Group Deposit Administration Policy

Offering Document

This Offering Document for Group Deposit Administration Policy is issued by Manulife (International) Limited (incorporated in Bermuda with limited liability).

Enquiry contact: (+852) 2108 1234 (Employer Hotline)
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Important: If you are in doubt about the meaning or effect of the contents of this Offering Document, you should seek independent professional advice.

Important to note:

- Group Deposit Administration Policy is a pooled retirement fund. You should read this entire Offering Document before you decide whether to invest in Group Deposit Administration Policy and to invest in any Investment Portfolios under Group Deposit Administration Policy. You should consider your own risk tolerance level and financial circumstances before investing in any Investment Portfolios under Group Deposit Administration Policy. When you are in doubt as to whether a certain Investment Portfolio is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice.

- Investment involves risks. You should understand that your investment is subject to market fluctuations and the value of your investment may fall as well as rise and, accordingly, the amount realised upon redemption may be less than your original investment made and you may suffer significant loss.

- Manulife (International) Limited is the Guarantor of the Guaranteed Funds. Your investment in the Guaranteed Funds is therefore subject to the credit risks of Manulife (International) Limited. Please refer to the Investment Portfolio Fact Sheets of the Guaranteed Funds for details of the credit risks and guarantee features.

- Manulife (International) Limited, being the Product Provider, accepts responsibility for the accuracy of the information contained in this Offering Document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

- Group Deposit Administration Policy is governed and construed according to the laws of Hong Kong.

- Group Deposit Administration Policy is closed for participation by new employers.

November 23, 2022

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SECTION 1
INTRODUCTION

Manulife Hong Kong, through Manulife International Holdings Limited, owns Manulife (International) Limited, Manulife Investment Management (Hong Kong) Limited and Manulife Provident Funds Trust Company Limited. As a member of the Manulife group of companies, Manulife Hong Kong offers a diverse range of protection and wealth products and services to individual and corporate customers in Hong Kong and Macau.

Group Deposit Administration Policy is a pooled retirement plan and was created in Hong Kong on or around January 1, 1976.

Group Deposit Administration Policy is to be used as a funding and administration vehicle for defined contribution plans. Employers may choose from the available Investment Portfolios where to place contributions, which will then provide for benefits in accordance with the retirement plan as arranged between the employers and employees.

The terms “employer(s)”, “employee(s)” and “retirement” used in this Offering Document, and the example of plan rules and any other ancillary documents or statements/reports, shall not imply any employment relationship beyond the purpose of ORSO, nor affect the true nature of any contractual or association relationship between the proposed applicant and its proposed members.

Although Group Deposit Administration Policy has been authorised by the SFC, SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

SECTION 2
KEY OPERATORS

2.1 Product Provider

Manulife (International) Limited is the Product Provider of Group Deposit Administration Policy and will carry out its responsibilities as a Product Provider under the PRF Code. Manulife's principal place of business in Hong Kong is at 22/F, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Manulife is a member of the Manulife group of companies.

Manulife Financial Corporation ("**MFC**") is a leading international financial services provider that helps people make their decisions easier and lives better. With principal operations in Asia, Canada and the United States, the group provides financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions worldwide. Manulife has been in Hong Kong for 125 years and its experience in managing pension plans can be traced back to 1936 when Manulife sold its first provident fund plan. With its wealth of experience and financial strength, Manulife provides quality and professional provident funds services to both employers and the workforce of Hong Kong.

2.2 Insurance Company

The Manufacturers Life Insurance Company is the Insurance Company issuing Group Deposit Administration Policy.

2.3 Management Company

MIMHK is appointed as the Management Company of all the Investment Portfolios. Its registered address is at 10/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

MIMHK is a wholly-owned subsidiary of MFC which now conducts its global institutional asset management under the brand name of Manulife Investment Management. The investment division of MFC has been operating for over 100 years[‡], and has global expertise around the world in wealth management. MIMHK is licensed with the SFC to carry out asset management activities in Hong Kong.

Subject to any legislative or regulatory requirements in force from time to time, the Management Company may further appoint sub-investment manager(s) and delegate certain investment management functions to such sub-investment manager(s) at its discretion.

‡ A wholly owned subsidiary of MFC, The Manufacturers Life Insurance Company, was incorporated on June 23, 1887, and has been operating for over 100 years, providing a wide range of financial, insurance and investment management services to individuals, families, businesses and groups.

SECTION 3
INVESTMENT PORTFOLIOS

3.1 General

Note: The Policyholders/members should refer to their existing Policies for the Investment Portfolio(s) applicable to their Participating Plans.

Group Deposit Administration Policy offers the following list of Investment Portfolios:

	Investment Portfolio	**Fund category**	**Date/Year of establishment**
1.	Capital Guarantee Fund (HK$)*	Guaranteed fund	On or before January 1, 1993^
2.	Capital Guarantee Fund (US$)	Guaranteed fund	On or before January 1, 1993^
3.	International Equity Fund	Direct investment fund	May 31, 1982
4.	Fifteen Year Deposit Fund#	Direct investment fund	On or before May 1, 1981^
5.	Five Year Bond Fund#	Direct investment fund	On or before September 1, 1984^

* The Capital Guarantee Fund (HK$) is only applicable to the Participating Plans that are set up in HKD.
# These Investment Portfolios are only available to certain Participating Plan(s).
^ Owing to the lapse of time, the actual date(s) of establishment of these Investment Portfolios are not available. The dates of establishment of these Investment Portfolios indicated in the table above were our estimation based on the relevant information in our records.

The place of creation of the above Investment Portfolios is Hong Kong.

Please refer to the Investment Portfolio Fact Sheets for choice details. The Investment Portfolios will be subject to risks inherent in all investments. Please refer to section 4 on "Risk Factors" for more details.

For details of each Investment Portfolio's investment restrictions, please refer to this section below and section 8 on "Investment Portfolio Fact Sheets".

3.2 Borrowing policy

Unless otherwise permitted by the SFC, all borrowings of the Investment Portfolios shall comply with any applicable codes, laws and regulations governing pooled retirement funds established in Hong Kong.

Specifically, an Investment Portfolio that is a direct investment fund is subject to the maximum borrowing of 10% of its total NAV.

3.3 Investment restrictions

Except for the Guaranteed Funds, the other Investment Portfolios are direct investment funds.

The Investment Portfolios are subject to the following investment requirements:

(a) Investment Portfolios in the form of direct investment funds

An Investment Portfolio that is in the form of a direct investment fund is expected to comply with the core investment requirements under Chapter 7 of the UT Code and, where applicable, the specific investment requirements under 8.2 or 8.6 of the UT Code. Furthermore, an Investment Portfolio that is in the form of a direct investment fund must be a non-derivative fund.

(b) Investment Portfolios in the form of guaranteed funds

The Guaranteed Funds, each being a guaranteed fund, must comply with the requirements under Chapter 9 of the PRF Code.

No assets of the Investment Portfolios shall be invested in a manner that will contravene the applicable requirements set out in the PRF Code, ORSO, and any other applicable laws and regulations as supplemented, amended and replaced from time to time, save as otherwise approved by the SFC.

In addition, no money of an Investment Portfolio may be invested in the securities of, or lent to, as applicable, the Product Provider, the Management Company, the Guarantor, the trustee, or any of their respective Connected Persons except where any of these parties is a substantial financial institution or an insurance company. For these purposes, securities do not include interests in collective investment schemes, either authorised under section 104 of the SFO or recognised jurisdiction schemes pursuant to 1.2 of the UT Code.

The Company may amend or update the investment restrictions, without notice, to make possible compliance with fiscal or other statutory or official requirements. Please refer to section 7.1 on "Documents of Group Deposit Administration Policy" on how to obtain the latest Offering Document.

3.4 Rebates

The Management Company and/or the sub-investment manager(s), if any, may receive from a broker or dealer such goods and services and/or other soft dollar benefits which are of demonstrable benefit to the Policyholders/members. These goods and services include, but are not limited to, research and advisory services, computer hardware and software, etc.

In all cases where such goods and services and other soft dollar benefits are received by the Management Company and/or the sub-investment manager(s), if any, the Management Company and/or the sub-investment manager(s), if any, shall ensure that transaction execution is consistent with best execution standards and brokerage rates do not exceed customary institutional full-service brokerage rates for such transactions. No cash rebate will be retained by the Management Company and/or the sub-investment manager(s), if any.

SECTION 4
RISK FACTORS

In this section, the term "fund" is used to describe, as the case may be, any Investment Portfolio and/or its respective underlying unit trust(s), mutual fund(s), insurance policy(ies), approved pooled investment fund(s), ITCIS(s), internal fund(s) and/or other permissible investment product(s). The performance of the Investment Portfolios may be subject to a number of risk factors, including but not limited to the following:

4.1 General risks

(a) Market and investment risks

Investments involve risks. Each Investment Portfolio is subject to market fluctuations and to the risk inherent in all investments and markets of the underlying funds or investments. As a result, the price of units or the value of assets may go up as well as down.

There can be no assurance that a fund or the underlying fund(s) in which it invests in will achieve its investment objectives. There is no guarantee that in any time period, particularly in the short term, a fund will achieve appreciation in terms of capital growth. The value of units or assets may rise or fall, as the capital value of the securities in which the underlying portfolio invests may fluctuate. Past performance is not necessarily a guide to future performance and investments should be regarded as medium to long term. The investment income of a fund is based on the income earned from its underlying funds or investments, less expenses incurred. Therefore, the investment income may be expected to fluctuate in response to changes in such expenses or income.

(b) Political, economic and social risks

The performance of a fund and its ability to pay redemption proceeds may be affected by changes in economic conditions and uncertainties such as change in political conditions including strikes and curfew and government policies, the imposition of restrictions on the transfer of capital and changes in laws or regulatory requirements.

(c) Counterparty and settlement risk

Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a fund and settle a transaction in accordance with market practice. A fund may be exposed to the risk of a counterparty through investments such as bonds, financial futures and options. To the extent that a counterparty defaults on its obligations and a fund is delayed or prevented from exercising its rights with respect to the investment in its portfolio, the fund may experience a decline in the value of the security, lose income and incur costs associated with its rights attached to the security.

