



Manulife Investment Solutions

Principal Brochure – Product Brochure

Important Notes:

1. Manulife Investment Solutions (the "Plan"), being an investment-linked assurance scheme, is an insurance policy issued by Manulife (International) Limited (the "Company"). Your investments in the Plan are therefore subject to the credit risk of the Company.
2. The investment choices available under the Plan can have very different features and risk profiles. Some may be of high risk. Please read the principal brochure of the Plan and offering documents of the underlying funds involved for details.
3. Return on your investments is calculated or determined by the Company with reference to the performance of the underlying funds/assets.
4. Return of your investments may be lower than that of the corresponding SFC-authorized funds due to the fees and charges levied under the Plan.
5. The premium you pay towards the insurance policy will become part of the assets of the Company. You do not have any rights or ownership over any of those assets. Your recourse is against the Company only.
6. Early surrender of the policy or withdrawal from the policy value may result in a significant loss of principal and/or bonuses to be awarded. Poor performance of the underlying funds/assets may further magnify the investment losses, while all fees and charges are still deductible.
7. The return of some of the investment choices is calculated with reference to pools of assets internally managed on a discretionary basis by the Company. While the SFC has authorized this Plan, the SFC has not authorized the making of any of these investments.
8. Investment involves risk. You should not purchase this Plan unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.

NOTES:

The Principal Brochure of the Plan comprises *this Principal Brochure - Product Brochure (the "Product Brochure")* and *the Principal Brochure – Investment Choice Brochure (the "Investment Choice Brochure")*. The Principal Brochure is published on October 13, 2010.

This Principal Brochure is not a policy contract. You should refer to the policy provisions for the exact terms and conditions of the Plan. The policyowner will receive the policy provisions from the Company when the policy is issued. Specimen copies of the policy provisions are also available from the Company upon request. If you are in any doubt about the contents of this Principal Brochure, you should seek professional advice.

The Plan is issued by the Company which accepts full responsibility for the accuracy of the information contained in this Principal Brochure at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Plan has been authorized by the Securities and Futures Commission in Hong Kong (the "SFC"). SFC authorization is not a recommendation or endorsement of the Plan nor does it guarantee the commercial merits of the Plan or its performance. It does not mean the Plan is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. The SFC does not take any responsibility for the contents of this Principal Brochure, makes no representation as to its accuracy or completeness, expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Principal Brochure.

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Introduction

Manulife Investment Solutions (the "Plan") is an investment-linked insurance policy issued by the Company under Class C linked long term business as defined under the Insurance Companies Ordinance ("ICO"). The Company is authorised to carry on Class C linked long term business in Hong Kong under the ICO.

The Plan offers the policyowner a number of investment choices ("Investment Choices"). The value of the policyowner's policy ("Policy Value") is calculated or determined by the Company with reference to the performance of the underlying funds and/or assets of the Investment Choice(s) from time to time selected by the policyowner. The Policy Value is the sum of account value of the Investment Choice(s) selected ("Account Value"). The Company performs dealing and valuation of the Investment Choices as explained in section 5 below.

The policyowner can flexibly switch among the Investment Choices under the Plan to achieve investment customization. The return of Investment Choice may go down as well as up. Each Investment Choice has its own investment objective and associated risks. For details of investment objectives and policies, risk factors and borrowing and investment restrictions of each Investment Choice, please refer to the Investment Choice Brochure.

In accordance with the policyowner's selected Investment Choices, the Company will invest all the premiums received from the policyowner, net of any applicable bank charges and cost for converting to the base currency of the Investment Choices, in the corresponding underlying funds/assets, for the Company's asset and liability management and allocate units of the selected Investment Choices to the policy. The Investment Choice units allocated to the policy are notional and are solely for the purpose of determining the Policy Value. The underlying funds/assets of each Investment Choice belong to the Company. The policyowner does not have any ownership or rights over such underlying funds/assets and the policyowner is therefore subject to the credit risk of the Company. All benefits of the Plan as summarized in section 3 below are backed by the financial soundness and claims paying ability of the Company.

With Manulife Investment Solutions, the policyowner can have:

- A single investment platform for a basket of Investment Choices which have respective investment objectives and associated risk-return profiles.
- Investment expertise in various global market sectors with exposure to the risks and returns of different asset classes.
- No initial charge allowing 100% of policy premiums allocated to the units of the selected Investment Choice(s). Please refer to Section 6 for further information on fees and charges.
- Potential reward of annual bonus starting from the sixth policy year. Please refer to Section 3 for the applicable terms and conditions.
- Life insurance coverage at 101% of the Policy Value determined by reference to the performance of the selected Investment Choice(s).
- Flexible lump sum subscription opportunity and regular subscription option under one policy, subject to the restrictions or requirements with respect to subscription as stated in Section 5.
- Flexible redemption subject to early redemption fee which do not apply to subscription made more than 5 years ago.
- Free switching between Investment Choices. Please refer to Section 5 for the applicable terms and conditions.
- Financial planning services rendered by the Company's professional insurance advisors
- High quality policy administration standards upheld by the Company.

The policy is denominated in United States Dollars. For details of the base currency of each Investment Choice and related currency risk, please refer to the Investment Choice Brochure.

