

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

January 21, 2020

To Policyowners of Flexible Investment Protector (the “Plan”)

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 Plan, following our receipt of the shareholder notice from Amundi Funds (the Underlying Funds being sub-funds of which) dated December 31, 2019 (the “**Shareholder Notice**”).

Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
Asia Equity Concentrated Fund	Amundi Funds - Asia Equity Concentrated	Class I2 USD (C)
Cash Fund	Amundi Funds – Cash USD	Class A2 USD (C)

The following changes will be made to the Hong Kong offering document of the Underlying Funds (comprising of the prospectus (“**Prospectus**”) and the product key facts statements (“**KFS**”).

1. Amendments to reflect requirements under the revised Code on Unit Trusts and Mutual Funds

Amundi Funds and the Underlying Funds are subject to the applicable requirements under the Code on Unit Trusts and Mutual Funds (the “**Code**”) issued by the Securities and Futures Commission in Hong Kong (“**SFC**”). The Code has been revised.

The following key changes are made to the offering document of the Underlying Funds to reflect applicable requirements under the revised Code:

Enhancement of disclosures on net derivative exposure

The Prospectus and the KFS of the Underlying Funds have been amended to include disclosures on the expected maximum net derivative exposure arising from derivative investments. The net derivative exposure of each Underlying Fund is calculated in accordance with the requirements and guidance issued by the SFC, which may be updated from time to time. The net derivative exposure of each Underlying Fund may be up to 50% of the relevant Underlying Fund’s net asset value.

Consequential amendments are made to Appendix III of the Prospectus titled “Measurement and Management of Risk” by replacing references to levels of the expected maximum leverage with net derivative exposures and removing information of the Underlying Funds whose net derivatives exposures are up to 50% of their respective net asset values. Please refer to the updated Prospectus for more details.

Clarification on the exposure on instruments with loss-absorption features (“**LAP**”) of Amundi Funds – Cash USD

The investment policy of Amundi Funds – Cash USD has been clarified regarding their maximum exposures to LAP.

Amundi Funds – Cash USD may invest in LAP, for example, contingent convertible bonds, senior non-preferred debt instruments, Additional Tier 1 Capital or Tier 2 Capital under the Banking (Capital) Rules, etc. and the maximum exposure limit on such investments for Amundi Funds – Cash USD is less than 30% of its net asset value.

A consequential amendment is made to the sub-section titled “General investment risk” in the Prospectus to insert a new risk factor “Risks associated with investments in LAP” and integrating the existing risk factor “Contingent Convertible Bonds (Cocos) risk” into the same.

Other amendments

Other amendments and enhancement of disclosures to reflect the requirements of the revised Code including the following:

- (i) amendments to reflect the requirements under the revised Code on transactions with connected persons and soft commissions arrangements;
- (ii) enhanced disclosures on the material risks associated with the custody arrangements in respect of the assets of Amundi Funds and the Underlying Funds; and
- (iii) enhanced disclosures on the valuation rules of Amundi Funds, including but not limited to the relevant procedures to be undertaken for fair value adjustments and the arrangements on third party valuation.

2. Transition of the Amundi Funds – Cash USD (This is not a money market fund in Hong Kong)* under the revised Code

*This is a standard variable net asset value money market fund under the Regulation (EU) 2017/1131 of the European Parliament and of the Council of June 14, 2017 on money market funds (the “**MMFR**”).

As a result of the revised Code, only funds classified as short-term money market funds under the MMFR will continue to be classified as money market funds under the revised Code. As Amundi Funds – Cash USD is standard variable net asset value money market fund under the MMFR and Amundi Funds – Cash USD is unable to fully comply with the requirements under the revised Chapter 8.2 of the Code, it will no longer be classified as a money market fund under the revised Code. In particular, Amundi Funds – Cash USD currently maintains a portfolio with weighted average maturity not exceeding 90 days and weighted average life not exceeding 12 months under the MMFR. Consequently, Amundi Funds – Cash USD will not be able to comply with 8.2(f) of the revised Code which requires the portfolio to maintain a weighted average maturity not exceeding 60 days and weighted average life not exceeding 120 days.

With effect from December 31, 2019, the explanatory memorandum of Amundi Funds – Cash USD will be amended to indicate that Amundi Funds – Cash USD is not a money market fund under the revised Code even though it is a standard variable net asset value money market fund under the MMFR. A new risk disclosure to the effect that Amundi Funds – Cash USD may be subject to higher risks (e.g. credit risk and interest rate risk) than money market funds authorised under Chapter 8.2 of the revised Code has been added to the Prospectus and the KFS of Amundi Funds – Cash USD.

Notwithstanding the reclassification, for the avoidance of doubt, there is no material change to the key features of Amundi Funds – Cash USD (including its investment objectives, policies, overall risk profiles, levels of fees and the way it is being managed).

3. Miscellaneous updates

The following changes have also been made to the Prospectus:

- (i) Update to the risk factors “Contingent Convertible Bonds (Cocos) risk”, “Benchmark and Sub-Fund performance risk” and “Risk related to distribution out of capital” and insertion of a new risk factor “Money market fund risk” in the sub-section titled “General investment risk” in the Prospectus;
- (ii) Update to the sub-section titled “Automatic Exchange of Financial Account Information” in the Prospectus; and
- (iii) Other consequential amendments and miscellaneous updates, drafting and editorial amendments.

Please refer to the revised Prospectus for further details.

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) 2510 3941 during office hours: 9:00am - 6:00pm, Monday to Friday.

Customer Services

Individual Financial Products

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