A fund will be exposed to the risk of settlement default. Market practices in certain emerging markets in relation to the settlement of securities transactions and custody of assets may increase such risk. The clearing, settlement and registration systems available to effect trades on emerging markets may be significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the value and liquidity of a fund.

(d) Valuation and accounting risk

The funds intend to adopt HKFRS (i.e. Hong Kong Financial Reporting Standards) in drawing up their annual accounts. However, the Policyholders/members should note that the underlying funds intend to amortise the preliminary expenses and costs of a fund, if any, over the first three financial years of the fund, as applicable, commencing on the close of the initial offer period or over such other period as the investment manager shall consider fair. This policy of amortisation is not in accordance with HKFRS and may accordingly result in either a different NAV being reflected in the annual audited accounts or the auditors qualifying a fund's accounts. However, the investment manager believes that the policy of capitalising and amortising preliminary costs is fairer and more equitable to the Policyholders/members.

Valuation of the funds' investment may involve uncertainties and judgmental determinations. For example, securities held by the funds may subsequently become illiquid due to events relating to the issuer of the securities, market and economic conditions and regulatory sanctions. The market value of such securities may become more difficult or impossible to ascertain. Under this circumstance, the investment manager may apply valuation methods to ascertain the fair value of such securities. If such valuation turns out to be incorrect, this may affect the NAV calculation of the funds.

(e) **Early termination risk**

An Investment Portfolio may be terminated in accordance with section 8.3 on “Change, addition, termination and restructuring of Investment Portfolios”. It is possible that at the time of such termination, certain investments may be worth less than their acquisition cost, resulting in the Policyholders/members having to switch to other Investment Portfolio(s) at a loss. Any underlying fund may also be terminated early according to its constitutive document. In the event of termination of an underlying fund, the assets of such fund will be realised and the net proceeds thereof which are available for distribution will be distributed to its corresponding fund(s) in proportion to the number of units held by them. It is possible that at the time of such sale or distribution, certain investments held by the underlying fund may be worth less than their acquisition cost, resulting in a loss to the relevant Investment Portfolio(s).

4.2 Liquidity risk

Some of the markets in which a fund invests may be less liquid and more volatile than the world’s leading stock markets and this may result in the fluctuation in the price of the securities that the fund invests. Certain securities may be difficult or impossible to sell at the time that the fund would like or at a price that the fund believes the security is currently worth. Difficulties may be encountered in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. This may affect the NAV of the fund.

4.3 Concentration risk

Certain funds may invest in a single country or industry only. Although the funds will be well diversified in terms of the number of holdings, the Policyholders/members should be aware that the funds are likely to be more volatile than a more broad-based fund, such as a global or regional equity fund due to their limitations to a relatively narrow segment of the economy. The funds can be significantly affected by events relating to those industries, such as international, political and economic developments, energy conservation, the success of exploration projects, tax and other government regulations, as well as other factors. The funds may tend to be more volatile than other funds and their portfolio values may fluctuate more rapidly. Due to higher volatility in nature, the funds may be subject to greater speculation and concentration risks. The performance of the funds may differ in direction and degree from that of the overall equity market. The Policyholders/members are reminded to maintain a well-diversified portfolio of selected Investment Portfolios.

4.4 Custodial risk

Custodians or sub-custodians of the funds may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the funds invest in markets where custodial and/or settlement systems are immature or are not fully developed, the assets of the funds may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the funds may take a longer time to recover their assets. In the worst case scenario, such as the retroactive application of legislation and fraud or improper registration of title, the funds may even be unable to recover all of their assets. The cost borne by the funds in investing and holding investment in such markets will be generally higher than in organised securities markets.

4.5 Currency risk

A fund that invests in securities denominated in currencies other than the base currency of the fund may be exposed to currency exchange risk. Any income or redemption proceeds received by the fund from such investments will be made in such other currencies. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a fund’s investments to diminish or increase. If the currency in which a fund’s portfolio security is denominated appreciates against the base currency of the fund, the value of security in the base currency will increase. Conversely, depreciation of the denomination of the currency of the portfolio security would adversely affect the value of the security expressed in the base currency of the fund. In addition, foreign exchange control in any country may cause difficulties in the repatriation of funds from such countries.

4.6 Derivatives

Subject to the investment restrictions under the relevant legislation and regulatory requirements, derivatives may be used for hedging purposes and/or achieving the investment objectives. However, there is no guarantee that such technique will achieve the desired result. There are certain investment risks in using derivatives. The value or return of these types of instruments is based on the performance of an underlying asset. These instruments may be volatile and involve various risks, which may include market risk, the risk of lack of correlation, the inability to close out a derivative contract caused by the non-existence of a liquid secondary market, the high leverage pricing and/or time decay of the option/warrant premium. Moreover, if the techniques and instruments being employed are incorrect, or the counterparty for such instruments default, the relevant fund may suffer a substantial loss.

4.7 Risks related to futures and options

The funds may invest in futures and options which are volatile. The prices of futures and options may be affected by many other factors apart from the values of the assets. Investment in financial derivative instruments is subject to key risk factors including counterparty and liquidity risks. To maintain the required amount of margin deposits, the funds may have to liquidate their investments at unfavourable prices and incur significant loss as a result.

4.8 Risks associated with investment in underlying funds

Certain funds may invest in one or more than one underlying fund. The Policyholders/members should be aware of the specific features of investing in one or more than one underlying fund and the consequences of investing in one or more than one underlying fund.

Funds investing through underlying fund(s) may be exposed to risks affecting the underlying fund(s) that they invest in.

Further, the performance of a fund may depend on the investment selection made by the investment managers of the underlying fund(s). Investment decisions of the underlying fund(s) are made at the level of such underlying fund(s). There is no or limited ability to control the manner in which the investment managers of such underlying fund(s) will make investments. There is also no assurance that the selection of each underlying fund(s) will result in an effective diversification of investment styles and that positions taken by the underlying fund(s) will always be consistent. No assurance can also be given that the strategies employed by the investment managers of the underlying fund(s) will be able to achieve the investment objective of the underlying fund(s) or the fund or achieve attractive returns.

The Policyholders/members may bear the recurring expenses of a fund in addition to the expenses of the underlying fund(s) and therefore the returns that they may obtain may not reflect the returns by investing directly in the underlying fund(s). Also, given investment decisions of the underlying fund(s) are made at the level of such underlying fund(s), it is possible that different investment managers of such underlying fund(s) will take positions or engage in transactions in the same securities or in issues of the same asset class, industry or country or currency at the same time. Consequently there is a possibility that one underlying fund may purchase an asset at about the same time as another underlying fund may sell it. Transaction costs will have been incurred in effecting the relevant transactions.

The underlying fund(s) may impose redemption limit and thus the underlying fund(s) may not be able to promptly meet the redemption requests of the Investment Portfolio(s) as and when made.

4.9 Equity investment risk and volatility risk

A fund may invest directly or indirectly in equities and is therefore, subject to the risks generally associated with equity investment, namely, the market value of the stocks may go down as well as up. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the fund to losses.

Further, all markets are subject to volatility based on prevailing economic conditions. Securities in emerging or developing markets may involve a higher degree of risk due to the small current size of the markets for securities of emerging or developing market issuers and the currently low or non-existent volume of trading, which could result in price volatility. Certain economic and political events in emerging or developing economies, including changes in foreign exchange policies and current account positions, could also cause greater volatility in exchange rates.

4.10 Emerging market risk

A fund may invest in securities of companies domiciled in or conducting their principal business activities in emerging markets (including markets in the Asia Pacific region and Greater China). Investing in emerging markets poses certain risks.

As emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of market risk. In particular those markets with characteristics such as authoritarian governments, political instability, or high taxation. Securities in these markets may be more volatile, less liquid, and more costly to participate in, and information about investments may be incomplete or unreliable. Accounting, auditing and financial reporting standards in some of the emerging markets may be less vigorous than international standards. As a result, certain material disclosures may not be made by some companies. In many cases, governments of emerging markets retain a high degree of direct control over the economy and may take actions having sudden and widespread effects such as suspension of trade and moratorium which may affect valuation of assets. Investments in emerging market products may also become illiquid which may constrain a fund's ability to realise some or all of the portfolio and thus affect the repatriation of capital. Because of these market conditions, the fund's strategic analysis, or the execution of it, could be flawed. Certain securities could become hard to value, or sell at a desired time and price. Such investment environment may bring negative impact on the fund's NAV.

Stock markets in emerging markets may be subject to special risks, including higher stock price volatility, lower liquidity of stocks, political considerations, loss of registration of shareholdings and currency risks, which are substantially higher than the risks normally associated with the world's established major stock markets. The trading volume on some of the markets may be substantially less than that in the world's leading stock markets. Accordingly, the accumulation and disposal of holdings in some investments may be time-consuming and may need to be conducted at unfavourable prices.

A fund investing in emerging markets may invest in, but is not restricted to, the securities of small- and medium-sized companies. This can involve greater risk than is customarily associated with investment in larger and more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and their management may be dependent on a few key individuals.

4.11 Credit risk and credit rating risk

A fund may invest directly or indirectly in bonds or other fixed income instruments and therefore, subject to credit risk (i.e. the risk that an issuer of securities will be unable to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able to pay). This is broadly gauged by the credit ratings of the securities in which the fund invests. Credit ratings may however not always be an accurate or reliable measure of the strength of the debt securities being invested in. Where such credit ratings prove inaccurate or unreliable, losses may be incurred by the fund.

Further, the credit rating of the debt security issuer or the debt securities directly or indirectly held by a fund may fall. This usually leads to drops in the price of the debt securities which may surpass those caused by general market fluctuations. A lowering of the credit rating of a debt security may also affect the debt security's liquidity, making it more difficult to sell.

4.12 Interest rate risk

The prices of fixed income securities tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. The longer the time to maturity the greater such variations. To the extent a fund holds long-term debt securities, its NAV will be subject to a greater degree of fluctuation than if it held debt securities of a shorter duration.