2 Summary

Executive Summary

	Brief Description	For details, please refer to
Eligible Customer	<ul style="list-style-type: none"> Customers at age 18-80 at time of application 	--
Policy Value	<ul style="list-style-type: none"> Policy Value is the sum of the Account Values of all the Investment Choices under the policy 	--
Account Value	<ul style="list-style-type: none"> Account Value of a unitized Investment Choice is the redemption price multiplied by the number of units held Account Value of Manulife Inv Cash Fund is the account balance inclusive of net interest 	--
Investment Choices	<ul style="list-style-type: none"> A range of Investment Choices, and each of which has a different investment objective and risk profile 	Investment Choice Brochure
Annual Bonus	<ul style="list-style-type: none"> Annual bonus program starts from the sixth policy year subject to the applicable terms and conditions in Section 3 	Page 7
Subscription	<ul style="list-style-type: none"> 100% of premium will be invested into the Investment Choice(s) selected by the policyowner and the Company will allocate units of the Investment Choice(s) to the policy Minimum initial subscription is US\$6,000 per policy and US\$1,500 per Investment Choice Minimum subsequent lump-sum subscription is US\$1,500 per policy and US\$250 per Investment Choice Regular subscription is optional and the minimum regular subscription is US\$500 per policy and US\$250 per Investment Choice 	Page 9-10
Switching	<ul style="list-style-type: none"> Free switching between Investment Choices. Please refer to Section 5 for the applicable terms and conditions Minimum amount is US\$250 for each switching from one Investment Choice to another 	Page 11-12
Redemption	<ul style="list-style-type: none"> Redemption is subject to any applicable early redemption fee Minimum US\$1,000 per policy 	Page 10-11
Minimum Balance Requirements after Redemption and Switching	<ul style="list-style-type: none"> Minimum balance of Policy Value immediately after each redemption is US\$5,000 Minimum balance of Account Value immediately after each redemption and switching is US\$1,500 per Investment Choice 	Page 10-12
Fees and Charges	<ul style="list-style-type: none"> Account management fee Investment management fee Early redemption fee Out-of-pocket expenses 	Page 14-16 and Investment Choice Brochure
Customer Communications	<ul style="list-style-type: none"> E-communication services at the Company's website: www.manulife.com.hk Periodic statement Unit prices of Investment Choices available at the Company's website and currently published in Hong Kong Economic Journal and Hong Kong Economic Times Interest rate of Manulife Inv Cash Fund available at the Company's website and shown in the periodic statement if the policyowner has Account Value of Manulife Inv Cash Fund Customer Service Hotline: 83980383 	Page 17

Dealing Summary

Subscription

	Current Procedure	Minimum Subscription Amount	Payment Method
Initial Subscription	Submit the completed Application Form and the subscription payment with cleared money	US\$6,000 per policy or equivalent HKD and US\$1,500 per Investment Choice or equivalent HKD	USD or HKD cheque or bank draft payable to “ Manulife (International) Limited ”
Subsequent Lump-sum Subscription	Submit the completed Investment Choice Services Form and the subscription payment with cleared money	US\$1,500 per policy or equivalent HKD and US\$250 per Investment Choice or equivalent HKD	USD or HKD cheque or bank draft payable to “ Manulife (International) Limited ”
Regular Subscription	Submit the completed Application Form and the Direct Debit Authorization Form For subsequent application after the issue of the policy, complete and submit the Investment Choice Services Form and the Direct Debit Authorization Form	US\$500 per policy or equivalent HKD and US\$250 per Investment Choice or equivalent HKD The subscription frequency can be monthly, quarterly, semi-annually and annually.	By bank autopay

Initial and subsequent lump-sum subscriptions will normally be effected on the same day after receipt of a valid subscription application and the subscription amount by the administration office of the Company by **3:00 p.m.** on a dealing day. Regular subscriptions by bank autopay will be effected upon receipt of payment from the policyowner’s bank by the Company. For details of subscription, please refer to Section 5.2.

Switching

	Current Procedure	Minimum Switching Amount	Cut-off Time
Switching	Complete and return the Investment Choice Services Form	US\$250 or equivalent HKD for each switching from one Investment Choice to another Please refer to Section 5.4 for the additional conditions and the minimum balance requirements on Account Value immediately after each switching.	3:00 p.m. of each dealing day

Switching will normally be effected on the same day of the receipt of the completed Investment Choice Services Form. For details of switching, please refer to Section 5.4.

Redemption

	Current Procedure	Minimum Redemption Amount	Cut-off Time
Redemption	Complete and return the Investment Choice Services Form	US\$1,000 per policy or equivalent HKD Please refer to Section 5.3 for the additional conditions and the minimum balance requirements on Policy Value and Account Value immediately after each redemption.	3:00 p.m. of each dealing day

Redemptions will normally be effected on the same day of the receipt of the completed Investment Choice Services Form and the redemption proceeds will normally be paid within 7 business days. For details of redemption, please refer to Section 5.3.

3 Benefits

3.1 Life Coverage

Life coverage of the insured person equivalent to 101% of the Policy Value as at the date of death claim submission will be paid upon the Company's approval of the death claim. There is no cost of insurance for the life coverage. For calculation of death benefit, early redemption fee will not be applicable.

For any policy with two or more life insureds, the life coverage will be payable only upon the death of the last life insured.

If the life insured commits suicide whether sane or insane, the Company's only liability will be limited to 100% of the Policy Value attributable to the subscription in the preceding twelve months and 101% of the Policy Value attributable to the subscription prior to the preceding twelve months.

3.2 Annual Bonus

The annual bonus program starts from the sixth policy year. At the end of each policy year during the program, the bonus amount will be calculated on a progressive basis based on the average Policy Value eligible for the bonus in the previous 12 months. The average Policy Value eligible for the bonus is the sum of the Policy Value as at the end of each of previous 12 months and then divided by 12. Under this bonus program, the sum of the Policy Value excludes the Account Value of Manulife Inv Cash Fund and the Policy Value attributable to the subscriptions aged less than sixty one months.

The respective bonus rate as set out below is applied to the average Policy Value eligible for the bonus on a tiered basis in order to determine the annual bonus.

