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Manulife RetireChoice (MPF) Scheme

(the “Master Trust”)

Notice to Members and Participating Employers

The Trustee and the Sponsor accept responsibility for the accuracy of the contents of this notice. Capitalized terms used in this notice shall have the same meaning as those defined in the Master Trust’s MPF Scheme Brochure dated August 2021, as amended by the First Addendum dated 15 September 2021 (collectively, the “**MPF Scheme Brochure**”).

Dear Members and Participating Employers,

We are writing to inform you of the following changes in respect of the Master Trust.

Summary

Investment Management Fee Re-Designation

To simplify the fee arrangement, with effect from 17 December 2021 (the “**Effective Date**”), the Investment Management Fee of each of the following Constituent Funds will be re-designated to the Relevant Constituent Fund’s (as defined below) level:

1. Allianz Flexi Balanced Fund;
2. Allianz Asian Fund;
3. Allianz Balanced Fund;
4. Allianz Capital Stable Fund;
5. Allianz Greater China Fund;
6. Allianz Growth Fund;
7. Allianz Hong Kong Fund;
8. Allianz Oriental Pacific Fund; and
9. Allianz Stable Growth Fund

(each a “**Relevant Constituent Fund**” and collectively, the “**Relevant Constituent Funds**”).

Notwithstanding the re-designation, there will be no change to the total rate of the Investment Management Fee payable from the Relevant Constituent Funds.

The Investment Management Fee at the Underlying AIFs’ level of the Relevant Constituent Funds will be re-designated with effect from the Effective Date, such that the Investment Management Fee will be charged at the Relevant Constituent Fund’s level only and no Investment Management Fee will be charged at the Underlying AIFs’ level. The total rate of the Investment Management Fee payable from the Relevant Constituent Funds remain unchanged, i.e. 0.65% p.a. in respect of Class A Units and 0.45% p.a. in respect of Class B and Class T Units respectively.

The breakdown of the Investment Management Fee for the Relevant Constituent Funds before and after the Investment Management Fee Re-Designation is summarised below:

	Prior to the Effective Date	From the Effective Date
Class A	<ul style="list-style-type: none"> Relevant Constituent Fund's level: 0.2% p.a. Underlying APIFs' level: 0.45% p.a. <p>Total rate of Investment Management Fee: 0.65% p.a.</p>	<ul style="list-style-type: none"> Relevant Constituent Fund's level: 0.65% p.a. Underlying APIFs' level: N/A <p>Total rate of Investment Management Fee: 0.65% p.a.</p>
Class B and Class T	<ul style="list-style-type: none"> Relevant Constituent Fund's level: N/A Underlying APIFs' level: 0.45% p.a. <p>Total rate of Investment Management Fee: 0.45% p.a.</p>	<ul style="list-style-type: none"> Relevant Constituent Fund's level: 0.45% p.a. Underlying APIFs' level: N/A <p>Total rate of Investment Management Fee: 0.45% p.a.</p>

The MPF Scheme Brochure will be updated by way of a Second Addendum to reflect the Investment Management Fee Re-Designation. The amendments do not amount to any material change to the Master Trust and each of the Relevant Constituent Funds. There will be no change in the overall risk profile of the Relevant Constituent Funds following the amendments. The amendments do not have any adverse impact on Members' rights or interests.

Members of the Relevant Constituent Funds who disagree with the above change may switch their holdings into another Constituent Fund of the Master Trust and/or DIS or elect to transfer benefits to other schemes free of charge according to the normal procedures as set out in the MPF Scheme Brochure.

Suspension of NAV Determination and Dealing in Units of ALL Constituent Funds

In order to facilitate the Investment Management Fee Re-Designation, the Sponsor has decided, with the consent of the Trustee, to declare a suspension of the determination of the NAV and dealing in Units of all Constituent Funds of the Master Trust from 00:01am, 17 December 2021 to 11:59pm, 17 December 2021 (the “**Suspension Period**”).

Timeline for Consequential Suspension of Processing of Switching Instructions and Change of Investment Mandate

During the Suspension Period, it would not be possible for the Trustee to process the switching instructions and change of Investment Mandate since the NAV of Units of all Constituent Funds will not be available. The timeline for processing (i) switching instructions and (ii) change of Investment Mandate in respect of all Constituent Funds is set out in the table below:

Timeline	Impact on switching instructions and change of Investment Mandate
5:00pm on 15 December 2021	Cut-off deadline for receiving switching instructions and change of Investment Mandate in respect of all Constituent Funds before suspension
At or after 5:00pm on 15 December 2021 but before 5:00pm on 17 December 2021	Any such instructions received during this period will be processed after the Suspension Period on 20 December 2021
At or after 5:00pm on 17 December 2021 but before the end of the Suspension Period	Any such instructions received during this period will be processed after the Suspension Period on 21 December 2021

Members of the Master Trust should observe the above cut-off deadline when submitting switching instructions and change of Investment Mandate prior to the Suspension Period.