4.13 Growth Enterprise Market ("GEM")

Funds that invest into Hong Kong market may invest in companies which are listed on the GEM. The GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. Companies listed on the GEM may neither have a track record of profitability nor any obligation to forecast future profitability. There are potential risks of investing in such companies and the Policyholders/members should make the decision to invest in an Investment Portfolio only after due and careful consideration. This risk disclosure statement does not purport to disclose all the risks and other significant aspects of the GEM.

Information on GEM stocks may be obtained from the internet website operated by SEHK. GEM companies are usually not required to issue paid announcements in gazetted newspapers.

4.14 Risks related to ITCIS

(a) General risks relating to ITCIS

The market price of the units in an ITCIS traded on the relevant stock exchange(s) is determined not only by the NAV of the ITCIS but also by other factors such as the supply and demand of the units in the relevant stock exchange(s). An ITCIS may not be actively managed. Its manager may not take an active role in defending the position of the ITCIS in declining markets. Therefore, any fall in the underlying index will result in corresponding fall in the value of the ITCIS and hence the relevant funds. There is also a tracking error risk and the positive return of the ITCIS may be lower or the negative return of the ITCIS may be worse than the performance of the index to which it is tracking due to factors such as fees and charges, the investment strategies that it adopts.

Further, since an underlying index may focus on a particular market, geographical region or industry, investments of an ITCIS may be concentrated in the securities of a single issuer or several issuers when the ITCIS endeavours to match as closely as practicable its holdings of constituent stocks of the index. Therefore, the ITCIS and the funds involving in it may be subject to the additional risks of concentration in these markets, regions or industries.

(b) Risk of market makers for listed ITCIS

Certain listed ITCIS might only have a very small number of market makers to provide pricing, and the pricing might not be close to the NAV of the ITCIS. This could result in performance deviation of the ITCIS from the true NAV. Furthermore, market makers could resign from providing pricing for ITCIS in a relatively short period of time, and as a result, the listed ITCIS may be traded without market makers.

(c) Index related risk

The process and basis of computing and compiling the relevant underlying index and any of its related formulae constituent companies and factors may be changed or altered by the index provider at any time without notice. There is also no warranty, representation or guarantee given to the Policyholders/members as to the accuracy or completeness of the relevant underlying index, its computation or any related information related thereto. There may be errors in index data which may not be identified or corrected for a period of time. This may have an adverse impact on the underlying funds/ITCIS. The index provider may change the securities which comprise the index from time to time and the securities may be delisted. The relevant regulator may withdraw its authorisation (or approval, as applicable) of the underlying funds/ITCIS if the index is no longer considered acceptable.

4.15 Risks associated with Stock Connect programmes ("Stock Connect")

Investment in China A-Shares may be made via the Stock Connect (as described below).

The Stock Connect is a securities trading and clearing linked programme with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect enables the relevant funds to trade eligible China A-Shares listed on the relevant stock exchange(s) in mainland China.

The relevant regulations of the Stock Connect are untested and subject to change. The programme is subject to quota limitations which may restrict the ability of the relevant funds to invest in China A-

Shares through the programme on a timely basis and as a result, the ability of the relevant funds to access the China A-Shares market (and hence to pursue its investment strategy) will be adversely affected. The mainland China regulations impose certain restrictions on selling and buying. Hence, the relevant funds may not be able to dispose of holdings of China-A Shares in a timely manner. Also, a stock may be recalled from the scope of eligible stocks for trading via the Stock Connect. This may adversely affect a fund or strategies of the relevant funds in which a fund invests, for example, when the investment manager or the sub-investment manager(s) (as the case may be) wishes to purchase a stock which is recalled from the scope of eligible stocks. Due to the differences in trading days, the relevant funds may be subject to a risk of price fluctuations in China A-Shares on a day that the mainland China markets is open for trading but the Hong Kong market is closed. Funds which have access to the China A-Shares market via Stock Connect may therefore be adversely affected by the above factors.

4.16 RMB currency risk

The RMB currency risk is applicable to funds with exposure to RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange controls and repatriation restrictions imposed by the Chinese government. There is no assurance that RMB will not be subject to devaluation. Any devaluation of RMB could adversely affect the NAV of the fund(s).

While the fund(s) are denominated in HKD but not in RMB, the underlying assets may be primarily denominated in RMB. Therefore, the performance of the fund(s) may be adversely affected by changes in HKD to RMB exchange rate if RMB depreciates against HKD.

4.17 Currency risk relating to RMB valuation

In calculating the value of RMB denominated or settled assets and the relevant unit prices, the exchange rate for offshore RMB market in Hong Kong (also known as the CNH rate) will be applied. The CNH rate may be at a premium or discount to the exchange rate for onshore RMB market in mainland China (also known as the CNY rate) and there may be significant bid and offer spreads. The value of the fund(s) thus calculated will be subject to fluctuation.

4.18 Mainland Chinese assets risk

Investments in RMB by a fund in China A-Shares or onshore mainland China fixed income securities and other permissible securities denominated in RMB may be made through any permissible means pursuant to any prevailing regulations. The uncertainty and change of the relevant laws and regulations in mainland China and the potential for the PRC government and/or the regulators to implement policies that may affect the financial markets may have an adverse impact on such fund.

High market volatility and potential settlement difficulties in the mainland China markets may also result in significant fluctuations in the prices of the securities traded on such markets. Besides, securities exchanges in mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. All these may have a negative impact on the net asset value of the fund.

4.19 Risks associated with the ChiNext market and/or the STAR Board

A fund may have exposure to stocks listed on the ChiNext market of the Shenzhen Stock Exchange ("**SZSE**") and the Science and Technology Innovation Board ("**STAR Board**") of the Shanghai Stock Exchange ("**SSE**").

(a) Higher fluctuation on stock prices and liquidity risk

Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on the ChiNext market and STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main boards of the SZSE and/or SSE.

(b) Overvaluation risk

Stocks listed on the ChiNext market and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

(c) Differences in regulation

The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main boards of the SZSE and/or SSE.

(d) Delisting risk

It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. In particular, the ChiNext market and STAR Board have stricter criteria for delisting compared to other boards. This may have an adverse impact on the fund if the companies that it invests in are delisted.

(e) Concentration risk

The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in the STAR Board may be concentrated in a small number of stocks and subject the fund to higher concentration risk. Investments in the ChiNext market and/or STAR Board may result in significant losses for the fund and its Policyholders/members.

4.20 Additional risk factors for investment in RMB denominated debt securities

Fund(s) that invest in the RMB denominated debt securities may be subject to additional risks.

(a) Mainland China tax considerations

Funds investing in RMB denominated corporate and government bonds issued by tax residents in mainland China may be subject to withholding and other taxes imposed in mainland China. Under current mainland China tax policy, there are certain tax incentives available to foreign investment, but it is anticipated that some of such tax incentives will be phased out in the future.

The Policyholders/members should be aware that changes in the mainland China taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the funds. Laws governing taxation will also continue to change and may contain conflicts and ambiguities.

(b) Liquidity risk

Not all securities or investments held by the underlying funds will be listed or rated or actively traded and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The underlying funds may encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. Moreover, there is no assurance that the liquidity of a fund and its underlying fund(s) will always be sufficient to meet redemption requests as and when made.

In addition, the funds will be subject to additional liquidity risks. The offshore RMB debt securities market has continued to develop although the trading volume may be less than that of a more developed market. The market liquidity for RMB debt securities has enhanced following measures by the Chinese government to gradually expand the use of RMB outside the mainland China and the increased number of issues in RMB debt securities in the offshore primary market. However, there is no guarantee that there will be an active secondary market for all RMB debt securities. In the absence of an active secondary market, the underlying funds may need to hold the relevant RMB debt securities until their maturity date. If sizeable redemption requests are received, the underlying funds may need to liquidate their investments at a substantial discount in order to satisfy such requests and may suffer losses in trading such instruments. Even if a secondary market exists for any RMB debt securities, the price at which such instruments are traded on the secondary market may be higher or lower than the initial issue price due to many factors including the prevailing interest rates.

Further, the bid and offer spread of the price of RMB debt securities may be high, and the underlying funds may therefore incur significant trading costs and may even suffer losses when selling such investments. In respect of the listed debt securities, the underlying funds may be subject to the risk of not being able to sell them over the exchange on a timely basis, or may have to sell at a substantial discount to their face values. This may adversely affect the liquidity and the NAV of the underlying funds and the fund.

(c) Limited supply of RMB denominated debt securities

The quantity of RMB debt securities that are available to the underlying funds is currently limited, and the remaining duration of any RMB debt securities that the underlying funds may invest in may be short. Although the issuance of offshore RMB debt securities has increased substantially in recent years, supply may lag the demand for offshore RMB debt securities under certain circumstances. In some cases, new issues of offshore RMB debt securities may be oversubscribed and may be priced higher than and/or traded with a lower yield than equivalent onshore RMB debt securities. If the onshore RMB debt securities market subsequently opens up, this may lead to the convergence of the yields in the two markets. This may result in higher yields for the offshore RMB debt securities and, consequently, decrease the price of such offshore RMB debt securities. This may affect the NAV of the underlying funds and the fund.

In the absence of investible securities, or when the relevant debt securities held are at maturity, the underlying funds may have to allocate a significant portion of the portfolio's RMB assets in RMB negotiated term deposits until suitable securities are available in the market. This may adversely affect the return and performance of the underlying funds. In addition, where there is a limited supply of and excess demand for RMB denominated instruments, prices of such instruments could be driven up, and their quality could be compromised, and these may have an adverse impact on the value of the underlying funds and the fund.

In addition, certain underlying funds are only permitted to invest in permissible investments under Schedule 1 to the General Regulation. Certain offshore RMB debt securities available in the market may not meet those requirements and therefore may not be invested by the underlying funds. Although it is expected that there will be sufficient issues of debt instruments that meet the requirements, the choice of investment may not be as diverse as for other types of funds, and this may result in concentration risk.

4.21 Additional risk factors relating to investment in debt securities in onshore and offshore China market

Fund(s) that invest in RMB debt securities in onshore and offshore China market may be subject to additional risks.