Average Policy Value Eligible for the Bonus	Bonus Rate to be Applied to the Respective Tier Amount
The first tier from US\$1 to US\$20,000	0.0%
The second tier from US\$20,001 to US\$50,000	0.5%
The third tier from US\$50,001 to US\$100,000	0.7%
The remainder above US\$100,000	1.0%

The bonus will be used to subscribe for Investment Choices in proportion to the Account Value of each Investment Choice which is open for subscription on the date on which the relevant bonus is awarded. If the policy has no Account Value under any Investment Choices which is open for subscription, the full amount of bonus will be used to subscribe for Manulife Inv Cash Fund.

Important Note:

- Given the bonus rate and bonus amount is determined by the Policy Value, any redemption will reduce any applicable annual bonus to be credited to the policy.
- If more than one subscription of the same Investment Choice are made to the policy, any redemption of the Investment Choice will be made in respect of the earliest subscription on a first-in-first-out basis and the annual bonus may be lost immediately once the average Policy Value drops below US\$20,000, to which the bonus rate of 0.0% is applied.
- The annual bonus will be credited to the respective policy provided that the policy is in force. The policyowner will not be entitled to the annual bonus until it is credited to the policy at the end of the policy year. Therefore, if the policy is surrendered by the policyowner or terminated due to death of the life insured or any other reasons, the policyowner will lose the entire annual bonus to be credited in the future.

The following is a fictitious example illustrating the calculation of the annual bonus:

- Initial subscription made when the policy was issued US\$90,000
- Subsequent subscription made at the 6th month after the policy was issued US\$20,000
- No other subscription or redemption transaction was done

At the end of the 61st month after the policy was issued, the Policy Value is US\$138,000 with the following breakdown:

Policy Value at the end of the 61 st month (US\$)	Manulife Inv Cash Fund	Other Investment Choices
Attributable to the 1 st subscription (made 61 months ago)	8,000	104,000
Attributable to the 2 nd subscription (made 55 months ago)	0	26,000
Total	138,000	

The annual bonus is calculated based on the Policy Value in the previous 12 months:

End of month after the policy was issued	Policy Value US\$ (A)	Account Value of Manulife Inv Cash Fund US\$ (B)	Policy Value attributable to subscription aged less than 61 months US\$ (C)	Policy Value eligible for bonus US\$ (A) - (B) - (C)
60 th and before	<i>Annual bonus is not available</i>			
61 st	138,000	8,000	26,000	104,000
62 nd	139,000	8,001	24,600	106,399
63 rd	130,000	8,002	25,900	96,098
64 th	123,580	8,004	24,200	91,376
65 th	131,000	8,004	27,300	95,696
66 th	135,000	8,006	28,000	98,994
67 th	141,000	8,007	0*	132,993
68 th	140,000	8,009	0	131,991
69 th	146,000	8,011	0	137,989
70 th	155,000	8,011	0	146,989
71 st	150,500	8,012	0	142,488
72 nd	151,000	8,013	0	142,987
At the end of the 6 th policy year				
Sum of Policy Value eligible for bonus in previous 12 months (D)				1,428,000
Average Policy Value eligible for bonus (E) = (D) / 12				119,000

* At the end of the 67th month, all subscriptions age more than 61 months.

The annual bonus credited to the policy at the end of the 6th policy year is US\$690 as calculated below:

Annual Bonus Calculation (US\$)	Average Policy Value eligible for bonus (US\$)	Annual Bonus (US\$)
First Tier (0.0%)	20,000	0
Second Tier (0.5%)	30,000	150
Third Tier (0.7%)	50,000	350
Remainder (1.0%)	19,000	190
Total	119,000	690

4 Investment Choices

The Company may set up unitized Investment Choices and non-unitized Investment Choices under the Plan pursuant to the relevant regulatory requirements. The underlying investment of each Investment Choice can be an individual SFC-authorized fund, an internally managed portfolio of SFC-authorized funds or an internally managed cash fund. The Company may at any time, in its sole discretion and pursuant to the relevant regulatory requirements, establish a new Investment Choice under the Plan.

The Company may, with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements,

- i) Change the investment objectives and policies of any Investment Choice;
- ii) Terminate any Investment Choice;
- iii) Close any Investment Choice to any future subscription;
- iv) Merge or sub-divide any Investment Choice.

5 Dealing and Valuation

5.1 Dealing Day

Except for suspension of dealing, units of unitized Investment Choices will be valued for or issued/redeemed on each dealing day, which will be any day on which the banks in Hong Kong are open for business (excluding Saturdays) or such other day as the Company may from time to time determine due to an unexpected event. The dealing day of the non-unitized Investment Choices will follow that of the unitized Investment Choices.

5.2 Subscription

For subscription of units of Investment Choice, the Company must receive the following:

- i) A valid subscription application: clear instruction with the procedures prescribed in the following paragraphs must be received by the Company's administration office in respect of the subscription; and
- ii) The subscription monies in cleared funds.

All initial subscriptions shall be made by completing and signing the Application Forms. The minimum initial subscription of the Plan is US\$6,000 per policy and US\$1,500 per Investment Choice.

For subsequent lump-sum subscription, an Investment Choice Services Form specifying the subscription allocation should be submitted with the subscription payment in cleared money. The Company may also accept the subsequent lump-sum subscription instruction in other means such as electronic form to be prescribed by the Company from time to time. The minimum subsequent lump-sum subscription is US\$1,500 per policy and US\$250 per Investment Choice.

The policyowner may opt to subscribe for Investment Choices regularly through bank autopay. The subscription frequency can be monthly, quarterly, semi-annually or annually. Such application can be made in the Application Form upon initial subscription or by completing the Investment Choice Services Form for subsequent application or changes. Confirmation notice will be sent to the policyowner once the setup of bank autopay has been completed. The minimum regular subscription via bank autopay is US\$500 per policy and US\$250 per Investment Choice.

