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.

August 1, 2017

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")

Change of Investment Objective and Policy, Change to Dilution Adjustment Policy and Clarificatory Update of the Underlying Fund

We would like to notify you of the following changes with regard to the following underlying fund (the "**Underlying Fund**") corresponding to the following investment choices under the Plans, following our receipt of the unitholder notice of the Underlying Fund dated June 28, 2017.

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv Baring Europe Select Fund	Baring Europe Select Trust	Class A USD Acc
Alpha, ARI and Matrix	MIL Baring Europe Select Fund		

The following changes of the Underlying Fund are intended to take effect from August 29, 2017 (the "**Effective Date**") unless otherwise specified.

1. Change of Investment Objective and Policy

The investment objective and policy wording is being updated to better and more clearly explain how the Underlying Fund is managed. The changes do not affect how the Underlying Fund is managed or its risk profile.

The changes are to clarify that a minimum of 75% of the total assets of the Underlying Fund will be invested in equities (i.e. shares) and equity-related securities of smaller companies incorporated in Europe, or exercising the predominant part of their economic activity in Europe. However, for the remainder of the Underlying Fund's total assets, the Underlying Fund maintains the discretion to invest in markets outside of Europe, as well as in larger companies, and in fixed income and cash, if required. The Underlying Fund is also able to invest in other funds and other transferable securities. The Underlying Fund may also use derivatives including futures, options, swaps, warrants and forward contracts for efficient portfolio management (including hedging) however the Underlying Fund may not use derivatives extensively for investment purposes.

Further, with effect from the Effective Date, the Underlying Fund may obtain exposure in China A shares directly through the Shanghai Hong Kong Stock Connect Scheme and Shenzhen Hong Kong Stock Connect Scheme (the "**Connect Schemes**"). Currently, the Underlying Fund does not have any exposure to China A and/or B shares. With effect from the Effective Date, the Underlying Fund's exposure to China A shares via the Connect Schemes will be limited to less than 10% of its total assets.

Notwithstanding investments via the Connect Schemes are not expected to materially affect the overall risk profile of the Underlying Fund, please note that investments through the Connect Schemes are subject to additional risks, namely, quota limitations, legal / beneficial ownership, clearing and settlement risk, currency risk, corporate actions and shareholders' meetings, foreign shareholding restrictions, operational risk, regulatory risk, suspension risk, restrictions on selling imposed by front-end monitoring, differences in trading days and recalling of eligible stocks. Further, the Underlying Fund's investments through Northbound trading under Connect Schemes will not be covered by Hong Kong's Investor Compensation Fund. When investing in eligible China A shares through the Shenzhen Hong Kong Stock Connect Scheme, the Underlying Fund will also be subject to the risks associated with the Small and Medium Enterprise Board of the Shenzhen Stock Exchange and/or ChiNext Board of the Shenzhen Stock Exchange.

For further information about the Connect Schemes, please refer to "Hong Kong Stock Connect Schemes" section of the prospectus of the Underlying Fund (the "**Prospectus**"). You should also pay attention to the enhanced risk disclosure in "Investment via the Connect Schemes" in the "Fund Specific Risks" section of the Prospectus.

Please refer to the offering documents of the Underlying Fund for its updated investment objective and policy wording.

2. Change to Dilution Adjustment Policy

The use of single pricing for the Underlying Fund means that when an investor acquires units in the Underlying Fund the price they pay may be lower than the price the Underlying Fund would have to pay if it were to buy the equivalent value of underlying assets. Equally, when a unitholder of the Underlying Fund redeems units, the unit price they receive may be higher than the price at which the Underlying Fund can sell assets to meet the redemption. The effect of this mismatch is to slightly reduce the value of the Underlying Fund for continuing unitholders in the Underlying Fund when unitholders acquire or redeem units in the Underlying Fund. This effect is called “dilution”. The manager of the Underlying Fund (the “**Manager**”) takes steps to protect the unitholders of the Underlying Fund against this dilution by moving, or ‘swinging’, the price of the Underlying Fund upwards or downwards to reflect the costs attributable to the Underlying Fund’s net inflows or net outflows. This is known as a “dilution adjustment”.

Currently, the Manager may move to swing the price of the Underlying Fund where the value of the net outflows or net inflows on a given dealing day exceeds 0.06% per unit of the net asset value of the Underlying Fund. From the Effective Date the Manager may swing the price of the Underlying Fund where the aggregate net investor inflows or outflows exceed a pre-determined threshold (as determined from time to time by the Manager); and/or where in the opinion of the Manager that it is in the best interests of investors of the Underlying Fund. A full list of the factors is set out in the Prospectus.

The Manager believes these changes will allow it to better protect the interests of unitholders already in, or remaining in, the Underlying Fund when large levels of net inflows or net outflows take place by ensuring that the costs of these purchases or sales are borne by the relevant unitholders entering or exiting the Underlying Fund.

3. Clarificatory Update to the Section Headed “Appendix I - Investment and Borrowing Powers of the Trusts”

With effect from the Effective Date, the sub-sections headed “Spread: general”, “Spread: government and public securities” and “Stock lending” will be updated for clarificatory purposes and to reflect the latest regulatory requirements.

The updates described above will not result in any material change in the investment objective and policy of the Underlying Fund and its risk profiles. There will be no change to the level of fees payable by the Underlying Fund and the unitholders of the Underlying Fund. The changes will not materially prejudice the interests of unitholders of the Underlying Fund.

From the Effective Date, the Prospectus and product key facts statement of the Underlying Fund will be amended to reflect the above and other changes where appropriate. Please refer to the offering documents of the Underlying Funds for further information relating to the above changes and other miscellaneous updates.

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