(a) China market risk or single country risk

The funds may invest in mainland China RMB debt securities. The value of these funds may be more volatile than that of a fund having a more diverse portfolio of investments.

By investing in the China market (both onshore and offshore), the value of the funds may be more susceptible to the risks of investing in emerging markets generally and the risks specific to the China market and special considerations not typically associated with investment in more developed countries or markets, such as adverse economic, political, policy, foreign exchange, volatility, liquidity, tax, legal or regulatory events affecting the China market.

The Policyholders/members should note that the debt instruments markets in mainland China are at a developing stage and the market capitalisation and trading volume may be lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volumes in mainland China's debt markets may result in prices of securities traded on such markets fluctuating significantly, and may result in substantial volatility in the net asset value of the funds.

The national regulatory and legal framework for capital markets and debt instruments in mainland China are still developing when compared with those of developed countries. Currently, mainland China's entities are undergoing reform with the intention of increasing liquidity of debt instruments. However, the effects of such reform on mainland China's debt market as a whole remain to be seen.

(b) China Interbank Bond Market

(i) Overview

Foreign institutional investors (such as the funds) can invest in mainland China interbank bond markets ("**China Interbank Bond Market**") via the Foreign Access Regime and/or Bond Connect.

(ii) Investment in China Interbank Bond Market via Foreign Access Regime

Foreign institutional investors can invest in the China Interbank Bond Market via the Foreign Access Regime subject to other rules and regulations as promulgated by the mainland Chinese authorities, i.e. the People's Bank of China ("**PBOC**") and the State Administration of Foreign Exchange. Such rules and regulations may be amended from time to time and include any applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in mainland China, foreign institutional investors who wish to invest directly in the China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities.

In terms of fund remittance, foreign institutional investors (such as the funds) may remit investment principal in RMB or foreign currency into mainland China for investing in the China Interbank Bond Market. For repatriation, where the funds repatriate funds out of mainland China, the ratio of RMB to foreign currency ("**Currency Ratio**") should generally match the original Currency Ratio when the investment principal was remitted into mainland China, with a maximum permissible deviation (currently 10%). The range of such deviation may be further amended by the mainland Chinese authorities.

(iii) Investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is governed by rules and regulations as promulgated by the mainland Chinese authorities. Such rules and regulations may be amended from time to time and include any applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("**Northbound Trading Link**").

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House). All bonds traded by eligible foreign investors will be registered in the name of the Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

(iv) Risks associated with China Interbank Bond Market

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China Interbank Bond Market may result in prices of certain debt securities traded on such market fluctuating significantly. The funds investing in such market are therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the funds may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

The debt instruments in which the funds invest may not be listed on the SSE or the SZSE or a securities market where trading is conducted on a regular basis. Further, there may not be a liquid or active market for the trading of RMB denominated bonds in the SSE, the SZSE or the China Interbank Bond Market. Therefore, the funds may be subject to the risk of not being able to sell the bonds in a timely manner, or will have to sell at a deep discount to the face values. The funds' value and liquidity will be adversely affected.

To the extent that the funds transact in the China Interbank Bond Market, the funds may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the funds may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Foreign Access Regime and/or Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the funds are subject to the risks of default or errors on the part of such third parties.

Investing in the China Interbank Bond Market via the Foreign Access Regime and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the China Interbank Bond Market, the funds' ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the funds' ability to achieve their investment objective will be negatively affected.

(c) Urban investment bonds risk

Urban investment bonds are issued by local government financing vehicles ("**LGFVs**"), such bonds are typically not guaranteed by local governments or the central government of the PRC. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the funds could suffer substantial loss and the net asset value of the funds could be adversely affected.

(d) System failure risks for Bond Connect

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. The funds' ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the funds invest in the China Interbank Bond Market through Bond Connect, they may be subject to risks of delays inherent in the order placing and/or settlement systems.

(e) Custodial, clearance and settlement risk

The trustee of the underlying funds may appoint directly or indirectly custodians in local markets for the purposes of the safekeeping of assets in those markets. The trustee shall be responsible for the acts and omissions, including the negligence, wilful misconduct or fraud of such custodians. Notwithstanding the exercise by the trustee of care and diligence in choosing and appointing custodians and undertaking an appropriate level of supervision and enquiry on an ongoing basis into the discharge of the obligations of the custodian, there can be no assurance that losses will not arise to an underlying fund from the actions or inactions of such custodians, particularly in the case where regulation and standards of administration in certain emerging or developing economies or markets in which an underlying fund may invest are underdeveloped and not of the standard experienced in most developed economies or markets.

The lack of adequate custodial, clearance and settlement systems in some emerging economies or markets may prevent either partial or total investment in such economies or markets or may require an underlying fund to accept greater custodial, clearance and/or settlement risks in order to make any such investment. There are risks arising from the inadequacy of systems to ensure the transfer, evaluation, compensation and/or recording of securities, the procedure for registering securities, the custody of securities and liquidation of transactions. These risks do not occur as frequently in more developed economies or markets.

The clearance and settlement systems available to effect trades on certain emerging or developing economies or markets as well as the local banking and telecommunications systems may be significantly less developed than those in more developed economies or markets, which may result in delays and other material difficulties in settling trades and in registering transfers of securities. Since the local postal and banking systems in these emerging or developing economies or markets may not meet the same standards as those of more developed economies or markets, no guarantee can be given that all entitlements attaching to securities acquired by an underlying fund can be realised. There is the risk that payments of interest or other distributions by bank wire or by cheque sent through the mail could be delayed or lost. In addition, there is the risk of loss in connection with the insolvency of an issuer's bank, particularly because these institutions may not be guaranteed by the local government. In certain emerging or developing economies or markets, there have been times when clearance and settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Problems with clearance and settlement in these economies or markets may affect the value and liquidity of an underlying fund. The inability of an underlying fund to make intended securities purchases due to clearance and settlement problems could cause the underlying funds to miss attractive investment opportunities. Inability to dispose of a portfolio security caused by such problems could result either in losses to an underlying fund portfolio due to subsequent declines in value of the portfolio security or, if an underlying fund has entered into a contract to sell the security, could result in potential liability to the purchaser.

In addition, such emerging or developing economies or markets may have less developed clearance and settlement procedures. The underlying funds will be exposed to credit risks of parties with or through whom it trades and will also bear the risk of settlement default. Market practice in certain emerging or developing economies or markets, in which the underlying funds may invest, in relation to the clearance and settlement of securities transactions, may increase such risks. In certain securities markets, in particular those in emerging or developing economies, transactions may not be executed on a delivery versus payment/receive versus payment (DVP/RVP) basis and there may be a difference in settlement dates for cash and securities, which creates counterparty risk.

Investment in debt securities will expose the underlying funds to counterparty default and settlement risks. There are various transaction settlement methods in the China Interbank Bond Market, such as the delivery of security by the counterparty after receipt of payment by the underlying funds; payment by the underlying funds after delivery of security by the counterparty; or simultaneous delivery of security and payment by each party. Although the investment manager may endeavour to negotiate terms which are favourable to the underlying funds (e.g. requiring simultaneous delivery of security and payment), there is no assurance that settlement risks can be eliminated. Where their counterparty does not perform their obligations under a transaction, the underlying funds and thus the funds investing in such underlying funds will sustain losses.

(f) PRC broker default risk

There is a risk that the funds may suffer losses, whether direct or consequential, from the default or bankruptcy of the PRC broker or disqualification of the same from acting as a broker.

This may adversely affect the funds in the execution or settlement of any transaction or in the transfer of any funds or securities.

(g) Bond Connect tax consideration

With the introduction of Bond Connect programme, eligible foreign investors can trade in bonds available on the China Interbank Bond Market.

Aside from the above-mentioned general rules, the mainland China tax authorities have not clarified whether income tax and other tax categories are payable on gains arising from the trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities, of Qualified Foreign Investors ("**QFIs**") and other investors through Bond Connect. It is therefore possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding income tax on realised gains by QFIs from dealing in mainland China fixed income securities.

Onshore PRC debt securities are subject to PRC taxes, including withholding income tax on dividends and distributions. Based on professional and independent tax advice, the investment manager currently makes a 10% withholding tax provision for the account of the underlying funds in respect of any gross realised and unrealised capital gains arising on disposal of bonds and other fixed income securities. Any shortfall between the provision and the actual tax liabilities, which will be debited from the underlying funds' assets, will adversely affect the underlying funds' net asset value. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

4.22 Specific risks associated with investment in the Guaranteed Funds

(a) Dilution of performance risk

To support the guarantee structure of the Capital Guarantee Fund (HK$)/Capital Guarantee Fund (US$), the investment strategies adopted will be relatively more conservative which may limit the upside potential. Coupled with the fact that the interest rate is declared by the Guarantor at its discretion, there may be a dilution of performance.

(b) Investment risks

Potential returns of the Guaranteed Funds in excess of the guaranteed amount are subject to investment risks and are not guaranteed.

(c) Credit risks

The Guaranteed Funds are subject to the credit risks of the Guarantor of these Investment Portfolios.

(d) Discretionary benefits risk

The interest in excess of the capital guarantee under the Capital Guarantee Fund (HK$) and the Capital Guarantee Fund (US$) will be determined entirely at the Guarantor's discretion. Such interest is considered discretionary benefits and can be nominal or nil.

SECTION 5
FEES AND CHARGES

5.1 Fees and charges

The following tables describe the fees, charges and expenses which may be paid or borne by the Policyholders/members.