The Company has discretion to waive the minimum subscription amount for initial subscription, subsequent lump-sum subscription or regular subscription, from time to time. The Company may change the minimum subscription amount with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

Subscriptions will normally be effected on the same day after receipt of a valid subscription application and the subscription amount by the administration office of the Company by 3:00 p.m. on a dealing day. If the valid subscription application is received later than the dealing cut-off time, the Company will effect the subscription on the following dealing day. Regular subscriptions by bank autopay will be effected upon receipt of payment from the policyowner's banker by the Company.

The Company may in its sole discretion effect the subscription notwithstanding the subscription monies have not been received in cleared funds. The policyowner should ensure that the subscription amount is paid to the

Company in cleared funds and the original copy of subscription application, if applicable, is completely received by the Company. In any event the full amount of subscription monies are not received by the Company in cleared funds, or the completed original signed Application Form and any required identification details are not received by the Company, the Company has the right to cancel any subscription. The Company shall be entitled to claim from the policyowner any loss in realizing the value of any assets acquired through such cancelled subscription.

Units of any unitized Investment Choice shall first be issued at US\$1.00 unless otherwise determined by the Company. The number of units issued of a unitized Investment Choice will be determined by dividing the subscription amount by the issue price as determined in accordance with Section 5.6. The unit issued will be rounded to nearest 4 decimal places or such other number of decimal places as the Company may from time to time determine. Any remaining balance after such rounding will be absorbed by the Investment Choice. The subscription amount of a non-unitized Investment Choice will be added to the Account Value of the non-unitized Investment Choice.

In order to ascertain the subscription amount in base currency, the Company will calculate the United States Dollar equivalent of the subscription monies (if made in Hong Kong Dollars) at a prevailing exchange rate determined by the Company with reference to the market rates. All bank charges and cost of converting into United States Dollar may be deducted from the subscription monies and the resulting net United States Dollar amount will be used to subscribe for the Investment Choice(s).

Payments in Hong Kong or United States Dollar can be made by cheques or bank drafts payable to “**Manulife (International) Limited**”. Subsequent regular subscription can be made by bank autopay. Given the longer time taken to clear United States Dollar cheques or bank drafts drawn on a bank in the USA, applicants are recommended to pay in Hong Kong Dollar or United States Dollar cheques or bank drafts drawn on a bank in Hong Kong.

The Company reserves the right to reject any subscription application in whole or in part. If an application is rejected, the Company will, at the risk of the applicant, within 5 business days of the date of rejection return the application monies or balance thereof without interest by cheque.

The Company may at any time cease to allow subscription to units of any Investment Choice. If the policyowner’s existing instruction for the allocation of the subscription includes any allocation to an Investment Choice which the Company has closed, the policyowner must change his instruction to exclude such Investment Choice in accordance with policy contract by completing the relevant forms supplied by the Company. If the Company does not receive such instruction before the expiry of the notice of Investment Choice closure, the Company may follow the procedure as prescribed in the relevant notification letter as if the Company has received the policyowner’s instruction to do so and such instruction shall be final.

The Company may change the subscription procedures with no less than one month’s prior notice or such other period pursuant to the relevant regulatory requirements.

5.3 Redemption

For redemption of units of Investment Choice, the Investment Choice Services Form should be completed, signed and received by administration office of the Company by 3:00 p.m. Hong Kong time provided that the day is a dealing day. If the Investment Choice Services Form is received later than the dealing cut-off time, the Company will effect the redemption on the following dealing day. The Company may also accept the redemption instruction in other means such as electronic form to be prescribed by the Company from time to time. Such instruction will normally be effected on the same day and, in any events no later than 5 business days of receipt of the Investment Choice Services Form, except for dealing suspension.

Redemption is subject to any applicable early redemption fee. The redemption proceeds will be the redemption amount less any applicable early redemption fee. An early redemption fee will be charged if redemption is made within the first five years of the subscription. However, annual bonus is not subject to any early redemption fee. The Account Value attributable to the annual bonus of an Investment Choice will be redeemed before the redemption of the remaining Account Value of the Investment Choice. Please refer to Section 6 for details and an illustrative example of early redemption fee.

The minimum redemption amount is US\$1,000 per policy. The Company has the discretion to waive the minimum redemption amount. The Company may change the minimum redemption amount with no less than one month’s prior notice or such other period pursuant to the relevant regulatory requirements. Redemption below the

minimum amount is still accepted provided the request redemption amount is the entire Account Value of an Investment Choice and/or the policy.

The redemption is subject to a minimum Account Value of US\$1,500 for an Investment Choice immediately after redemption. If the remaining Account Value of the redeemed Investment Choice is less than this minimum value after redemption, the Company may at its sole discretion determine that the entire units/amount of that Investment Choice under the policy is redeemed by the policyowner without further notice. The entire redemption amount may be subject to any applicable early redemption fee. The Company has the discretion to waive the minimum Account Value of the Investment Choice. The Company may change the minimum Account Value of an Investment Choice with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

The redemption is subject to a minimum Policy Value of US\$5,000 immediately after redemption. If the remaining Policy Value is less than this minimum value after redemption, the Company may at its sole discretion determine that the entire units/amount of all Investment Choices under the policy is redeemed by the policyowner and the policy is surrendered without further notice. The entire redemption amount may be subject to any applicable early redemption fee. The Company has the discretion to waive the minimum Policy Value. The Company may change the minimum Policy Value with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

The redemption amount of a unitized Investment Choice will be determined by the units redeemed multiplying the redemption price as determined in accordance with Section 5.6. If the redemption request is in terms of amount, the unit redeemed will be determined by dividing the requested redemption amount by the redemption price. Early redemption fee is deducted from the redemption amount before the redemption proceeds is paid to the policyowner.

