice linked to the Receiving Underlying Fund after the Effective Date.

Please refer to the Principal Brochure – Investment Choice Brochure of the Plan and the offering documents of the

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underlying fund linked to other investment choices for further details about such other investment choices and the corresponding underlying fund, including but not limited to the investment objective and policies, risk factors and related fees and charges. The offering documents of the underlying fund (including the Receiving Underlying Fund) corresponding to the investment choices under the Plan are made available by Manulife upon request.

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 during office hours: 9:00am - 6:00pm, Monday to Friday.

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