

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

April 12, 2019

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 notices of the Underlying Funds dated March 1, 2019 and March 15, 2019 respectively.

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv PARVEST Bond Asia ex Japan Fund	PARVEST – PARVEST Bond Asia ex-Japan	Classic Capitalisation
Alpha, ARI and Matrix	MIL PARVEST Bond Asia ex Japan Fund		
MI Plus and MISo	Manulife Inv PARVEST Bond Best Selection World Emerging Fund (dist)	PARVEST Bond Best Selection World Emerging	Classic MD
Alpha, ARI and Matrix	MIL PARVEST Bond Best Selection World Emerging Fund		Classic Capitalisation

1. Changes Applicable to PARVEST – PARVEST Bond Asia ex-Japan

Following the regularly review of the Underlying Fund to ensure it remains relevant for investors as investment markets evolve, the enhanced disclosure / elaboration of investment policy of the Underlying Fund will be amended as shown below (by adding the bolded words and removing the strikethrough words) with effect from March 1, 2019.

“The investment manager adopts a multi-layered investment process relying on specialist skill-sets. The first layer originates in the construction of an enhanced underlay of cash bonds. The second layer superimposes active portfolios of corporate, quasi-sovereign, sovereign and foreign exchange securities. The last layer consists of incorporating top-down driven inputs into the portfolio, including for risk management purposes.

The sub-fund may invest more than 10% and up to 25% of its NAV in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade and/or unrated (for example Pakistan and Sri Lanka).

The reason for such concentration is that the composite index (i.e, 50% JPM Asia Credit Index + 50% Markit iBoxx Asia Local Bond Index) will already have exposure to countries rated below investment grade, and hence by sheer benchmark replication activities, the sub-fund will have exposure to below investment grade rated countries. Finally, the sub-fund makes investments based on internal credit assessments and does not explicitly rely on external credit ratings. As such, where the investment team sees mis-pricings and/or opportunities for credit rating upgrades due to a more favorable assessment versus credit rating agencies, it may hold positions in those countries even if they have a below investment grade credit rating.

~~The investment manager adopts a bottom up process in which a proprietary credit scoring model is utilized to ascertain the rating implied from the financial ratios calculated. This model combines both the quantitative (financial evaluation) as well as the qualitative and management aspects of the issuer.~~

~~The sub-fund may invest in non-investment grade debt securities and/or unrated debt securities and sovereign debt securities.~~

~~While the sub-fund is not an index tracking fund, the investment manager will, in general, make reference to the country/constituent weighting of the composite index (i.e. 50% JPM Asia Credit Index + 50% Markit iBoxx Asia Local Bond Index) when making investment decisions. The investment manager will take an active management approach with flexibility to express bullish or bearish views, as well as to take potential advantage of investment opportunities based on market conditions, economic fundamentals, security valuations and potential positive re-ratings etc. through overweight or underweight each country/sector/constituent.~~

~~Hence, the sub-fund may invest more than 10% (but no more than 30%) of its net asset value in debt securities issued by and/or guaranteed by a single sovereign issuer which is below investment grade~~

and/or unrated (for example Sri Lanka).

As of end of May 2018, the reference index comprised approximately 12% below investment grade and/or unrated bonds, in which the largest exposure is from China (approximately 33% of the reference index).

Repurchase transactions, reverse repurchase transactions and similar over-the-counter transactions are used for efficient portfolio management up to 100% of the NAV with the aim of raising short term capital in order to enhance the liquidity of the sub-fund.”

The clarification of investment policy would not materially change or increase in the overall risk profile of the Underlying Fund. The clarification will not result in any increase in fees or charges to be borne by the shareholders of the Underlying Fund or the Underlying Fund. Also, such clarification will not materially prejudice the existing investors’ rights of interest.

2. Changes Applicable to All the Underlying Funds

Financial Derivative Instruments (FDI)

With effect from April 30, 2019, the investment policies of each Underlying Fund will be updated to clarify which FDI is used and for which purposes (hedging and/or trading (investment)).

Underlying Funds	Use of Core Derivatives	Use of Additional Derivatives
PARVEST – PARVEST Bond Asia ex-Japan	Core financial derivatives including (i) Foreign exchange swaps	Credit Default Swap Other Swaps
PARVEST Bond Best Selection World Emerging	(ii) Forwards, such as foreign exchange contracts (iii) Interest Rate Swaps (iv) Financial Futures (on equities, interest rates, indices, bonds, currencies, or commodity indices) (v) Options (on equities, interest rates, indices, bonds, currencies, or commodity indices)	Total Return Swaps Credit Default Swap Other Swaps

Relevant sections in Appendix 2 headed “Techniques, Financial Instruments, and Investment Policies” of Book I of the prospectus of the Underlying Funds would be updated.

This is not a material change of the current strategy and asset allocation followed by the investment manager of the Underlying Funds; but a disclosure enhancement only on the use of FDI, and would not affect the way that the Underlying Funds are currently managed or the overall risk profile of the Underlying Funds.

The above-mentioned scheme changes would not materially change or increase in the overall risk profile of the Underlying Funds following the changes. The changes above will not result in any increase in fees or charges to be borne by the shareholders or the Underlying Funds of PARVEST. Also, such changes will not materially prejudice the existing investors’ rights of interest.

Please refer to the shareholder notices and the offering documents of the Underlying Funds for further information relating to the above 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

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