(a) **Fees payable by the Policyholders/members**

Service Fees	Unless otherwise agreed, a charge for the services provided will be deducted from each contribution in accordance with the following scale: **Future Service Benefits** Portion of yearly contribution — Service fee First HK$200,000/US$25,000 — 4.0% Next HK$200,000/US$25,000 — 2.5% On any amount over HK$400,000/US$50,000 — 1.5% **Past Service Benefits** Portion of yearly contribution — Service fee First HK$100,000/US$12,500 — 3.5% Next HK$100,000/US$12,500 — 1.5% Next HK$200,000/US$25,000 — 0.5% On any amount over HK$400,000/US$50,000 — 0.25% For both Future Service and Past Service Benefits, charges may be paid separately by the Policyholder in addition to regular contributions.
Annual Fee	An annual fee of HK$40/US$5 per member. This charge may be paid separately by the Policyholder. However, this charge will be accumulated on the members covered and eventually realised when the individual member withdraws from the Participating Plan should the deposit be suspended.
Withdrawal Charge	In the event of Policy termination within four years from its effective date, a withdrawal charge, equal to a percentage of the total withdrawal value as at the date of withdrawal, will be deducted in accordance with the following schedule: Completed years as at the date of withdrawal — Withdrawal charge as a percentage of the withdrawal value Less than 1 — 4% 1 but less than 2 — 3% 2 but less than 3 — 2% 3 but less than 4 — 1% 4 or more — nil

(b) **Fees, expenses and charges of the Investment Portfolios**

Administration and Investment Management Fee§	An administration and investment management fee from the assets of each of the Investment Portfolios will be accrued daily (except the Capital Guarantee Fund (HK$), Capital Guarantee Fund (US$), Fifteen Year Deposit Fund and Five Year Bond Fund which will be accrued monthly) resulting in an annualised fee of not more than 1% p.a.
Fund Administration Fee	A maximum level of 0.13% p.a. of NAV of underlying investment fund will be charged. The current level is 0.10% p.a. or such lower fee as may be agreed by the Management Company and the Product Provider from time to time.

In addition to the above, transaction related fees and expenses may be deducted from the assets of the Investment Portfolios and their underlying investments, as the case may be: transaction costs, charges and expenses (including tax, stamp duty, custody and nominee charges, registration fee (if any)), fees for providing valuation, accounting, custodian and sub-custodian services, costs of preparing, publishing and distributing the offering document of Group Deposit Administration Policy, any other materials and the reports of the Participating Plan(s), Group Deposit Administration Policy, any Investment Portfolio(s) and/or any of their underlying investments and any other fees and charges properly incurred in respect of the management and administration of Group Deposit Administration Policy, the Participating Plan(s), Investment Portfolio(s) and/or any of their underlying investments including any expenses arising from any legislative or fiscal changes.

§ With regard to the administration and investment management fee, the current fee level is inclusive of the investment management fee charged at the underlying investments level with respect to the Investment Portfolios.

The Company reserves the right to increase the above fees and charges by giving the Policyholders six months' prior written notice or such other shorter notice pursuant to any applicable regulatory requirements.

SECTION 6
OPERATIONS

6.1 Valuation and pricing

(a) General

On each Valuation Date, the Company will calculate the NAV of each Investment Portfolio by using the Valuation Date closing prices or if not available, the latest available quoted traded prices on the relevant stock exchange or market for such investment, or the latest available NAV per share or unit (or if more than one price is quoted, the bid price) for collective investment scheme, or the latest revaluation made for unquoted investment on the Valuation Date, and allowing for the administration and investment management fee, administration/transaction related fees and expenses, and withdrawals made since the last Valuation Date, and Net Deposits by the employer since the last Valuation Date.

The Company will value each investment and asset in an Investment Portfolio on each valuation day. Assets in each Investment Portfolio (other than the Guaranteed Funds, Fifteen Year Deposit Fund and Five Year Bond Fund) will be valued for each dealing day whereas assets in the Guaranteed Funds, Fifteen Year Deposit Fund and Five Year Bond Fund will be valued for the last day of each month.

(b) Suspension

The Company may, having regard to the interests of the Policyholders, suspend the dealing of any Investment Portfolio and the determination of the NAV/account balance of any Investment Portfolio in the following circumstances:

(i) There is in existence any state of affairs prohibiting the normal disposal of the investments of an Investment Portfolio; or

(ii) There being a closure of or restriction or suspension of trading on any securities markets on which a substantial part of the investments of the relevant Investment Portfolio is normally traded or a breakdown in any of the means normally employed by the Company in determining the NAV of an Investment Portfolio; or

(iii) If, for any other reason, the price of investments in an Investment Portfolio cannot, in the opinion of the Company, be reasonably ascertained; or

(iv) If, in the opinion of the Company, it is not reasonably practicable or is prejudicial to the interest of the Policyholders to realise any investments held in an Investment Portfolio; or

(v) If the remittance or repatriation of funds which may be involved in the redemption of, or in the payment for, the investments in any Investment Portfolio or the subscription for or redemption of any units is delayed or cannot, in the opinion of the Company, be effected at reasonable prices or reasonable rates of exchange.

6.2 Flexibility

Where applicable, investment of new contributions can be changed on any Policy anniversary or six months thereafter and investment of past accumulations can be changed every six months upon two months' prior written notice.

Net Deposits will be allocated to the relevant Investment Portfolios as soon as practicable.

6.3 Example of plan rules of a Participating Plan

Note: The Policyholders/members should refer to their existing Policies for the plan rules applicable to their Participating Plans.

Employers can set their own retirement plan design to suit their needs. The following is an example of plan rules for reference only:

(a) Funding

Contributions under a retirement plan are usually expressed as a percentage of current salary. Contributions are invested and accumulated to form the benefits.

(b) Currency and place of payment

The retirement plan may be set up with payment made in HKD or USD.

Contributions shall be paid to “Manulife”. Both contributions and benefit payments should be paid in Hong Kong and either in HKD or USD, as agreed between the Company and the employer.

(c) Eligibility

All existing full time salaried employees are eligible to join on the effective date of the Participating Plan.

(d) Contributions for future service

The employer and employees contribute a fixed percentage of the employees’ salary to the Participating Plan each month.

(e) Benefits

Benefits are normally paid out in the event of the member’s termination of employment, normal retirement, total disability or death. Employees are always entitled to their own accumulation.

The normal retirement age is 65, or otherwise as specified by the employer. However, should an employee continue working beyond the normal retirement age, contributions to the Participating Plan can be continued until actual retirement.

The percentage of the employer’s accumulation to which an employee is entitled may be as follows:

Normal retirement	100%
Death	100% (or as per vesting schedule)
Total disability	100% (or as per vesting schedule)
Termination of employment	as per vesting schedule

After the receipt of a request for payment of benefits in such form and manner together with the necessary supporting documents as the Company may determine, redemption from the relevant Investment Portfolio(s) and payment of benefits will be arranged as soon as practicable and normally within one month, subject to 8.18 of the PRF Code.

In the event of the death of a member, the death benefit as provided under the terms and conditions of the Participating Plan shall be paid in accordance with the Plan Document. If the benefit payment is delayed due to unavailability of documents and proofs, interest on the benefit payment at a rate determined by the Company will be paid.

(f) Vesting schedule

Completed years of service	Percentage of employer’s accumulation
Less than 3	Nil
3 but less than 4	30%
4 but less than 5	40%
5 but less than 6	50%
6 but less than 7	60%
7 but less than 8	70%
8 but less than 9	80%
9 but less than 10	90%
10 or more	100%

(g) Unvested accumulation

When an employee terminates employment and he/she is not entitled to 100% of the employer's accumulation, the unvested balance is credited to the employer's cash account and may be used to offset future contributions.

6.4 Enrolment

To become a member of the Participating Plan, an eligible employee must complete the prescribed form of application provided and authorise the required deduction of contributions from his/her salary as set out in the Participating Plan.

The employer will send the employee information to Manulife for enrolling the employee as a member of the Participating Plan.

6.5 Withdrawal

If a member of the Participating Plan terminates his/her service with his/her employer due to termination of employment, normal retirement, total disability or death, the employer will complete the prescribed form and send it to Manulife for processing of the withdrawal settlement.

6.6 Annuity option

A member may elect to apply the lump sum cash payment of the benefit to which he/she is entitled under the Participating Plan to purchase an annuity of any type offered by the Company to members of the Participating Plan at the time of such election. If the member dies without making such an election, his/her appointed beneficiary may make the election on the same terms and conditions as above. After the election of such annuity, all benefits will be governed by the form of annuity elected. If each monthly payment of such annuity would be less than HK$1,000 or the equivalence in US$, the Company can decline to issue an annuity, and instead make settlement to the member in a lump sum.

6.7 Termination

(a) Policy termination

Policy termination shall be subject to at least one month's prior written notice (or such shorter notice period as agreed by the Company) given by the Policyholder to the Company. The effective date of termination will be the later of the date indicated by the Policyholder and one month from the date the Company receives such written notice. Provided that the Policyholder has provided a duly signed confirmation and all contributions and charges due are received and all Net Deposits are allocated to the members, the Company will calculate the withdrawal value of the account(s) of the Policyholder within 30 days from the effective date of termination, subject to 8.18 of the PRF Code. The Company will then deduct any fees required under the relevant Investment Portfolio Fact Sheet(s) and/or under section 5 on "Fees and Charges". Interest to be determined by the Company may be credited on the balance of the withdrawal value.

In any event the Policy will be terminated when account(s) is/are exhausted and the Policyholder and/or the Company gives notice that no new deposits will be made or accepted.

The Policy will be considered terminated when all members have withdrawn from the Participating Plan.

(b) Consequences of termination

Any sum payable by the Company in the event of the termination of the Policy may be paid only to:

(i) an authorised insurer for the purposes of another insurance arrangement to which the relevant Participating Plan will be subject or by which it will be regulated; or

(ii) a person who will hold that sum on trust as an asset of the relevant Participating Plan in accordance with the provisions of Section 25 of the ORSO.

Notwithstanding anything else in the Policy or the Plan Document, in the event that Group Deposit Administration Policy is terminated or otherwise wound up the benefits payable to every member shall be paid in accordance with the principles set out in relevant section of the ORSO. Any unclaimed proceeds of the Policyholders/members during the termination process may at the expiration of 12 months from the date upon which the same were payable be paid into court subject to the applicable laws and regulations and subject to the right of the Company to deduct therefrom any expenses it may incur in making such payment.

