

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

December 17, 2020

**To Policyowners of Manulife Investment Plus (“MI Plus”) / Manulife Investment Solutions (“MISo”) /  
Alpha / Alpha Regular Investor (“ARI”) / Matrix / Skyline  
(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 respective notices of the Underlying Funds.

Name of Plan	Name of Investment Choice	Name of Underlying Fund		Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv BNP Paribas Asia ex-Japan Bond Fund	BNP Paribas Funds Asia ex-Japan Bond	each a “ <b>BNP Underlying Fund</b> ” and collectively, the “ <b>BNP Underlying Funds</b> ”	Classic Capitalization
Alpha, ARI and Matrix	MIL BNP Paribas Asia ex-Japan Bond Fund			
MI Plus and MISo	Manulife Inv BNP Paribas Emerging Bond Opportunities Fund (dist)	BNP Paribas Funds Emerging Bond Opportunities		Classic MD
Alpha, ARI and Matrix	MIL BNP Paribas Emerging Bond Opportunities Fund			Classic Capitalization
Skyline	BOCHK China Equity Fund	BOCHK Investment Funds – BOCHK China Equity Fund	each a “ <b>BOC Underlying Fund</b> ” and collectively, the “ <b>BOC Underlying Funds</b> ”	Class A
	BOCHK Hong Kong Dollar Income Fund	BOCHK Investment Funds – BOCHK Hong Kong Dollar Income Fund		Class A - HKD Units

**1. Changes to the BNP Underlying Funds**

According to the shareholder notice from BNP Paribas Funds (the BNP Underlying Funds being sub-funds of which) dated November 27, 2020 (the “**BNP Shareholder Notice**”), the following changes will be made to the BNP Underlying Funds effective on December 28, 2020, unless otherwise specified.

*a. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)*

*Sustainable Investment Policy*

Please note that the presentation of the Sustainable Investment Policy of BNP Paribas Funds is performed as follows with effect on November 27, 2020.

*“BNP PARIBAS ASSET MANAGEMENT’s Global Sustainability Strategy governs the approach to sustainable investment, which consists of the implementation of ESG integration, responsible business conduct standards and stewardship activities (as defined below) into the investment processes applied by the investment managers of each sub-fund.*

***ESG** stands for **Environmental, Social and Governance**; these are criteria commonly used to assess the level of sustainability of an investment.*

*BNP PARIBAS ASSET MANAGEMENT is committed to have a sustainable investment approach for its investments. Nonetheless, the extent and manner in which this sustainable investment approach is applied varies according to the type of sub-fund, asset class, region and instrument used. Furthermore, some sub-funds may apply additional investment guidelines, as described in the Book 2. Consequently, the implementation of the sustainable investment approach will be applied individually across all portfolios.*

*The sustainable investment approach is incorporated at each of the investment process of each sub-fund and includes the following elements:*

- ***Responsible business conduct standards**: As defined in the BNP PARIBAS ASSET MANAGEMENT’s Responsible Business Conduct policy (“**RBC**”). They include respecting: 1) norms-based screens,*

such as the UN Nations Global Compact principles and OECD Guidelines for Multinational Enterprises, and 2) BNP Paribas Asset Management sector policies.

1) Norms-based screens: The United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)) defines 10 principles for businesses to uphold in the areas of human rights, labour standards, environmental stewardship and anti-corruption. Similarly, the OECD Guidelines for Multinational Enterprises sets out principles for the responsible business conduct of businesses. These two shared frameworks are recognized worldwide and applicable to all industry sectors. Companies that violate one or more of the principles are excluded from the sub-funds' investments, and those at risk of breaching them are closely monitored, and may also be excluded.

2) BNP PARIBAS ASSET MANAGEMENT has also defined a series of guidelines relating to investments in sensitive sectors, listed in the RBC. Companies from these sensitive sectors that do not comply with the minimum principles specified in these guidelines are excluded from the sub-funds' investments. The sectors concerned include, but are not limited to, palm oil, wood pulp, mining activities, nuclear, coal-fired power generation, tobacco, controversial weapons, unconventional oil and gas and asbestos.

- **ESG integration:** It involves the evaluation of the below three non-financial criteria at the level of the companies in which the sub-funds invest:
  - Environmental: such as energy efficiency, reduction of emissions of greenhouse gases, treatment of waste;
  - Social: such as respect of human rights and workers' rights, human resources management (workers' health and safety, diversity);
  - Governance: such as Board of Directors independence, managers' remuneration, respect of minority shareholders rights.