Subject to early redemption fee, the redemption amount of a non-unitized Investment Choice will be withdrawn from the Account Value of the Investment Choice. The Account Value of the Investment Choice, at the time of withdrawal, will include the accrued interest for the period between the last interest credit date and the redemption date.

Payment of the redemption proceeds will normally be made within 7 business days upon receipt by the Company of all required redemption documents on a dealing day. The policyowner is therefore reminded that the payment of redemption proceeds will be delayed if the redemption procedures set out above are not followed. The Company may extend the payment period to not more than 30 days due to any event which is not foreseeable or controllable by the Company. Payments in Hong Kong or United States Dollars will be made by cheque. If the redemption payment request is in Hong Kong Dollars, the Company will calculate the Hong Kong Dollar of the redemption proceeds at a prevailing exchange rate determined by Company with reference to the market rate. All applicable bank charges and cost of converting into Hong Kong Dollars may be deducted from the redemption proceeds and the resulting net Hong Kong Dollar amount will be paid to the policyowner.

The Company may change the redemption procedures with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

5.4 Switching

The policyowner may switch among Investment Choices. The Investment Choice Services Form should be completed, signed and received by the administration office of the Company by 3:00p.m. Hong Kong time provided that the day is a dealing day. If the Investment Choice Services Form is received later than the dealing cut-off time, the Company will effect the switching on the following dealing day. The Company may also accept the switching instruction in other means such as electronic form to be prescribed by the Company from time to time. Such instruction will normally be effected on the same day. In any event, the switching in transaction will be performed no later than 5 business days after the switching out transaction, except for dealing suspension.

Switching of the units from a unitized Investment Choice to the other unitized Investment Choice(s) will be based on the issue price of the Investment Choice(s) to be switched in and the redemption price of the Investment Choice to be switched out. Any applicable switching fee will be deducted from the switching out amount. The issue price and redemption price will be determined in accordance with Section 5.6.

If the Investment Choice to be switched out is a non-unitized Investment Choice, the switching amount will be withdrawn from the Investment Choice and allocated to the relevant Investment Choice based on the issue price of the Investment Choice to be switched in after deducting any applicable switching fee. If the Investment Choice to be switched in is a non-unitized Investment Choice, the switching amount will be added to the Account Value of the Investment Choice after deducting any applicable switching fee.

The minimum switching amount from one Investment Choice to another is US\$250. The Company has the discretion to waive the minimum switching amount. The Company may change the minimum switching amount with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements. Switching below the minimum amount is still allowed provided the requested switching amount is the entire Account Value of the Investment Choice to be switched out.

The switching out is subject to a minimum Account Value of US\$1,500 for an Investment Choice immediately after switching out. If the remaining Account Value of the Investment Choice to be switched out is less than this minimum value after the switching, the Company may at its sole discretion determine that the entire units/amount of that Investment Choice is switched to the Investment Choice(s) according to the allocation of the switching instruction without further notice. The Company has the discretion to waive the minimum Account Value of the Investment Choice. The Company may change the minimum Account Value of an Investment Choice with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

The policyowners are currently entitled to free switching between Investment Choices. However, the Company may charge a switching fee with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

The Company may at any time cease to allow any switching in to any Investment Choice and notify the policyowners as soon as reasonably practicable.

The Company may change the switching procedures with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

5.5 Redemption and Switching out Limitation

The Company may limit redemption and switching out of units of an Investment Choice to 10% of its net asset value on a dealing day. Please refer to section 5.6 for detailed information on the determination of the net asset value. This limitation will be applied pro rata to all redemption and switching out requests to be effected on any dealing day. Requests not redeemed will be deferred to the next dealing day subject to the same 10% limitation and effected in priority to later requests.

5.6 Determination of Net Asset Value, Issue Price and Redemption Price

The underlying investments and assets of each unitized Investment Choice will be valued for each dealing day. The net asset value of a unitized Investment Choice will be determined by calculating the total value of the underlying investments and assets of the Investment Choice and deducting the liabilities attributable to the Investment Choice. In general,

- i) quoted investments are valued at their latest available quoted traded price of the relevant investment at the close of business in the relevant stock exchange or market at or immediately preceding the valuation time which is the close of business in the last market to close of all relevant stock exchanges or markets on each day of valuation or such other time on a day of valuation as the Company may from time to time select;
- ii) unquoted investments are assessed on the latest revaluation made or in the case of any unquoted security which is a money market instrument having a short-term maturity at the discretion of the Company, according to the value on the date of acquisition calculated on a yield to maturity and amortized to the remaining periods of maturity as required;
- iii) collective investment schemes are valued at their net asset values per share or unit or if more than one is quoted, the sell price;
- iv) cash and deposits are valued at face value;

- v) futures contracts are valued at an amount equal to the gain or (as the case may be) loss which would have been accrued to the net asset value of the relevant Investment Choice at the time which the relevant valuation is made if the Company had at that time closed out the position of the contracts by entering into an equal and opposite futures contracts at market prices prevailing at that time;
- vi) if investments have been agreed to be purchased, such investments will be included and the purchase cost will be excluded; if investments have been agreed to be sold, such investments will be excluded and the sales proceeds will be included;
- vii) Interest accrued on any instruments shall be taken into account up to the valuation day, unless such interest is included in the quoted value. Where the current price of a quoted security is quoted “ex” dividend, interest or other rights to which any underlying asset is entitled but such dividend, interest or the property or cash to which such rights relate has not been received and is not otherwise taken into account, the amount of such dividend, interest or cash or property shall be accrued to the net asset value of the relevant Investment Choice.

