

May 14, 2021

**This document is important and requires your immediate attention.** This notice refers to the MPF Scheme Brochure of the Manulife Global Select (MPF) Scheme (the "**Scheme**") and is intended to provide a summary of the changes made to the MPF Scheme Brochure for reference. You should refer to the MPF Scheme Brochure for full details of the Scheme. Capitalised terms used in this notice, and which are not defined in this notice, have the same meanings as those defined in the MPF Scheme Brochure. If you are in doubt about the contents of this document, you should seek independent professional advice. Manulife Provident Funds Trust Company Limited (the "**Trustee**") accepts responsibility for the accuracy of the information contained in this document as at the date of publication.

## Notice to participating employers and scheme members of the Manulife Global Select (MPF) Scheme

This part summarises the changes to the Scheme and the implications which are elaborated in the main body of this notice.

### **Changes**

The following key changes (the "**Changes**") will be made to the Scheme:

*With immediate effect:*

- (a) **Maturity date of Retirement Funds**: The maturity date of each Retirement Fund (except the Smart Retirement Fund) will be updated to cover the situations where the Retirement Fund may not be able to mature on the last business day of the relevant year.
- (b) **Manulife MPF China Value Fund**: The disclosure relating to the annual performance fee that may be levied at the underlying APIF(s) will be removed to reflect the removal of such fee at the underlying APIF(s) level.

*Effective from October 4, 2021:*

- (c) **Manulife MPF RMB Bond Fund**: The investment policy of the Manulife RMB Bond Fund will be amended to reflect corresponding changes at the underlying APIF level, i.e. the underlying portfolio may also invest in RMB denominated debt securities which are issued, traded or distributed inside mainland China.
- (d) **Manulife MPF Hong Kong Equity Fund**: The investment policy of the Manulife MPF Hong Kong Equity Fund will be amended to reflect corresponding changes at the underlying APIF level, i.e. the underlying portfolio may invest less than 30% of its NAV in share of companies listed in mainland China via the Stock Connect.

In addition, certain miscellaneous changes will be made to enhance the risk factors of certain constituent funds and disclosure of certain risk factors. For details of the Changes and their impacts, please refer to sections 1 and 2 of this notice.

### **Actions required of Members**

- (e) No action is required of the Members to effect the Changes.
- (f) Although the Trustee believes that the Changes will pose no adverse impact to Members, Members of the Manulife MPF RMB Bond Fund and the Manulife MPF Hong Kong Equity Fund who do not wish to be involved with these Changes may change their contribution investment instructions in respect of new contributions and transfer-in monies and/or switch their holdings into other constituent fund(s) and/or the Default Investment Strategy.

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If you have any queries in relation to the Changes, Members can call our Customer Service Hotline on 2108 1388 and participating employers can call 2108 1234.

## 1. Changes

1.1. We regularly review our product offering and strive to offer quality services. We are proposing the following Changes to take effect from the above mentioned effective dates.

### 1.2. Maturity date of Retirement Funds

To smoothen the maturity of the Retirement Funds, we note that, instead of fixing the maturity date as the last business day of the relevant year, there will be merits to add certain flexibility to the maturity date such that it can be the business day that follows. This enhancement will add flexibility and will not in our view alter the intrinsic nature of the Retirement Funds, i.e. mature and be terminated upon reaching the end of the specified year.

### 1.3. Manulife MPF China Value Fund

The disclosure relating to the annual performance fee that may be levied at the underlying APIF(s) will be removed to reflect the removal of such fee at the underlying APIF(s) level.

### 1.4. Manulife MPF RMB Bond Fund

The investment policy of the Manulife MPF RMB Bond Fund will be amended such that it will invest (through its underlying APIF) at least 70% of its NAV in RMB denominated debt securities that are issued, traded or distributed by any government, central bank, supra-nationals, multilateral international agencies and corporate issuers, regardless of whether they are issued, traded or distributed inside or outside mainland China.

Going forward, the underlying APIF of the Manulife MPF RMB Bond Fund may invest in debt securities traded on the China Interbank Bond Market ("**CIBM**") through CIBM direct access, the bond connect, and/or such other means as permitted under the applicable laws and regulations from time to time. Further, to streamline disclosure, the reference that the underlying APIF will not invest in securities within mainland China through any Qualified Foreign Institutional Investor ("**QFII**") quota will also be removed.

