

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

February 9, 2022

**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 notice of the Underlying Fund dated January 28, 2022.

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
MI Plus and MISo	Manulife Inv Pictet Clean Energy Fund	Pictet – Clean Energy	Class P USD
Alpha, ARI and Matrix	MIL Pictet Clean Energy Fund		

The following changes will be made to the Underlying Fund with effect from February 25, 2022, unless otherwise specified.

a) Clarification on the investment process

It is currently disclosed in the offering document of the Underlying Fund that, when selecting the investments of the Underlying Fund, the ESG characteristics of issuers, as measured by an ESG score internally computed by Pictet based on Pictet’s internal ESG assessment and ESG data from external providers, are taken into account to increase or decrease the target weight of securities issued by such issuers contemplated by the fund manager to be invested by the Underlying Fund, and that it is expected that the resulting Underlying Fund’s ESG characteristics, as calculated by the weighted average of the foregoing ESG scores of the Underlying Fund’s portfolio of issuers, will be higher than that of its reference index after removing the bottom 20% of issuers with the lowest ESG characteristics from such reference index.

From February 25, 2022, the foregoing investment process is clarified within the scope of the Underlying Fund’s existing investment objective and policy as disclosed in the Hong Kong offering documents of the Underlying Fund such that, the issuers of securities invested by the Underlying Fund are subject to good governance practices, and when selecting the investments of the Underlying Fund, the environmental and social characteristics of issuers are taken into account to increase or decrease the target weight of securities issued by such issuers contemplated by the fund manager to be invested by the Underlying Fund. The foregoing environmental and social characteristics and governance practices are measured by an ESG score internally computed by Pictet based on Pictet’s internal ESG assessment and ESG data from external providers. The Underlying Fund will aim to have a better ESG profile, as measured by the weighted average of the foregoing ESG scores of the Underlying Fund’s portfolio of issuers, than that of its reference index after removing the bottom 20% of issuers with the weakest ESG characteristics from such reference index.

b) Clarification on the use of reference index

The Underlying Fund adopt a tilted approach which seeks to increase the weight of securities with low sustainability risks and/or to decrease the weight of securities with high sustainability risks when selecting investments, or otherwise take into account security issuers’ environmental and social characteristics, as well as governance practices, to increase or decrease the target weight of securities. In doing so, the fund manager of the Underlying Fund may assess the foregoing against the reference index of the Underlying Fund. In view of this, it is clarified that such reference index may also be used by the Underlying Fund for risk monitoring.

c) Update to the use of securities lending transactions

Currently, the Underlying Fund may engage in securities lending transactions and the expected level of exposure to such transactions as a percentage of its net assets is 15%.

From February 25, 2022, there will be an update on this ancillary investment policy by way of amendment to the securities lending transaction threshold of the Underlying Fund such that the expected level of exposure to such transactions will be 0% to 5% of the Underlying Fund’s net assets. The fees received by the agent of the Underlying Fund will also be reduced from an amount representing 30% of the gross revenues generated

from securities lending agreements to 20% of the gross revenues generated from securities lending agreements.

d) Clarification on the use of derivatives

It is clarified that the Underlying Fund may invest in financial derivative instruments that may or may not be consistent with the environmental or social characteristics promoted.

e) Update regarding Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (“Taxonomy Regulation”)

Disclosures have been enhanced to reflect the Taxonomy Regulation, which was established to provide a classification system which provides investors and investee companies with a set of common criteria to identify whether certain economic activities should be considered environmentally sustainable. The Taxonomy Regulation currently defines six sustainable investment objectives:

- i) climate change mitigation;
- ii) climate change adaptation;
- iii) sustainable use and protection of water and marine resources;
- iv) transition to a circular economy;
- v) pollution prevention and control; and
- vi) protection and restoration of biodiversity and ecosystems.

From January 1, 2022, the Taxonomy Regulation will only apply to the environmental objectives (i) and (ii) above. From January 1, 2023, it will apply to the remaining four environmental objectives.

As part of the Taxonomy Regulation, equity instruments are also assessed and measured regarding their ability to contribute to climate change solutions. As a consequence, it is clarified based on its existing investment objective and policy that the Underlying Fund aims to invest a portion of its assets in underlying investments that contribute to climate change mitigation, and that on January 1, 2022, the Underlying Fund’s alignment with climate change enabling and transitional activities as per the Taxonomy Regulation is estimated to be above 20% of its assets on the basis of available data. Whilst data is retrieved and analysed from sources deemed to be reliable by its fund manager, their accuracy may be affected by the fact that the Taxonomy Regulation has been enacted only recently. As a consequence, the percentage of alignment may evolve upwards or downwards over time.

With respect to the portion of underlying investments that contribute to climate change mitigation, the Underlying Funds ensures that eligible activities do not cause harm to other environmental objectives and meet minimum social safeguards as determined by Pictet Asset Management’s evaluation criteria.

f) Other updates to the Hong Kong offering documents

The Hong Kong offering documents of the Underlying Fund will also be updated to reflect other administrative, clarificatory, and editorial updates, including:

- updates have been made to the Qualified Foreign Institutional Investors (“**QFII**”) and Renminbi Qualified Foreign Institutional Investors (“**RQFII**”) disclosures on Pictet and the Underlying Fund to reflect the latest mainland China regulatory requirements, including the consolidation of the foregoing regimes into one scheme, namely the Qualified Foreign Investor (QFI) regime;
- enhancements have been made to disclosures on efficient portfolio management techniques regarding in particular the purposes of and factors which may generally impact on the level of engagement in such techniques; and
- the website address for Pictet’s responsible investment policy has been updated to <https://www.am.pictet/-/media/pam/pam-common-gallery/article-content/2021/pictet-asset-management/responsible-investment-policy.pdf>.

Please refer to the updated Hong Kong offering documents of the Underlying Fund (consisting of the prospectus of Pictet, the Information for Hong Kong Investors, and the product key facts statements of the Underlying Fund) for details.

Please refer to the notice and latest offering documents of the Underlying Fund 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

Incorporated in Bermuda with limited liability