Liabilities attributable to an Investment Choice shall include, but are not limited to, any taxation related to the income from the underlying assets of the Investment Choice; any accrued or unpaid fees and expenses of the operations of the policy, Plan and Investment Choices; any outstanding borrowing and any outstanding settlement to policyowners.

If in any case a particular value is not ascertainable as above provided or if the Company shall consider that some other methods of valuation more accurately reflect the fair value of the relevant security or other assets for the purpose concerned then in such case the method of valuation of the relevant security or other asset shall be such as the Company in its absolute discretion shall decide.

The net asset value per unit of a unitized Investment Choice will be determined by dividing its net asset value by the number of units in issue. The issue price is calculated by the net asset value per unit plus a fiscal charge and the buy spread and the redemption price is calculated by the net asset value per unit less a fiscal charge. Currently, the buy spread and fiscal charge are zero. The net asset value per unit, issue price and redemption price will be rounded to the nearest 3 decimal places or such other number of decimal places as the Company may from time to time determine.

For the purpose of valuation, subscription of units of the unitized Investment Choice on that dealing day will not be included in the valuation and no deduction will be made in respect of redemption of units on that dealing day.

The Company may change the valuation methodology and frequency with respect to any Investment Choice with no less than one month’s prior notice or such other period pursuant to the relevant regulatory requirements.

5.7 Suspension of Dealing

The Company may, having regard to the interests of the policyowner, suspend the dealing of the units of any Investment Choice and the determination of the net asset value of any Investment Choice in the following circumstances:

- i) There is in existence any state of affairs prohibiting the normal disposal of the underlying investments or assets of the Investment Choice;
- ii) There is a closure of or restriction or suspension of trading on any securities markets on which a substantial part of the underlying investments or assets of the relevant Investment Choice is normally traded or a breakdown in any of means normally employed by the Company in determining the net asset value of an Investment Choice or ascertaining the value of any underlying investments or assets of an Investment Choice;
- iii) For any other reason, the prices of the underlying investments or assets of an Investment Choice cannot, in the opinion of the Company be reasonably ascertained;
- iv) In the opinion of the Company it is not reasonably practicable or is prejudicial to the interest of the policyowner to realize any underlying investments or assets of the Investment Choice; or
- v) The remittance or repatriation of funds which may be involved in the redemption of or in the payment for the underlying investments or assets of any Investment Choice or the subscription for or redemption of any units

is delayed or cannot, in the opinion of the Company be effected at reasonable prices or reasonable rates of exchange.

The fact that dealing is suspended will be published as soon as practicable following such decision and at least once a month during the period of suspension, in the newspapers in which the unit prices of Investment Choices are normally published.

Normal dealing will be resumed after the end of the suspension period. Any outstanding transactions submitted or scheduled during the suspension (including but not limited to fee deduction, subscription, redemption and switching) will be carried out on the day normal trading is resumed.

6 Fees and Charges

Fees and Charges at the Plan Level:

Fees and Charges	Current Level												
Account Management Fee	1.2% per annum of the net asset value of the Investment Choice(s), daily accrued from the net asset value and reflected in the unit price. The unit price is used for calculating the Account Value based on the allocated units of the respective Investment Choice(s).												
Switching Fee	Currently Nil												
Out-of-pocket Expense	<p>Up to 1% per annum of the net asset value of the Investment Choice(s), daily accrued from the net asset value and reflected in the unit price. The unit price is used for calculating the Account Value based on the allocated units of the respective Investment Choice(s).</p> <p>Expenses incurred for the operations at the Plan and Investment Choice levels, including but not limited to, the fees of audit, legal and other advisers, the costs of unit price publishing, printing and distributing Principal Brochure, annual reports, notices, statements and newsletters, transaction costs, accounting and valuation, custodian services, taxes and other reasonable out-of-pocket expenses.</p>												
Early Redemption Fee	<p>Charge as a percentage of the Policy Value redeemed from the policy due to redemption or surrender of the policy.</p> <table border="1"> <thead> <tr> <th>Subscription of less than</th> <th>Percentage of the redemption amount</th> </tr> </thead> <tbody> <tr> <td>1 year</td> <td>6%</td> </tr> <tr> <td>2 years</td> <td>5%</td> </tr> <tr> <td>3 years</td> <td>4%</td> </tr> <tr> <td>4 years</td> <td>3%</td> </tr> <tr> <td>5 years</td> <td>2%</td> </tr> </tbody> </table> <p>Early redemption fee does not apply to subscription made more than 5 years ago.</p> <p>Years will be measured from the actual date of a subscription. Early redemption fee will be applied to the earliest subscription first (first-in-first-out basis). Switching will not affect the age of the subscription such that the same first in first out basis will apply to the switching transactions accordingly. Early redemption fee is deducted from the redemption amount before the redemption proceeds is paid to the policyowner.</p> <p>The annual bonus is not subject to any early redemption fee. The Account Value attributable to the annual bonus of an Investment Choice will be redeemed before the redemption of the remaining Account Value of the Investment Choice.</p>	Subscription of less than	Percentage of the redemption amount	1 year	6%	2 years	5%	3 years	4%	4 years	3%	5 years	2%
Subscription of less than	Percentage of the redemption amount												
1 year	6%												
2 years	5%												
3 years	4%												
4 years	3%												
5 years	2%												

The following is a fictitious example illustrating the calculation of early redemption fee:

- When the policy was issued, a subscription of US\$70,000 was made to Investment Choice A.
- 24 months later, US\$40,000 was switched from Investment Choice A to Investment Choice B and a subsequent subscription of US\$18,000 was made to Investment Choice B.
- Afterwards, no further subscription, switching or redemption transaction was done.

Assuming that after 6 more months later (the 30th month after the policy was issued), the Policy Value increased to US\$97,750 ^(note 1) and the policyowner requests to redeem US\$45,000 of Investment Choice B.