(c) Payment to another depository

If the Policyholder notifies the Company in writing that:

(i) no further deposits will be made in respect of the Participating Plan;

(ii) its account(s) will be closed;

(iii) proceeds will be transferred to another depository; and

(iv) the relevant Participating Plan continues to be registered with evidence provided,

the Company will pay the withdrawal value of the account(s) to the other depository in accordance with section 6.7(a) and (b) above, less the withdrawal charge (as described in section 5.1(a) on "Fees payable by the Policyholders/members"), if applicable, and less any fees required under the relevant Investment Portfolio Fact Sheet(s) and/or under section 5 on "Fees and Charges".

Subject to any applicable redemption restrictions and 8.18 of the PRF Code, the Company will make any payment out of the account(s) within one month after the date of withdrawal, subject to section 6.7(a) above and the consent of the Registrar of Occupational Retirement Schemes, if required.

6.8 Administration services

Manulife is acting as the administrator of Group Deposit Administration Policy and may delegate any of its duties and obligations as the administrator to any third parties at its sole discretion from time to time.

Manulife provides a full range of administration and support services as follows:

(a) Set up and assistance in the registration of the Participating Plan;

(b) Ongoing service and assistance in maintaining the Participating Plan;

(c) Hotline service for enquiries;

(d) On a monthly basis, the relevant employer will receive:

(i) accounting statement showing cash flows into and out of the Participating Plan;
(ii) schedule of changes listing enrolments, salary changes, withdrawals and refunds since the last statement;
(iii) debit note; and
(iv) contribution listing showing schedule of contributions by employees;

(e) On each Policy anniversary, the relevant employer will receive:

(i) annual statement of employee benefits; and/or
(ii) annual summary;

(f) Upon employees' enrolment, a certificate of enrolment will be distributed to the employer for onward distribution to the members, and a benefit statement showing member's benefits under the Participating Plan will be distributed to the members each year;

(g) A withdrawal statement will be sent to the employer and member when an employee terminates and withdraws the benefits.

Manulife reserves the right to adjust the above list of services from time to time without notice. Please refer to section 7.1 on “Documents of Group Deposit Administration Policy” on how to obtain the latest Offering Document.

Manulife’s experience in managing pension plans ensures efficient administration of the Participating Plans. Combined with Manulife’s professional staff and consultants, you can be assured of our best service and assistance at all times.

SECTION 7
OTHER INFORMATION

7.1 Documents of Group Deposit Administration Policy

A copy of the Policy can be inspected free of charge or purchased at a reasonable price by its Policyholder/members at 21/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. The Policyholders/members may also view the latest Offering Document, notices, announcements and the latest available unit prices or NAV, where applicable, of the Investment Portfolios at www.manulife.com.hk.

7.2 Amendment to the Offering Document or the Policy/Participating Plan

Unless otherwise provided, all proposed alterations or additions to this Offering Document due to scheme changes that fall under 10.1 of the PRF Code shall be submitted to the SFC for prior approval. The Policyholders will be notified in respect of such alterations or additions pursuant to 10.1A of the PRF Code where applicable.

Subject as follows, the Policy and/or the Participating Plan can be amended by the Company giving not less than one month's written notice or such other longer period of not more than six months as required by the SFC from time to time to the Policyholder (which shall thereupon give notice to every other employer), provided that no notice period will be required where the amendment(s) by the Company to the Policy and/or the Participating Plan:

(a) are necessary to make possible compliance with fiscal or other statutory or regulatory requirements, whether imposed locally or overseas and regardless of whether such requirements having the force of law or not, or

(b) are necessary to correct manifest error(s), or

(c) do not require the SFC's prior approval.

In addition, the Policy and/or the Participating Plan can be amended by the Policyholder requesting an amendment and obtaining the Company's written agreement thereto.

All amendments to the Policy and/or the Participating Plan must be approved by the president or vice president of the Company. No person may, without the consent of the member concerned, alter to any member's detriment either his/her accrued rights or vested benefit (both terms as defined under the ORSO) under the Participating Plan, unless such alteration is consequential upon an amendment to the terms of the Participating Plan consented to by not less than 90% of the members of the Participating Plan and, if any such alteration occurs, any vested benefit which the member concerned is entitled to receive as at the date of such alteration under the terms of the Participating Plan as if the condition precedent (if any) to such entitlement had been satisfied shall, if he/she so elects, become payable to him/her.

7.3 Governing law and jurisdiction

Group Deposit Administration Policy is governed and construed according to the laws of Hong Kong, and it is acknowledged that the parties concerned have the right to bring legal action in Hong Kong court of law as well as in any court elsewhere which has a relevant connection to Group Deposit Administration Policy.

7.4 Liquidity risk management

The Management Company has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks and to ensure that the liquidity profile of the respective Investment Portfolios will facilitate compliance with its obligation to meet redemption requests. The Management Company's liquidity management policy takes into account the investment strategy, liquidity profile and withdrawal rules. Such policy involves the monitoring of the profile of investments held by the respective Investment Portfolios on an on-going basis and includes details on periodic stress testing carried out by the Management Company to manage the liquidity risks under normal and exceptional market conditions.

The liquidity risk management policy, together with the Management Company's liquidity risk management tools, seeks to achieve fair treatment of the Policyholders/members and to safeguard the interests of the Policyholders/members. The liquidity risk management tools that may be employed by the Management Company may include (i) temporary borrowing (as detailed under section 3.2 on "Borrowing policy"); and (ii) temporary redemption suspension (as detailed under section 6.1(b) on "Suspension").

In practice, the Management Company will consult the Company and have regard to the best interests of the Policyholders/members before the use of any liquidity risk management tools. While these tools are intended to reduce the impact of any potential liquidity risk, the Policyholders/members should note that there is risk that the tools may be ineffective to manage any such liquidity risk (please refer to section 4.2 on "Liquidity risk" for more details).

7.5 Tax compliance provision

(A) FATCA

Part I

FATCA was enacted in March 2010 in the US. FATCA is intended to prevent the US citizens and tax residents ("**US Persons**") from evading US tax using financial accounts outside the US by requiring all non-US financial institutions ("**FFIs**") to identify US Persons and report to the US Internal Revenue Service (IRS) the personal information and account information of US Persons who hold offshore accounts.

Hong Kong and the US entered into an inter-governmental agreement ("**IGA**") to facilitate compliance by FFIs in Hong Kong with their obligations under FATCA. These obligations include, among others, the following: (a) implementing due diligence procedures to identify US account holders and controlling persons of certain entity account holders, (b) seeking consent for disclosure from US account holders and controlling persons, and (c) reporting required personal and tax information of those account holders and controlling persons to the IRS.

The Company is a Reporting HKSAR Financial Institution under IGA, and is therefore required to discharge the obligations that apply to Reporting HKSAR FFIs under the IGA. Since July 1, 2014, the Company has been carrying out its FATCA obligations under the IGA.

Part II

The Policyholders/members are reminded about the possible consequence when these obligations are being carried out, which may include but not limited to:

(i) reporting information of the Policyholders/members under the Policy (including without limitation their personal information and US identification details such as names, addresses, the US federal taxpayer identifying numbers, and account information such as account balances, interest income and withdrawals, etc.) to tax authorities;

(ii) requesting for additional documentation from the Policyholders/members (including without limitation US identification details such as names, addresses, the US federal taxpayer identifying numbers, complete self-certification forms, etc.); and

(iii) refusing to accept membership application for any new applicant by reason of any failure in providing the required information, certification/declaration, and/or documents.

The Company could, in certain circumstances, be required to impose withholding taxes under FATCA on payments made to, or which it makes from, the Policy.

You should seek independent professional advice on the application of FATCA and its implications on the Policyholders/members and the Policy.

(B) AEOI

Financial institutions in Hong Kong like the financial institutions in many other jurisdictions, under the domestic laws, regulations and international agreements for the implementation of AEOI are required to perform due diligence procedures to identify account holders and controlling persons of certain entity account holders (including but not limited to their names, addresses, dates of birth, places of birth, jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s)) and account information (including but not limited to their account balance, income, and payments to the account holders) (collectively, the "**Reportable Information**") to the local competent authority where the financial institutions are located. The local competent authority, in respect of a reportable person, will have to provide the Reportable Information of the reportable person to the competent authority(ies) of another jurisdiction(s) of tax residence of the reportable person on a regular and annual basis.

With effect from January 1, 2020, Group Deposit Administration Policy is a Hong Kong financial institution for AEOI purposes. As required under Hong Kong's AEOI requirements, the Company or trustee will use for AEOI purposes the Reportable Information of any individual or entity, whether in the capacity as a member, Policyholder, employer or beneficiary, that is considered under AEOI to be an account holder or controlling person of an account holder (where applicable). The Reportable Information may be transmitted to the IRD or any other relevant domestic or foreign competent authority for transfer to the competent authority of another jurisdiction.

The Company or trustee may, to the extent not prohibited by applicable law including AEOI, engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Company's or trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each, for purposes of this section, an "**authorised person**") to assist Group Deposit Administration Policy with the fulfilment of its obligations under AEOI, and to act on Group Deposit Administration Policy's behalf in relation to its obligations under AEOI. The Company or trustee and its authorised persons may share with each other any information of any account holder or controlling person of an account holder (where applicable) of Group Deposit Administration Policy.

The Company or trustee and/or any of its authorised person(s) may require any account holder under AEOI to provide a valid self-certification form and such other information (including the Reportable Information and any documentary evidence) which the Company or trustee and/or any of its authorised person(s) may at their discretion require from time to time for the implementation of AEOI (collectively, the "**Required Information**"). In addition, where the account holder is an entity, the Company or trustee and/or its authorised person(s) may require the Required Information of its controlling person(s).

Where required by AEOI and to the extent not prohibited by applicable law, the Company or trustee will not accept any applicant to Group Deposit Administration Policy or make any payment to any account holder (whether in the capacity of a member, a Policyholder, an employer or a beneficiary) before receiving the Required Information. Account holders and controlling persons must update the Company or trustee and/or any of its authorised person(s) about any changes in the information they have previously provided to the Company or trustee and/or any of its authorised person(s). If the Company or trustee and/or any of its authorised person(s) do not receive the Required Information in respect of an account holder or a controlling person, the Company or trustee and/or any of its authorised person(s) may be required to report such person based on the information they have.