Consequential Suspension of Certain Instructions of the Master Trust

As a consequence that the NAV of all Constituent Funds will not be available during the Suspension Period, the Trustee will not be able to process the following types of instructions involving any Constituent Funds of the Master Trust, namely, (i) transfer of accrued benefits from another MPF scheme; (ii) contribution payment; (iii) member enrolment; and (iv) claim, withdrawal and transfer-out of the benefits. However, given the Suspension Period will only last for one Business Day, it is not expected that the normal processing time of such types of instructions (as indicated in the MPF Scheme Brochure) would be affected. Members of the Master Trust may continue to submit the relevant instructions to the Trustee during the Suspension Period, which will be processed within the corresponding prescribed processing time.

The proposed suspension of NAV determination of all Constituent Funds is in compliance with the relevant provisions of the Trust Deed.

Please refer to Part II below on page 5-8 for the details of such arrangements.

Members who wish to opt out from the suspension of NAV determination and instructions in Units of the Constituent Funds of the Master Trust may elect to transfer benefits to other schemes free of charge according to the normal procedures as set out in the MPF Scheme Brochure.

Should you have any further queries, please contact us at the following numbers:

Manulife MPF Members' Direct: 2298 9000

Manulife MPF Employers' Direct: 2298 9098

I. Re-Designation of Investment Management Fee for the Relevant Constituent Funds

Each of the Relevant Constituent Funds is a feeder fund investing all its assets into the corresponding underlying APIF, which is a sub-fund of the Allianz Global Investors Choice Fund (an “**Underlying APIF**” and collectively, the “**Underlying APIFs**”).

Current structure of the Investment Management Fee

Under the current arrangement, the breakdown of the Investment Management Fee for the relevant class of Units of the Relevant Constituent Funds (calculated as a percentage of the NAV of the relevant Constituent Fund attributable to the relevant class of Units) is as follows:

- (a) in respect of Class A Units: the total rate of the Investment Management Fee of 0.65% p.a. comprises 0.45% p.a. at the Underlying APIFs’ level and an additional 0.2% p.a. at the Relevant Constituent Fund’s level; and
- (b) in respect of Class B and Class T Units: the total rate of the Investment Management Fee of 0.45% p.a. represents the fee of 0.45% p.a. at the Underlying APIFs’ level and there is no Investment Management Fee payable at the Relevant Constituent Fund’s level.

New Investment Management Fee arrangement

With effect from the Effective Date, the Investment Management Fee at the Underlying APIFs’ level of the Relevant Constituent Funds will be re-designated to the Relevant Constituent Fund’s level, such that the Investment Management Fee will be charged at the Relevant Constituent Fund’s level only and no Investment Management Fee will be charged at the Underlying APIFs’ level (the “**Investment Management Fee Re-Designation**”).

The breakdown of the Investment Management Fee for the Relevant Constituent Funds before and after the Investment Management Fee Re-Designation is summarised below:

	Prior to the Effective Date	From the Effective Date
Class A	<ul style="list-style-type: none"> • Relevant Constituent Fund’s level: 0.2% p.a. • Underlying APIFs’ level: 0.45% p.a. <p>Total rate of Investment Management Fee: 0.65% p.a.</p>	<ul style="list-style-type: none"> • Relevant Constituent Fund’s level: 0.65% p.a. • Underlying APIFs’ level: N/A <p>Total rate of Investment Management Fee: 0.65% p.a.</p>
Class B and Class T	<ul style="list-style-type: none"> • Relevant Constituent Fund’s level: N/A • Underlying APIFs’ level: 0.45% p.a. <p>Total rate of Investment Management Fee: 0.45% p.a.</p>	<ul style="list-style-type: none"> • Relevant Constituent Fund’s level: 0.45% p.a. • Underlying APIFs’ level: N/A <p>Total rate of Investment Management Fee: 0.45% p.a.</p>

The purpose of the Management Fee Re-Designation is to simplify the fee arrangement. The total rate of the Investment Management Fee payable from the Relevant Constituent Funds remain unchanged, i.e. 0.65% p.a. in respect of Class A Units and 0.45% p.a. in respect of Class B and Class T Units respectively. There will be no impacts on other fees and charges, and on the overall levels of fees payable by the Relevant Constituent Funds and the Members.