Amount in US\$	Original Subscription Amount	Account Value		Early Redemption Fee	
		Assumed Balance as of the 30 th month	To be Redeemed	Rate	Fee Amount
1 st Subscription (made less than 3 years)	70,000	38,300	-	-	-
- Investment Choice A		41,000	41,000	4%	1,640
2 nd Subscription (made less than 1 year)	18,000	18,450	4,000	6%	240
- Investment Choice B					
Total		97,750	45,000		1,880

Requested redemption amount	US\$45,000
Early redemption fee	US\$1,880
Net redemption amount paid to policyowner (US\$45,000-US\$1,880)	US\$43,120

After the above redemption, the Policy Value was US\$52,750 and the policyowner switched all the Account Value of Investment Choice B to Investment Choice A. At the 72nd month after the policy was issued, it is assumed that an annual bonus of US\$119 was credited to the policy ^(note 2).

One month later, which is the 73rd month after the policy was issued, it is assumed that the Policy Value increased to US\$63,420 ^(note 3) and the policyowner requests to redeem US\$50,000 of Investment Choice A with the early redemption fee calculated as follows:

Investment Choice A Amount in US\$	Original Subscription / Annual Bonus Amount	Account Value		Early Redemption Fee	
		Assumed Balance as of the 73 rd month	To be Redeemed	Rate	Fee Amount
Annual Bonus	119	120	120	-	-
1 st Subscription (made more than 5 years)	70,000	45,960	45,960	-	-
2 nd Subscription (made less than 5 years)	18,000	17,340	3,920	2%	78.4
Total		63,420	50,000		78.4

Requested redemption amount	US\$50,000
Early redemption fee	US\$78.4
Net redemption amount paid to policyowner (US\$50,000-US\$78.4)	US\$49,921.6

Supplementary notes to illustration

- Note 1 The amount includes initial and subsequent subscription amount of US\$88,000 and the respective assumed market value change of US\$9,750.
- Note 2 The annual bonus is calculated based on the average Policy Value eligible for the bonus in the previous 12 months, which is assumed to be US\$43,800 in this example. Please refer section 3.2 for the terms and conditions of the annual bonus.
- Note 3 The amount includes the balance just after the redemption in the 30th month (US\$52,750), the assumed market value change on such balance between the 30th and 73rd months (US\$10,550), the annual bonus credited in the 72nd month (US\$119) and the assumed market value change on such annual bonus in the 73rd month (US\$1).

Fees and Charges at the Investment Choice Level:

Fees and Charges	Current Level
Investment Management Fee	<p>Investment management fee varies by each Investment Choice between 0.5% and 2.1% per annum of the net asset value of the Investment Choice. It is accrued daily and reflected in the unit price of the Investment Choice. The unit price is used for calculating the Account Value based on the allocated units of the Investment Choice.</p> <p>Comprise the following:</p> <ul style="list-style-type: none">(i) management fee charged by the underlying fund manager, which is also reflected in the unit price of the underlying fund; and(ii) management fee charged by the Company. <p>Please refer to the Investment Choice Brochure for the investment management fee of each Investment Choice. For Manulife Inv Cash Fund, the Company shall take into account the management fee and other out of pocket expenses when the Company declares the net interest.</p>
Bid-offer Spread	Currently Nil
Performance Fee	<p>Performance fee may be levied on the underlying funds and reflected in the unit price of the respective Investment Choice. The unit price is used for calculating the Account Value based on the allocated units of the respective Investment Choice. Please refer to the Investment Choice Brochure and the offering documents of the underlying funds for the details. The Company currently does not charge a performance fee on the net asset value of the Investment Choices on top of the performance fee charged by the underlying funds.</p>

Special handling fees can be charged by the Company to the policy in respect of any extra services provided which shall include but are not limited to the following:

- a) Each cheque returned due to insufficient funds or any other reasons, and/or re-issuance of replacement cheque;
- b) Request for duplicate of any notice or statement in respect to the policy;
- c) Any services required subject to the Company's prior agreement.

Notwithstanding the above, the Company may at its sole discretion reduce or waive any of the above fees and charges and/or adjust the current level of fees and charges at any time provided that any increase in the current level of fees and charges is made with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements.

7 Termination

Surrender of Policy

The policyowner may surrender the policy by redeeming the entire units/amount of all Investment Choices under the policy. The redemption amount is subject to any applicable early redemption fee as shown in Section 6. Please refer to Section 5.3 about the required forms and procedures for such redemption.

Termination of Policy

The policy will terminate on the earliest of the following events:

- i) The death of the life insured subject to Section 8.6; or
- ii) The date the Company approves the policyowner's written request for surrender of the policy; or
- iii) The Policy Value of the policy is zero or negative.

If the policy is terminated, the policyowner will lose the eligibility to all annual bonus to be credited in future.

Termination of Investment Choice

The Company may, with no less than one month's prior notice or such other period pursuant to the relevant regulatory requirements, terminate any Investment Choice by:

- Switching the Account Value of the terminating Investment Choice to the Account Value of another Investment Choice in such manner as will be prescribed by the Company at the time of notice. If, under the policy, there is Account Value in the Investment Choice to be switched, the policyowner may request a switching from such Investment Choice to another. If the Company does not receive such request before the expiry of the notice of Investment Choice exchange, the Company may make a switching of the Investment Choice concerned to another Investment Choice of the Company's arrangement prescribed in the notification as if the Company has received the policyowner's request to do so and such switching shall be final and binding on the policyowner; and/or
- Merging the Account Value of an Investment Choice to another or sub-dividing an Investment Choice into any new Investment Choice which leads to termination of the Investment Choice concerned. If, under the policy, there is Account Value in the Investment Choice to be merged or terminated, the policyowner may request a switching from such Investment Choice to another. If the Company does not receive such request before the expiry of the notice of the Investment Choice merger or termination, the Company may make the merger or termination according to the Company's arrangement prescribed in the notification as if the Company has received the policyowner's request to do so and such merger and termination shall be final and binding on the policyowner.