If in doubt, members, Policyholders, employers, beneficiaries and any other account holders and controlling persons should consult their own tax and legal advisers regarding the possible implications of AEOI on their participation and holding interests in Group Deposit Administration Policy and the information that may be required to be provided and disclosed to the Company or trustee and/or any of its authorised person(s), and where applicable, to the IRD and other competent authorities. The application of the AEOI rules and the information that may be required to be reported and disclosed are subject to change. Please refer to the IRD website at www.ird.gov.hk for more information about AEOI in Hong Kong. Any discussion of tax considerations herein is not intended or written to be tax advice to any person and is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding any domestic or foreign tax penalties that may be imposed on such person.

7.6 Hong Kong taxation

Participants including employers/Policyholders/applicants and employees/members should seek independent professional advice regarding their own tax circumstances.

SECTION 8
INVESTMENT PORTFOLIO FACT SHEETS

8.1 Investment Portfolio Fact Sheets

The risk factors listed under each Investment Portfolio Fact Sheet as appended to Appendix A are provided for reference only and intended to show the most relevant risk factors associated with each Investment Portfolio. The Policyholders/members are advised to read section 4 on “Risk Factors” for details of all risk factors, which may be interrelated to each other.

8.2 Asset allocation of Investment Portfolios

The intended asset allocation as shown in the Investment Portfolio Fact Sheets in respect of each Investment Portfolio is for reference only and may be changed as and when the Management Company deems appropriate depending on market, political, structural, economic and other conditions.

All Investment Portfolios may invest in units of other internal funds made available by the Company or by a Connected Person of the Company from time to time and/or unit trusts/mutual funds authorised by the SFC with similar investment policy. There will be no increase in charges to be borne by the Policyholders/members if the underlying funds in which the Investment Portfolios invest are managed by the Company or by a Connected Person of the Company.

8.3 Change, addition, termination and restructuring of Investment Portfolios

Subject to the approval of the SFC, the Company may, by giving a six months’ notice to the Policyholders, or such other shorter notice as the SFC may approve,

(a) change the investment policy of any Investment Portfolio;

(b) terminate any Investment Portfolio;

(c) close any Investment Portfolio to any future contributions; and/or

(d) merge or sub-divide the Policy or any Investment Portfolio.

The Company may also establish any new Investment Portfolio subject to the approval of the SFC.

In addition, the Company may at any time, in its sole discretion, change the distribution of investments of any Investment Portfolio, provided that the relevant investment policy is maintained.

SECTION 9
GLOSSARY

"**AEOI**" means automatic exchange of financial account information.

"**Bond Connect**" means an arrangement that establishes mutual bond market access between Hong Kong and mainland China whereby eligible foreign investors can invest in the China interbank bond market through the northbound trading of Bond Connect.

"**China A-Shares**" means shares of companies listed in mainland China.

"**Company**" means The Manufacturers Life Insurance Company.

"**Connected Person**" has the same meaning ascribed to it in the PRF Code.

"**Dealing Day**" means any day on which the banks in Hong Kong are open for business (excluding Saturdays) or such other day as the Company may from time to time determine.

"**FATCA**" means the Foreign Account Tax Compliance Act of the US.

"**FFI**" means a foreign financial institution with operations outside the US under FATCA.

"**General Regulation**" means the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A of the laws of Hong Kong).

"**Guaranteed Funds**" means the Capital Guarantee Fund (HK$) and Capital Guarantee Fund (US$).

"**HK$**" and "**HKD**" mean Hong Kong dollars.

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China.

"**Insurance Company**" has the same meaning ascribed to it in the PRF Code.

"**Investment Portfolio**" has the same meaning ascribed to it in the PRF Code, and for the purposes of this Offering Document, refers to a constituent fund under Group Deposit Administration Policy.

"**Investment Portfolio Fact Sheet**" means an investment portfolio fact sheet containing the relevant information of an Investment Portfolio.

"**IRD**" means the Inland Revenue Department of Hong Kong.

"**IRS**" means the Internal Revenue Service of the US.

"**ITCIS**" means index-tracking collective investment scheme as defined under the General Regulation.

"**Management Company**" has the same meaning ascribed to it in the PRF Code.

"**Manulife**" and "**Guarantor**" mean Manulife (International) Limited.

"**Manulife Group**" means Manulife Financial Corporation and its subsidiaries and affiliates and any investment fund sponsored or managed from time to time by a member of the Manulife Group.

"**Manulife Provident Funds Unit Trust Series**" and "**MPFUTS**" mean the unit trust funds established by a unit trust deed dated October 25, 2000, as amended from time to time.

"**MIMHK**" means Manulife Investment Management (Hong Kong) Limited.

"**MPFA**" means the Mandatory Provident Fund Schemes Authority.

"**MPF Ordinance**" means the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the laws of Hong Kong).

"**NAV**" means net asset value.

“**Net Deposits**” means the balance of a deposit remaining after any applicable fees or charges have been deducted in accordance with the pooling agreement.

“**Offering Document**” means this offering document for Group Deposit Administration Policy.

“**ORSO**” means the Occupational Retirement Schemes Ordinance (Cap. 426 of the laws of Hong Kong).

“**Participating Plan**” means, in respect of a Policyholder, a retirement plan set up in the form of a Policy by the Policyholder.

“**Plan Document**” means the document issued with the Policy containing the plan rules and other administrative provisions of the Participating Plan together with any amendments which may be validly made thereto from time to time.

“**Policy**” means the pooling agreement issued by the Insurance Company by which a Policyholder sets up a retirement plan adheres to Group Deposit Administration Policy.

“**Policyholder(s)**” means person(s) or entity(ies) who has/have entered into a pooling agreement with the Insurance Company in order to set up a Participating Plan under Group Deposit Administration Policy.

“**Policy Year**” means the period beginning on the Policy’s effective date or on a Policy anniversary and ending on the day before the next Policy anniversary.

“**PRC**” means the People’s Republic of China.

“**PRF Code**” means the Code on Pooled Retirement Funds published by the SFC, as amended or supplemented from time to time.

“**Product Provider**” has the same meaning ascribed to it in the PRF Code.

“**RMB**” means Renminbi.

“**SFC**” means the Securities and Futures Commission.

“**SFO**” means the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong).

“**US**” or “**United States**” means the United States of America.

“**US$**” and “**USD**” mean US dollars.

“**UT Code**” means the Code on Unit Trusts and Mutual Funds published by the SFC.

“**Valuation Date**” means a day as of which the Company will value the Investment Portfolio, such valuation being no less than once a month and such day must be any day (other than a Saturday) on which banks are open for business in Hong Kong.

APPENDIX A
Investment Portfolio Fact Sheets

Capital Guarantee Fund (HK$) / Capital Guarantee Fund (US$)

Note: This fact sheet covers two Investment Portfolios, namely the Capital Guarantee Fund (HK$) and the Capital Guarantee Fund (US$). Accordingly, any reference to the "Investment Portfolio" refers to each of the two Investment Portfolios.

Quick facts

Product Provider:	Manulife (International) Limited
Insurance Company:	The Manufacturers Life Insurance Company
Management Company:	Manulife Investment Management (Hong Kong) Limited
Guarantor:	Manulife (International) Limited
Base currency:	Capital Guarantee Fund (HK$): HKD Capital Guarantee Fund (US$): USD
Dealing frequency:	Daily

Objectives and investment policy

Each of the Capital Guarantee Fund (HK$) and the Capital Guarantee Fund (US$) (each, the "**Investment Portfolio**") offers a guarantee of capital so that the balance at any time in the Investment Portfolio will never be less than the balance at the end of the last calendar year in the Investment Portfolio (including interest for the last calendar year and credited in January of the following calendar year), plus/minus the transfer between the Investment Portfolio and other Investment Portfolios under Group Deposit Administration Policy and allocation/withdrawal to/from the Investment Portfolio during the calendar year.

It is intended that the investments of the Investment Portfolio will be made on a diversified basis, mainly in HKD and/or international fixed income instruments. The assets of the Investment Portfolio may also include deposits, equities, equity-related investments and other permitted investments.

At the discretion of the Management Company, the Investment Portfolio may invest up to 100% of its assets in units of one or more bond fund(s) as authorised by the SFC and, if applicable, as approved by the MPFA from time to time.

For efficient portfolio management, the Investment Portfolio may acquire financial futures contracts and financial option contracts for hedging purpose and may invest in other investments to the extent permitted by applicable laws and regulations.

Please refer to sections 3.2 and 3.3 on "Borrowing policy" and "Investment restrictions" for details relating to the investment and borrowing restrictions of the Investment Portfolio.

What are the capital guarantee mechanism and the discretionary benefits?

1. **Guarantee mechanism**

   Interest for the relevant calendar year (or part thereof) is determined entirely at Manulife's discretion and credited in January of the following calendar year based on the minimum balance in the Investment Portfolio in each month. Future interest rate is not guaranteed and may go down as well as up. For the avoidance of doubt, Manulife's determination of the applicable interest rate under this paragraph applies to each of the Capital Guarantee Fund (HK$) and the Capital Guarantee Fund (US$) separately, such that the interest rate for the Capital Guarantee Fund (HK$) may not be the same as that for the Capital Guarantee Fund (US$).

   No interest will be accrued during the calendar year or in the case of partial withdrawal/transfer or termination of the entire Policy from the Investment Portfolio during the calendar year, no interest will be paid for the calendar year. Full withdrawal or full transfer of funds in respect of a member's account within the Investment Portfolio at any time during the calendar year may be entitled to pro-rated interest at a rate determined entirely at Manulife's discretion.

   Manulife will take into consideration such factors, including but not limited to, investment income earned by the Investment Portfolio, realised and unrealised capital gains/losses to determine the interest rate.

The interest in excess of the capital guarantee will be determined entirely at Manulife's discretion. Such interest is considered discretionary benefits and can be nominal or nil.