The MPF Scheme Brochure will be updated by way of a Second Addendum to reflect the Investment Management Fee Re-Designation. The amendments do not amount to any material change to the Master Trust and each of the Relevant Constituent Funds. There will be no change in the overall risk profile of the Relevant Constituent Funds following the amendments. The amendments do not have any adverse impact on Members' rights or interests. However, Members should note that effecting the Investment Management Fee Re-Designation will require a suspension of the determination of the NAV and dealing in Units of all Constituent Funds of the Master Trust, as further detailed in section II of this notice.

Members of the Relevant Constituent Funds who disagree with the above change may switch their holdings into another Constituent Fund of the Master Trust and/or DIS or elect to transfer benefits to other schemes free of charge according to the normal procedures as set out in the MPF Scheme Brochure.

II. Suspension of NAV Determination and Dealing in Units of ALL Constituent Funds

After giving due consideration to the potential impacts on Members' interest, in order to facilitate the Investment Management Fee Re-Designation, the Sponsor has decided, with the consent of the Trustee, to declare a suspension of the determination of the NAV and dealing in Units of all Constituent Funds of the Master Trust during the Suspension Period.

The above declaration of suspension is made by the Sponsor with the consent of the Trustee pursuant to the following provisions of the Trust Deed:-

- (a) clause 6.1.3 of the Trust Deed – during the existence of any state of affairs as a result of which disposal of investments for the time being comprised in such Constituent Fund cannot in the opinion of the Sponsor, with the consent of the Trustee, be effected normally; and
- (b) clause 6.1.4 of the Trust Deed – when, among others, the value of any investment for the time being comprised in such Constituent Fund and representing a significant part of the value therefore cannot be promptly and accurately ascertained.

Rationale for suspension of NAV determination and dealing in Units in respect of the Relevant Constituent Funds

In order to effect the Investment Management Fee Re-Designation, the Relevant Constituent Funds will switch out from the Ordinary Class – A Units of each of the corresponding Underlying APIFs in which the Relevant Constituent Funds currently invest (which charge an Investment Management Fee of 0.45% p.a.) on 17 December 2021, and, on the same dealing day, invest in the Ordinary Class – I Units of the same Underlying APIFs (which charge no Investment Management Fee) instead.

- a. *The process of the Investment Management Fee Re-Designation cannot be completed on the Effective Date*

Per the current practice, the net asset value calculation of the Underlying APIFs as of a particular dealing day will only be available on the next dealing day. To effect the Investment Management Fee Re-Designation on the Effective Date (i.e. 17 December 2021), switching orders from Ordinary Class – A Units to Ordinary Class – I Units of the Underlying APIFs will need to be placed on the dealing day of 17 December 2021. However, the net asset value of the Underlying APIFs as of 17 December 2021 will only be available on the next dealing day (i.e. 20 December 2021), meaning that the relevant switching orders from Ordinary Class – A Units to Ordinary Class – I Units of the Underlying APIFs (and therefore, the process of Investment Management Fee Re-Designation) cannot be completed until 20 December 2021.

- b. *Investment instructions for the Relevant Constituent Funds cannot be processed on the Effective Date*

In the event that the Underlying APIFs receive other redemption orders from the Relevant Constituent Funds on 17 December 2021, there will not be any Ordinary Class – I Units of the Underlying APIFs available for processing such orders from the Relevant Constituent Funds. As it would require significant system enhancement of the Trustee (which is not practically viable in the present circumstances) to enable partial processing of subscription orders into the Relevant Constituent Funds, subscription orders into the Relevant Constituent Funds will also be suspended on the Effective Date.

Accordingly, it would not be practicable to process the investment instructions for the Relevant Constituent Funds (being units in the corresponding Underlying APIFs) normally on 17 December 2021.

- c. *The NAV of the Relevant Constituent Funds cannot be ascertained on the Effective Date*

Given that the process of Investment Management Fee Re-Designation is yet to be completed on 17 December 2021 and the Relevant Constituent Funds will not be holding any Ordinary Class – I Units of the Underlying APIFs on that day, the value of the Relevant Constituent Funds' investments (being units in the corresponding Underlying APIFs) cannot be promptly and accurately ascertained on that same day.