8 General Information

8.1 Customer Communication

- Various e-communication services are available at Manulife website: www.manulife.com.hk. The policyowner can access the latest Policy Value and other policy information at any time. Updated Investment Choice information such as daily prices and fact sheets can be easily retrieved.
- Notice of subscription, redemption or switching will be issued to the policyowner upon the completion of the transaction.
- Periodic statement that summarizes the Account Value of each selected Investment Choice, the Policy Value and the transaction between statements under the policy will be provided to the policyowner.
- Issue price and redemption price are available at Manulife website – www.manulife.com.hk and are also published daily in several newspapers in Hong Kong, currently the Hong Kong Economic Journal and Hong

Kong Economic Times. The policyowner can also contact Manulife customer service hotline for price enquiry.

- Interest rate of Manulife Inv Cash Fund is available at Manulife website – www.manulife.com.hk and the periodic statement will also show the interest rate if the policyowner has Account Value under Manulife Inv Cash Fund. The policyowner can also contact Manulife customer service hotline for interest rate enquiry.
- For enquiry or receipt of the offering documents of the Plan and/or the underlying funds of the Investment Choices, the policyowner can contact Manulife professional insurance advisor. The policyowner may also call Manulife Customer Hotline at 83980383 for any enquiry and complaint.

The Company may determine from time to time to change the above customer communication services.

8.2 Cooling-off Period

Within the following time frame, whichever is the earliest:

- a) 21 days from the date of application;
- b) 14 days from the date of issue of the Policy
- c) 7 days from the date of delivery of the Policy or a notice informing the Policyowner or the representative about the availability of the Policy and the expiry date of the cooling-off period. With regard to the delivery of the policy/notice, the aforesaid 7 days will be counted from the date of delivery of the policy or notice, whichever is the earlier.

The policyowner has the right to cancel the policy for a refund of any premium made less any market value adjustment, by giving written notice to the Company within the cooling-off period. Failure to exercise the above right will be deemed as final acceptance of the policy and shall be bound by the terms and conditions of the policy provision. The market value adjustment must be calculated solely with reference to the loss in realizing the value of any assets acquired through investment of the premium made under the policy. It shall not include any allowance for expenses or commissions in connection with the issuance of the contract.

8.3 Death Benefit Claim Process

The beneficiary or any person who is entitled to the death benefit under the policy is required to tender to the Company the policy documents, and completed forms as supplied by the Company and:

- a) all the identification documents of the claimant required by the Company;
- b) strict proof of death of the life insured that are required by the Company;
- c) proof of the age of the life insured where this has/have not already been proven; and
- d) any other facts which the Company may consider as material to the claim.

The relevant death benefit will be paid to the beneficiary within 30 days after the death benefit claim is approved.

8.4 Settlement

After termination, the policy will be settled in accordance with its terms upon the Company's receipt of due proof of the life insured's death (and of the life insured's age unless previously admitted) or upon the policy surrender for its Policy Value of this policy, whichever is the earliest event. Presentation of the policy with a discharge and adherence to the Company's procedures on claims/policy surrender (whichever is applicable), which the Company will determine from time to time, will be required when such settlement is made. Upon settlement, the Company's outstanding liability under the policy shall be fully discharged.

Any indebtedness will be deducted in determining the amount payable in any settlement under the policy.

8.5 Optional Methods of Settlement

Instead of receiving a lump sum payment, the policyowner, for full surrender, or the beneficiary, for death benefit payment, may request to have the redemption proceeds or death benefit proceeds, whichever is applicable, paid in an alternate form. The details of the terms and conditions of such alternate form should be mutually agreed between the Company and the policyowner or the beneficiary.

8.6 Joint Owner Account

A policy can be jointly owned by more than one person. The Company has discretion to reject joint ownership of more than two persons. If two or more persons constitute the policyowners, all rights and privileges conferred by this policy would be deemed exercised or entitled jointly by all of those parties. The Application Form should require the signatures of all the policyowners. The joint policyowners should choose the instructions (except for the instructions in relation to the transfer and variation of the policy, which must be jointly signed) to be signed by both or either signatures. If a policyowner dies, the surviving policyowner will assume the full ownership of the policy. For the details of the life coverage, please refer to the Section 3.1.

8.7 Transfer and Variation

The policyowner may from time to time request for the transfer or variation of the policy. The policyowner should contact the Company for the details of the terms and conditions and the applicable forms to be filled in.

8.8 Taxation

Tax benefits may be derived from the policy arrangement depending on the tax law applicable to the policyowner's particular situation. The policyowner should seek professional advice regarding their specific tax circumstances.

8.9 Governing Law

The Plan shall be governed by and construed according to the laws of Macau Special Administrative Region.

8.10 Parties Involved

Insurer

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About Manulife (International) Limited

Manulife (International) Limited is a member of the Manulife Financial group of companies.

Manulife Financial is a leading Canadian-based financial services group operating in 22 countries and territories worldwide. For more than 120 years, clients have looked to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services to millions of clients. We provide asset management services to institutional customers worldwide as well as reinsurance solutions, specializing in life and property and casualty retrocession. Funds under management by Manulife Financial and its subsidiaries were Cdn\$454 billion (HK\$3,332.7 billion) as at June 30, 2010. The company operates as Manulife Financial in Canada and Asia and primarily as John Hancock in the United States. Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at www.manulife.com.

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