ESG scores, as defined by an internal proprietary framework, can be made available to assist in the ESG evaluation of securities' issuers. ESG integration is systematically applied to all investment strategies. The process to integrate and embed ESG factors in the investment decision-making processes is guided by formal ESG Integration Guidelines. However, the way and the extent to which ESG integration, including ESG scores, is embedded in each investment process is determined by its Investment Manager, who is fully responsible in this respect.

- **Stewardship:** It is designed to enhance the long-term value of shareholdings and the management of long-term risk for clients, as part of BNP PARIBAS ASSET MANAGEMENT's commitment to act as an efficient and diligent steward of assets. Stewardship activities include the following categories of engagement:
  - Company Engagement: the aim is to foster, through dialogue with companies, corporate governance best practices, social responsibility and environmental stewardship. A key component of company engagement is voting at annual general meetings. BNP PARIBAS ASSET MANAGEMENT publishes detailed proxy-voting guidelines on a range of ESG issues.
  - Public Policy Engagement: BNP PARIBAS ASSET MANAGEMENT aims to embed sustainability considerations more fully into the markets in which it invests and in the rules that guide and govern company behavior as per its Public Policy Stewardship Strategy.

More information and documents on BNP PARIBAS ASSET MANAGEMENT global sustainability strategy may be found on the website at the following address: <https://www.bnpparibas-am.com/en/our-approach-to-responsibility/as-a-responsible-investor/>.

### Resulting Classification

Consequently, the sub-funds of BNP Paribas Funds can be classified as "Sustainable" or "Sustainable Plus":

- **"Sustainable"** means that the sub-funds are submitted to the above-mentioned sustainable investment approach; this category covers all the sub-funds (i.e. covers the BNP Underlying Funds);
- **"Sustainable Plus"** means that in addition to the above-mentioned sustainable investment approach, the sub-funds of BNP Paribas Funds also have more specific sustainability guidelines or restrictions as specified below and in Book 2 of the Luxembourg prospectus of BNP Paribas Funds.

BNP PARIBAS ASSET MANAGEMENT has implemented a specific taxonomy for "Sustainable Plus" sub-funds, as follows:

- **Enhanced ESG:** these sub-funds implement more explicit ESG tilts (Invest in the most sustainable companies according to specific criteria and/or incorporating a wider range of exclusions) leading to more stringent ESG and/or Carbon performance targets. It applies to BNP Paribas Funds Asia ex-Japan Bond.
- **Thematic:** These sub-funds invest in companies that provide products and services providing concrete solutions to specific environmental and/or social challenges, seeking to benefit from future growth

anticipated in these areas while contributing capital towards the transition towards a low-carbon, inclusive economy. This does not apply to the BNP Underlying Funds.

b. Swing Pricing

A clarification is provided to the definition and modalities of the swing pricing mechanism that may potentially be applied under certain circumstances, described as follows:

*“A sub-fund may suffer reduction of the net asset value due to investors purchasing, selling and/or switching in and out of the sub-fund at a price that does not reflect the dealing costs associated with this sub-fund’s portfolio trades undertaken by the Investment Manager to accommodate such cash inflows or outflows. In order to mitigate this effect and enhance the protection of existing unitholders, the mechanism known as “swing pricing” may be applied at the discretion of the Board of Directors of the Management Company.*

*Such swing pricing mechanism may be applied to a given sub-fund when its total capital activity (i.e. net amount of subscriptions and redemptions) exceeds a pre-determined threshold determined as a percentage of the net assets value for a given valuation day. The net asset value of the relevant sub-fund may then be adjusted by an amount (the “swing factor”) to compensate for the expected transaction costs resulting from the capital activity. The level of thresholds, if and when applicable, will be decided on the basis of certain parameters which may include the size of the sub-fund, the liquidity of the underlying market in which the respective sub-fund invests, the cash management of the respective sub-fund or the type of instruments that are used to manage the capital activity. The swing factor is, amongst others, based on the estimated transaction costs of the financial instruments in which the respective sub-fund may invest. Typically, such adjustment will increase the net asset value when there are net subscriptions into the sub-fund and decrease the net asset value when there are net redemptions. Swing pricing does not address the specific circumstances of each individual investor transaction. An ad hoc internal committee is in charge of the implementation and periodic review of the operational decisions associated with swing pricing. This committee is responsible for decisions relating to swing pricing and the ongoing approval of swing factors which form the basis of pre-determined standing instructions.*

*In principle, the swing factor will not exceed 1% of the respective sub-fund’s net asset value. Such limit may however be raised beyond this maximum level on a temporary basis and to protect the interests of shareholders, when facing exceptional market conditions. These may include situations such as a global pandemic, a financial crisis, a geopolitical crisis, or any other exceptional event causing a severe deterioration of the liquidity.*

*The swing pricing mechanism may be applied across all sub-funds of the Fund. On certain unit classes, the Management Company may be entitled to a performance fee. Where applicable, this will be based on the unswung net asset value.”*

Such clarification has no impact on the way the BNP Underlying Funds are managed.

