

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

March 28, 2020

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 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 shareholder notices of the Underlying Funds dated February 7, 2020 and March 4, 2020 respectively (collectively, the “**Shareholder Notices**”).

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv Barings Global Senior Secured Bond Fund (dist)	Barings Umbrella Fund plc – Barings Global Senior Secured Bond Fund	Tranche G USD Dist Monthly
Alpha, ARI and Matrix	MIL Barings Global Senior Secured Bond Fund		Tranche G USD Acc

We are writing to you to notify you of certain changes being made to the Underlying Fund and to notify you that a number of updates to the Underlying Fund and its memorandum and articles of association (the “**M&A**”) were approved at the extraordinary general meeting of the Underlying Fund held on March 2, 2020. The changes will take effect from March 9, 2020 (the “**Effective Date**”), unless otherwise specified.

1. Swing Pricing to replace Anti-Dilution Levy

The Prospectus of the Underlying Fund (the “**Prospectus**”) currently provides for the application of an anti-dilution levy in certain funds. It is now proposed that the M&A will be updated to allow for swing pricing and the Prospectus will be updated to replace the provision of an anti-dilution levy with swing pricing. As swing pricing is an automated process, this change is expected to bring greater efficiency in achieving substantially the same goals as anti-dilution levy.

Under the swing pricing mechanism, the price adjustment, based on normal dealing and other costs for the particular assets in which an Underlying Fund is invested, is not expected to exceed 2% of the original net asset value. However, whilst the price adjustment is normally not expected to exceed 2%, this adjustment limit may at the discretion of the directors of the Underlying Fund be increased beyond 2% in exceptional circumstances to protect the interests of the shareholders of the Underlying Fund (the “**Shareholders**”).

For other details such as the key differences between anti-dilution levy and swing pricing, please refer to the Shareholder Notices.

2. Investments in instruments with loss-absorption features

The Hong Kong offering documents of the Underlying Fund (the “**Hong Kong Offering Documents**”) currently provide that the Underlying Fund may invest less than 30% of its net assets in instruments with loss-absorption features. With a view to provide more clarity and transparency to investors, the examples of instruments with loss-absorption features set out in the Hong Kong Offering Documents will be updated such that Additional Tier 1 (AT1), Tier 2, Tier 3, external LAC debt instruments and certain similar debt instruments issued by a holding company of a financial institution which exhibit LAP features) will be provided as examples of instruments with loss-absorption features in which the Underlying Fund may invest in. The risk factor relating to investing in instruments with loss-absorption features will also be updated accordingly. The above is only a clarification change and does not represent a change in the Underlying Fund’s investment strategy or policy.

3. Updates to Administration, Depository and Operating Expenses

With effect from the Effective Date, platform fees may be charged to the Underlying Fund under the administration, depository and operating expenses. Platform fees are charged by platforms for services including but not limited to the clearing and settlement of trades, web and trading infrastructure and maintenance and other additional services (such as managing distribution agreements and order routing to corporate action dissemination, account statements and reconciliation) which forms part of the administrative and operating expenses. For the avoidance of doubt, the services provided by these platforms are not advertising and promotional in nature.

Different platforms may adopt different charging methods including but not limited to a fixed fee or as a percentage of the value of investments held through the relevant platform. In view of the growth and popularity of such platforms, it is proposed to enable such fees be charged to the Underlying Fund.

The charging of platform fees to the Underlying Fund may lead to an increase in the current level of

administration, depositary and operating expenses but it is considered that such fees will not have a material impact on the ongoing charges figures of the Underlying Fund and tranches of shares of the Underlying Fund. In any event, the maximum rate of administration, depositary and operating expenses for the Underlying Fund will not exceed the stated percentage per annum as set out in its Fund Supplement, and if the actual amount of administration, depositary and operating expenses is lower than the stated maximum, the actual amount will be charged to the Underlying Fund.

4. Clarification on the determination of credit ratings

The Supplement of the Underlying Fund in the Prospectus will be updated to provide more transparency on the credit rating adopted. In particular, where an eligible investment is not rated by an internationally recognized rating agency, the investment manager of the Underlying Fund may determine its own assessment of credit quality and assign an agency equivalent rating to the asset. In the case of new issuance, expected ratings may be used and further issuer level ratings may be applied, if available, where security issue level ratings are unavailable. Subordinated issuer may also be used for unrated subordinated instruments.

5. Other miscellaneous updates

The Hong Kong Offering Documents will also be updated to reflect other updates (which are effective from the Effective Date, unless otherwise stated) such as:

- Enhanced disclosures on the net derivative exposure of the Underlying Fund.
- Updated disclosures on liquidity risk management.
- Updates to risk factors, including the inclusion of specific risk factor on contingent convertible bonds (“Cocos”).
- Clarification that convertible instruments includes Cocos and corresponding clarifications.
- Update to the investment restriction in relation to cash holding to reflect the Central Bank’s latest requirements. This update does not amount to a material change to the Underlying Fund, will not materially change or increase the overall risk profiles of the Underlying Fund and does not have material adverse impact on the Shareholders’ rights or interests (including changes that may limit the Shareholders’ ability in exercising their rights).

Save as otherwise provided in section 1 of this notice, the changes detailed in this notice will not result in a material change to the features and risk profile/risks applicable to the Underlying Fund, and will not result in other changes in the operation and/or manner in which the Underlying Fund is being managed. There will be no change in the fee structure and the maximum fee level of the Underlying Fund following the implementation of the changes detailed in this notice. None of the changes set out in this notice will materially prejudice the existing Shareholders’ rights or interests (including changes that may limit Shareholders’ ability in exercising their rights).

The fees and expenses incurred in connection with the proposed changes will be borne by the Underlying Fund. The manager of the Underlying Fund considers that such fees and expenses are not significant in terms of the current net asset value of the Underlying Fund.

Please refer to the Shareholder Notices and the latest offering documents of the Underlying Fund 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) 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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