These amendments are being made due to the shrinking of the offshore RMB fixed income market, the increased access to onshore fixed income securities, the need to ensure the Manulife MPF RMB Bond Fund can invest directly in onshore RMB denominated fixed income instruments, and to facilitate such investments by the Manulife MPF RMB Bond Fund as permitted under the applicable laws and regulations from time to time.

### 1.5. Manulife MPF Hong Kong Equity Fund

The investment policy of the underlying APIF in which the Manulife MPF Hong Kong Equity Fund invests will be amended to improve clarity in the permissible investments that are consistent with the existing investment objective and policy of the underlying APIF. Corresponding changes will be made to the investment policy of the Manulife MPF Hong Kong Equity Fund as shown in underlined as set out below.

<b>Current investment policy</b>	<b>New investment policy</b>
It is intended that the underlying investments will be made on a diversified basis mainly in shares of companies listed on the Hong Kong Stock Exchange or companies covering different sectors of the economy in Hong Kong and which are listed on any stock exchange. The underlying portfolio may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of the NAV of the Hong Kong Equity Fund. The underlying portfolio may also, via the Stock Connect, invest up to 10% of the Hong Kong Equity Fund's NAV in shares of companies listed in mainland China. The intended asset allocation above is for reference only and may be changed as and when market, political, structural, economic and other conditions change that the investment manager deems appropriate.	<u>It is intended that the underlying investments will be made on a diversified basis with at least 70% in shares of companies listed on the Hong Kong Stock Exchange or companies covering different sectors of the economy in Hong Kong and which are listed on any stock exchange.</u> The underlying portfolio may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of the NAV of the Hong Kong Equity Fund. <u>The underlying portfolio may also, via the Stock Connect, invest less than 30% of the Hong Kong Equity Fund's NAV in shares of companies listed in mainland China.</u> The intended asset allocation above is for reference only and may be changed as and when market, political, structural, economic and other conditions change that the investment manager deems appropriate.

## 1.6. Other changes

We have taken the opportunity to enhance the risk factors of certain constituent funds and disclosure of certain risk factors. For instance, we will update the "Risks associated with Stock Connect programmes ("Stock Connect")" and add the following new risk factors: "Mainland Chinese assets risk", "Risks associated with the SME board, ChiNext market and/or the STAR Board", and "Additional risk factors relating to investment in debt securities in onshore and offshore China market".

## **2. Impact on the Scheme and Members**

- 2.1. As mentioned in section 1 above, the Trustee believes that the Changes are beneficial to the Members. The Trustee confirms that the Changes will not have any adverse impact on the Scheme or the interests of the Members. The Trustee also confirms that the Changes will be in the interests of the Members and the interests of the Members will not be prejudiced by the Changes.
- 2.2. In particular, amendments to the Manulife MPF RMB Bond Fund and the Manulife MPF Hong Kong Equity Fund in sections 1.4 and 1.5 above will not result in any change to the features or overall risk profile of these constituent funds, or any changes in the operation or manner in which these constituent funds are being managed. There will be no change in the management fees level in managing these constituent funds.

## **3. Actions required of Members**

- 3.1. No action is required of Members to effect the Changes.
- 3.2. However, Members of the Manulife MPF RMB Bond Fund and/or the Manulife MPF Hong Kong Equity Fund who do not wish to be involved in the change of their investment policies may: (i) switch their existing investment in these constituent fund(s) to other constituent fund(s) under the Scheme, and/or (ii) change their contribution investment instructions in respect of any new contributions and transfer-in monies by submitting to the Trustee the validly completed forms.
- 3.3. For details of how the processes in section 3.2 above will be effected, please refer to sections 6.5.2 (*Change of contribution investment instruction*) and 6.6 (*Switching*) under section 6 (ADMINISTRATIVE PROCEDURES) of the MPF Scheme Brochure.
- 3.4. There will be no fees or penalties, bid/offer spreads or transfer fees imposed on any transfer out, change of contribution investment instruction or switching.

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The MPF Scheme Brochure will be amended to reflect the Changes and certain cosmetic changes. Participating employers and Members can download the full set of the MPF Scheme Brochure from our website at [www.manulife.com.hk](http://www.manulife.com.hk) or request a copy in writing or verbally. You can write to the Provident Funds Services, Manulife (International) Limited, 21/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Please quote your name, address and member account number (for Members) or sub-scheme number (for participating employers) in the request letter. Alternatively, Members can call our Customer Service Hotline on 2108 1388 and participating employers can call 2108 1234.

Issued by Manulife Provident Funds Trust Company Limited