As indicated in the notice issued by BNP Paribas Funds on May 12, 2020, and our policyowner notice dated May 29, 2020, currently the swing factor applicable to BNP Paribas Funds Emerging Bond Opportunities may be temporarily raised beyond the current maximum limit.

Additional clerical changes have been made to update and enhance the general wording of the Luxembourg prospectus of the BNP Underlying Funds or to comply with new laws and regulations.

The changes would not result in any change in fees level or costs in managing the BNP Underlying Funds. In addition, the management company of the BNP Underlying Funds would bear the costs or expenses incurred in connection with the changes. The changes would not materially change the features and overall risk profile of the BNP Underlying Funds following the change. There would be no change in the operations or the manner in which the BNP Underlying Funds are being managed. There would also be no material change in the investment objective or policy of the BNP Underlying Funds as a result of the changes. Further, the changes would not materially prejudice the rights or interest of the existing investors of the BNP Underlying Funds.

## 2. **Changes to the BOC Underlying Funds**

According to the unitholder notice from BOCHK Investment Funds (the BOC Underlying Funds being sub-funds of which) dated November 30, 2020, with effect from November 30, 2020, certain changes or minor modifications shall be made to the sections headed “DEFINITIONS”, “RISK FACTORS AND RISK MANAGEMENT POLICIES”, “INVESTMENT AND BORROWING RESTRICTIONS”, “ISSUE OF UNITS”, “REDEMPTION OF UNITS”, “SWITCHING BETWEEN SUB-FUNDS”, “CALCULATION OF NET ASSET VALUE AND ISSUE AND REDEMPTION PRICES” and “DISTRIBUTION POLICY” of the Explanatory Memorandum of the BOC Underlying Funds (the “**Explanatory Memorandum**”). Please refer to the third addendum to the Explanatory Memorandum for details. The amendments will not have any adverse impact on the unitholders of the BOC Underlying Funds. There is no change to the investment and borrowing limits applicable to the BOC Underlying Funds, the level of fees payable by the BOC Underlying Funds and the unitholders of the BOC Underlying Funds, or the manner in which the BOC Underlying Funds are being managed.

The section headed “CALCULATION OF NET ASSET VALUE AND ISSUE AND REDEMPTION PRICES” of the Explanatory Memorandum is also modified and enhanced so as to allow greater flexibility to cater for alternative dealing/ pricing arrangements and/or valuation or settlement timelines for subscription, switching and redemption under various future scenarios<sup>1</sup>. The current amendments shall not have any adverse impact on the BOC Underlying Funds or existing unitholders of the BOC Underlying Funds and will not affect any existing BOC Underlying Fund’s strict compliance with the principle of forward pricing and fair valuation.

All changes relating to amendment or modification of investment objectives and policies mentioned above and the aforesaid changes under the section headed “CALCULATION OF NET ASSET VALUE AND ISSUE AND REDEMPTION PRICES” of the Explanatory Memorandum shall take effect from December 31, 2020.

Further, the trust deed of the BOC Underlying Funds dated June 28, 2002, as amended from time to time (the “**Trust Deed**”) shall be amended, by way of a deed of variation and substitution. The major changes to the Trust Deed shall be as follows:

- 1) modification relating to investment restrictions and borrowing provision so as to reflect the updated amendments made to the Explanatory Memorandum;
- 2) elaboration relating to the valuation of assets of the BOC Underlying Funds so as to allow greater flexibility to cater for alternative dealing/ pricing arrangements and/or valuation or settlement timelines for subscription, switching and redemption under various future scenarios and enhance clarity;
- 3) elaboration relating to calculation of net asset value and redemption price of the BOC Underlying Funds so as to enhance clarity;
- 4) elaboration relating to conversion of units so as to enhance clarity;
- 5) other minor changes/ modifications so as to enhance clarity and/or adjust wording.

All amendments to the Trust Deed shall take effect from December 31, 2020.

Please refer to the respective notices and the latest 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), (852) 2510 3941 (in relation to ARI, Alpha and Matrix) and (852) 2108 1111 (in relation to Skyline) 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*

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<sup>1</sup> In such cases, further notices will be given to the unitholders of the BOC Underlying Funds and the SFC’s prior approval may be required, depending on each specific scenario.