

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

September 22, 2022

**To Policyowners of Skyline (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 notice from BOCHK Investment Funds (the Underlying Funds being sub-funds under which) dated September 2, 2022 (the “**Notice**”).

Name of Plan	Name of Investment Choice	Name of Underlying Fund	Share Class of Underlying Fund
Skyline	BOCHK China Equity Fund	BOCHK Investment Funds – BOCHK China Equity Fund	Class A
Skyline	BOCHK Hong Kong Dollar Income Fund	BOCHK Investment Funds – BOCHK Hong Kong Dollar Income Fund	Class A - HKD Units

**1. Adoption of the Swing Pricing Strategy and Mechanism**

The sub-section headed “Calculation of Issue and Redemption Prices” under the section headed “CALCULATION OF NET ASSET VALUE AND ISSUE AND REDEMPTION RPICES” of the explanatory memorandum of BOCHK Investment Funds (the “**Explanatory Memorandum**”) will be modified and enhanced with effect from October 3, 2022 (the “**Effective Date**”).

Currently, there is no swing pricing strategy and mechanism in place in the determination of the issue and redemption prices of units of the Underlying Funds. With a view to protecting the interests of unitholders of the Underlying Funds (the “**Unitholders**”), the manager of the Underlying Funds (the “**Manager**”) may apply the swing pricing strategy under certain circumstances to certain Underlying Funds.

The Manager has the discretion to adopt a swing pricing strategy and mechanism in order to mitigate the dilution effect on the Underlying Funds associated with the costs of buying or selling underlying investments conducted by the Manager as a result of subscription, redemption or switching of units in the Underlying Funds. Under the current swing pricing strategy as adopted by the Manager, the Manager may apply swing factor(s) (in the form of an adjustment percentage) in the determination of the issue price or redemption price per unit of the Underlying Funds where the net amount of subscription or redemption of the Underlying Funds exceeds a pre-determined swing threshold. Such pre-determined swing threshold will be determined, reviewed and adjusted (if needed) on a periodic basis by the Manager and may vary for each Underlying Fund. The Manager will consult the trustee of the Underlying Funds (the “**Trustee**”) prior to any adjustment to the pre-determined swing threshold and such adjustment would only be made where the Trustee has no objection to it.

Under normal market circumstances, the swing factor(s) will not exceed 2% of the price in the base currency of the Underlying Funds on the relevant dealing day. Under critical market circumstances (such as financial crisis or natural disaster), the Manager may increase the swing factor(s) above 2% in order to protect the best interests of the Unitholders. In such circumstances, the Manager will notify the investors of the Underlying Funds of the increased swing factor through the Manager’s website and apply the revised swing factor with immediate effect.

The resulting issue price or redemption price per unit of the Underlying Funds on the relevant dealing day will be increased by the swing factor where the net amount of subscription on the relevant dealing day exceeds the applicable pre-determined swing threshold, or decreased by the swing factor where the net amount of redemption on the relevant dealing day exceeds the applicable pre-determined swing threshold. Such swing factor will apply for all classes of units within the Underlying Funds. Depending on the circumstances, investors of the Underlying Funds for new units of the Underlying Funds may subscribe at a higher issue price and existing Unitholders may redeem at a lower redemption price.

The reason for the adoption of the swing pricing strategy and mechanism is to mitigate a dilution effect on the Underlying Funds associated with the costs of buying or selling underlying investments conducted by the Manager as a result of subscription, redemption or switching of units in the Underlying Funds so as to protect the interest of the Unitholders. It is anticipated that such changes will not increase the risks applicable to the Underlying Funds.

**2. Enhancement of risk disclosure**

As a result of the adoption of the swing pricing strategy and mechanism, a new risk factor “Pricing adjustments risk” will be added in the sub section headed “Risk Factors” under the section headed “RISK FACTORS AND RISK MANAGEMENT POLICIES” of the Explanatory Memorandum accordingly. Subscription, redemption or switching of units in the Underlying Funds may have the dilution effect on the Underlying Funds. In order to mitigate such

dilution effect and account for the costs of buying and selling underlying investments conducted by the Manager, swing pricing strategy and mechanism may be adopted by the Manager from time to time to safeguard the best interests of the Unitholders. Depending on the net cash flow of subscription and redemption amounts, investors of the Underlying Funds may subscribe at a higher issue price or redeem at a lower redemption price. Investors should note that the occurrence of circumstances which may trigger the application of swing pricing is not predictable. It is not possible to accurately predict how frequent swing pricing will be applied. Adjustments made pursuant to swing pricing may be greater than or less than the actual costs of buying or selling underlying investments. Investors should also be aware that swing pricing may not always, or fully, counter the dilution effect on the Underlying Funds.

### **3. Other changes to the Explanatory Memorandum**

The section headed “LIQUIDITY RISK MANAGEMENT” of the Explanatory Memorandum will also be amended to reflect the above change as swing pricing strategy and mechanism will be one of the liquidity risk management tools to be employed by the Underlying Funds.

Please refer to the tenth addendum to the Explanatory Memorandum for details. All changes relating to the swing pricing strategy mentioned above will take effect from the Effective Date.

The trust deed of BOCHK Investment Funds dated June 28, 2002, as amended from time to time (the “**Trust Deed**”) will be amended by way of a deed of variation and substitution to reflect the above change. All amendments to the Trust Deed shall take effect from the Effective Date.

There is no change in the fee level/cost in managing the Underlying Funds following the implementation of the aforesaid changes. The costs and expenses associated with the above changes will be borne by the Manager. There are no matters/impact that may materially prejudice the rights or interests of existing investors of the Underlying Funds.

Please refer to the Notice and 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 1111 in Hong Kong during office hours: 9:00am - 6:00pm, Monday to Friday.

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