Rationale for consequential suspension of NAV determination and dealing in Units of the other Constituent Funds

In respect of the remaining Constituent Funds other than the Relevant Constituent Funds (the “**Other Constituent Funds**”), in the circumstances where the determination of NAV of the Relevant Constituent Funds will be suspended on 17 December 2021 due to the Investment Management Fee Re-Designation, the normal processing of investment instructions involving the Relevant Constituent Funds and the Other Constituent Funds would not be capable of being carried out on 17 December 2021.

As it would require significant system enhancement of the Trustee (which is not practically viable in the present circumstances) to enable partial processing of instructions which only involve the Other Constituent Funds, after giving due consideration to the potential impacts on Members' interest (including the need to avoid causing confusion to Members in any way), the Sponsor has decided, with the consent of the Trustee, to declare a suspension of the determination of the NAV and dealing in Units of all the Other Constituent Funds of the Master Trust during the Suspension Period.

Timeline for consequential suspension of processing of switching instructions and change of Investment Mandate and issues to note

During the Suspension Period, it would not be possible for the Trustee to process (i) switching instructions and (ii) change of Investment Mandate (collectively, the “**Switching/Change of Mandate Instructions**”) since the NAV of Units of all Constituent Funds will not be available. The timeline for processing the Switching/Change of Mandate Instructions in respect of all Constituent Funds is set out in the table below:

Timeline	Impact on Switching/Change of Mandate Instructions
5:00pm on 15 December 2021 (the “ Cut-Off Deadline ”)	<p>Cut-off Deadline for receiving Switching/Change of Mandate Instructions in respect of all Constituent Funds before suspension</p> <p><i>Any of the valid Switching/Change of Mandate Instructions which are duly completed and received (including receipt of cleared funds, if applicable) by the Trustee before the Cut-Off Deadline will be processed in the usual manner before the commencement of the Suspension Period</i></p> <p><i>In the event that invalid Switching/Change of Mandate Instructions are received before the Cut-Off Deadline, we will follow up according to our normal procedures by phone or by issuing letters.</i></p> <p><i>If invalid Switching/Change of Mandate Instructions subsequently become valid before the Cut-Off Deadline, such valid Switching/Change of Mandate Instructions will be processed in the usual manner before the commencement of the Suspension Period.</i></p>
At or after the Cut-Off Deadline but before 5:00pm on 17 December 2021	Any Switching/Change of Mandate Instructions received during this period will be processed after the Suspension Period on 20 December 2021
At or after 5:00pm on 17 December 2021 but before the end of the Suspension Period	Any Switching/Change of Mandate Instructions received during this period will be processed after the Suspension Period on 21 December 2021

Members of the Master Trust should observe the above Cut-Off Deadline when submitting switching instructions and change of Investment Mandate prior to the Suspension Period.

Consequential suspension of certain instructions of the Master Trust

As a consequence that the NAV of all Constituent Funds will not be available during the Suspension Period on 17 December 2021, the Trustee will not be able to process the following types of instructions involving any Constituent Funds of the Master Trust during the Suspension Period, namely, (i) transfer of accrued benefits from another MPF scheme; (ii) contribution payment; (iii) member enrolment; and (iv) claim, withdrawal and transfer-out of the benefits. However, given the Suspension Period will only last for one Business Day, it is not expected that the normal processing

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time of such types of instructions (as indicated in the MPF Scheme Brochure) would be affected. Members of the Master Trust may continue to submit the relevant instructions to the Trustee during the Suspension Period, which will be processed within the corresponding prescribed processing time.

Please note that the imposition of the Cut-off Deadline in respect of the Switching/Change of Mandate Instructions and the Suspension Period will give rise to suspension of the application of our MPF service pledges as stated in our website in relation to the processing of the Switching/Change of Mandate Instructions during the period from the Cut-off Deadline to the end of the Suspension Period. The application of the MPF service pledges will generally resume after the end of the Suspension Period.

The proposed suspension of NAV determination of all Constituent Funds is in compliance with the relevant provisions of the Trust Deed.

Members who wish to opt out from the suspension of NAV determination and instructions in Units of the Constituent Funds of the Master Trust may elect to transfer benefits to other schemes free of charge according to the normal procedures as set out in the MPF Scheme Brochure.

III. Documents available

The MPF Scheme Brochure (together with the First and Second Addenda) will be available at www.manulife.com.hk or by contacting 2298 9000 (Manulife MPF Members' Direct) and 2298 9098 (Manulife MPF Employers' Direct).

Should you have any further queries, please contact us at the following numbers:

Manulife MPF Members' Direct: 2298 9000

Manulife MPF Employers' Direct: 2298 9098

Yours sincerely,

For and on behalf of

Manulife (International) Limited and Bank Consortium Trust Company Limited

15 September 2021