In determining the interest rate, Manulife has the discretion to retain as reserve, within the Investment Portfolio which Manulife retains the legal ownership, portion of the investment income of the Investment Portfolio in excess of that required to be set aside to meet the guarantee under the Investment Portfolio. In the case where the assets of the Investment Portfolio prove inadequate to meet the capital guarantee and/or interest payable, provisions will be made by Manulife to make good the shortfall over the term of the Investment Portfolio. For the avoidance of doubt, any such provision will not impose any liability on the Investment Portfolio save that Manulife shall have the right at any time to withdraw the said provision, either in part or wholly, plus interest on the said provision from the assets of the Investment Portfolio if the assets value of the Investment Portfolio exceeds the guaranteed capital.

2. **Historical interest rate declared**

The Policyholders/members can obtain information on the interest rate declared for the last five years via the quarterly fund fact sheet at www.manulife.com.hk.

Past performance is not indicative of future performance.

What are the key risks?

Investment involves risks. The investments of the Investment Portfolio are subject to a number of risks, including the following:

- General risks
- Currency risk
- Derivatives
- Risks related to futures and options
- Risks associated with investment in underlying funds
- Credit risk and credit rating risk
- Interest rate risk
- Specific risks associated with investment in the Guaranteed Funds

Please refer to section 4 on "Risk Factors" for a detailed description of each of the above risks.

What are the fees and charges?

Charges which may be payable by you

Please refer to section 5 on "Fees and Charges" for details of the fees and charges which may be payable by the Policyholders/members.

Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's NAV)
Administration and Investment Management Fee	Please refer to section 5 on "Fees and Charges" for details.
Fund Administration Fee	Please refer to section 5 on "Fees and Charges" for details.

Please also refer to section 5 on "Fees and Charges" for details of the fees and expenses which may be deducted from the assets of the Investment Portfolios and their underlying investments.

Valuation, pricing and dealing arrangements

The Investment Portfolio is valued on each Valuation Date, which is currently on a monthly basis.

Please refer to section 6.1 on "Valuation and pricing" for details relating to valuation and suspension of valuation of the Investment Portfolio.

The administration and investment management fee will accrue monthly.

Investment can be made in or monies can be withdrawn from the Investment Portfolio on each Dealing Day. Please also refer to section 6.2 on “Flexibility” for details relating to the arrangements for change of future contribution allocation and transfer between the Investment Portfolio and other Investment Portfolios.

Additional information

The NAV of the Investment Portfolio will be published at www.manulife.com.hk.

In respect of withdrawal in aggregate in any given time in respect of the Investment Portfolio under the Policy for any sum exceeding HK$6 million (or the equivalent in US$) or 10% of the NAV of the Investment Portfolio, whichever is lower, such amount may be paid in monthly instalments, each of which will not exceed:

(i) HK$6 million (or the equivalent in US$); plus
(ii) Interest on the unpaid balance at a rate to be determined by Manulife.

Important

If you are in doubt, you should seek independent professional advice.

International Equity Fund

Quick facts

Product Provider:	Manulife (International) Limited
Insurance Company:	The Manufacturers Life Insurance Company
Management Company:	Manulife Investment Management (Hong Kong) Limited
Base currency:	HKD
Dealing frequency:	Daily

Objectives and investment policy

The International Equity Fund (the “**Investment Portfolio**”) is a unitised fund which is designed to provide medium to long term capital growth. It is designed for investors who hold a longer term investment view and who are prepared to accept fluctuations in the value of their investments in order to achieve long term returns.

The Investment Portfolio will invest in more than one unit trust/mutual fund authorised by the SFC (the “**Underlying Funds**”) which asset allocation policy is intended to invest on a diversified basis, mainly in international equities and other equity-related investments. The Investment Portfolio, through investments in the Underlying Funds, may also include deposits, fixed income instruments or related investments, and other permitted investments. The Investment Portfolio, through the Underlying Funds, is expected to invest in any regions such as North America, Japan, Europe, other Pacific Asia region and Hong Kong.

For efficient portfolio management, the Investment Portfolio may acquire financial futures contracts and financial option contracts for hedging purpose and may invest in other investments to the extent permitted by applicable laws and regulations.

The Investment Portfolio may invest more than 30% of its NAV in any of the following Underlying Funds under the Manulife Provident Funds Unit Trust Series:

Manulife European Equity Fund
Manulife Hong Kong Equity Fund
Manulife Japan Equity Fund
Manulife North American Equity Fund
Manulife Pacific Asia Equity Fund

Please refer to Appendix B on “Details of certain underlying funds invested in by certain Investment Portfolios” for more information of the above Underlying Funds.

The Policyholders/members can obtain information on the latest composition of the Investment Portfolio at www.manulife.com.hk.

Please refer to sections 3.2 and 3.3 on “Borrowing policy” and “Investment restrictions” for details relating to the investment and borrowing restrictions of the Investment Portfolio.

What are the key risks?

Investment involves risks. Unit values may go down as well as up. The Investment Portfolio is subject to the risks inherent in its Underlying Funds. The performance of the Investment Portfolio is subject to a number of risks, including the following:

- General risks
- Liquidity risk
- Custodial risk
- Currency risk
- Derivatives
- Risks related to futures and options
- Risks associated with investment in underlying funds
- Equity investment risk and volatility risk
- Emerging market risk
- Growth Enterprise Market
- Risks related to ITCIS
- Risks associated with Stock Connect programmes

- RMB currency risk
- Currency risk relating to RMB valuation
- Mainland Chinese assets risk
- Risks associated with the ChiNext market and/or the STAR Board
- Additional risk factors for investment in RMB denominated debt securities
- Additional risk factors relating to investment in debt securities in onshore and offshore China market

Please refer to section 4 on “Risk Factors” for a detailed description of each of the above risks.

What are the fees and charges?

Charges which may be payable by you

Please refer to section 5 on “Fees and Charges” for details of the fees and charges which may be payable by the Policyholders/members.

Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio’s NAV)
Administration and Investment Management Fee	Please refer to section 5 on “Fees and Charges” for details.
Fund Administration Fee	Please refer to section 5 on “Fees and Charges” for details.

Please also refer to section 5 on “Fees and Charges” for details of the fees and expenses which may be deducted from the assets of the Investment Portfolio and its Underlying Fund(s).

Valuation, pricing and dealing arrangements

The Investment Portfolio is valued on each Valuation Date, which is currently on a daily basis.

Please refer to section 6.1 on “Valuation and pricing” for details relating to valuation and suspension of valuation of the Investment Portfolio.

The administration and investment management fee will accrue daily.

Units will be issued and redeemed on each Dealing Day. Please also refer to section 6.2 on “Flexibility” for details relating to the arrangements for change of future contribution allocation and transfer between Investment Portfolios.

Additional information

Latest unit price of the Investment Portfolio will be published at www.manulife.com.hk.

The Company may limit redemption of units in respect of the Investment Portfolio under the Policy for any aggregate sum to 10% of the NAV of the Investment Portfolio.

Important

If you are in doubt, you should seek independent professional advice.

Fifteen Year Deposit Fund

Quick facts

Product Provider:	Manulife (International) Limited
Insurance Company:	The Manufacturers Life Insurance Company
Management Company:	Manulife Investment Management (Hong Kong) Limited
Base currency:	HKD
Dealing frequency:	Daily

Objectives and investment policy

The Fifteen Year Deposit Fund (the "**Investment Portfolio**") is a non-unitised bond fund which invests in fixed income securities via Manulife's general funds. It is intended that the underlying investments will be made on a diversified basis, mainly in HKD fixed income instruments or related investments.

The Policyholders/members can obtain information on the latest composition of the Investment Portfolio at www.manulife.com.hk.

Please refer to sections 3.2 and 3.3 on "Borrowing policy" and "Investment restrictions" for details relating to the investment and borrowing restrictions of the Investment Portfolio.

Fifteen Year Deposit Fund Account

Interest bearing account(s) known as Fifteen Year Deposit Fund Account are made available to the Policyholder, operating on a 15-year reinvestment cycle and comprised of one or more sub-accounts. The first of such sub-account will be established when a deposit is first allocated to the Fifteen Year Deposit Fund Account. The first sub-account will be credited with this initial deposit and all other deposits made in the same Policy Year which are also allocated to the Fifteen Year Deposit Fund Account.

After the first sub-account is established, and provided amounts continue to remain in the Fifteen Year Deposit Fund Account, additional sub-accounts will be established for each future Policy Year.

A sub-account will earn interest on its minimum balance in each month at a rate determined by Manulife. At the end of the Policy Year for which a sub-account was established, Manulife will calculate, on the basis of the interest rates that applied to the sub-account during the year, a rate which will thereafter be the fixed rate for that sub-account.

The Fifteen Year Deposit Fund Account operates on the following basis:

At the beginning of each Policy Year, Manulife will credit the current year's sub-account with
(a) the interest earned in the preceding Policy Year by all other sub-accounts; and
(b) from each of such other sub-accounts, one-fifteenth of its "Basic Amount" (i.e. the balance of a sub-account at the end of the Policy Year for which it was established, excluding any interest earned by it during that Policy Year); or if the current balance of the sub-account is less than the Basic Amount, the current balance of the sub-account divided by the number of years remaining in the 15-year period since the sub-account was established.

After the first Policy Year, Manulife can change the fraction in (b) above for future sub-accounts.

Withdrawal value of Fifteen Year Deposit Fund Account

Lump sums paid from a Fifteen Year Deposit Fund Account will be deducted from the withdrawal value of the Fifteen Year Deposit Fund Account. The corresponding deduction from the current balance of the Fifteen Year Deposit Fund Account may be less than, equal to or more than the amount paid.

The withdrawal value of a Fifteen Year Deposit Fund Account is the total of the withdrawal values of its sub-accounts.

The withdrawal value of a sub-account is the present value of the sub-account's future interest earnings and series of principal reinvestments, as described in "Fifteen Year Deposit Fund Account" above, at the annual rate of interest declared by Manulife for new deposits at the date of withdrawal.

The withdrawal value of a sub-account (other than amounts paid from the current year's sub-account) of the Fifteen Year Deposit Fund Account on a Policy anniversary is determined by application of the following formula:

$$W = \frac{B}{n} \left[C + \frac{i}{j} (n - C) \right]$$

where "W" = withdrawal value of the sub-account
"B" = balance of the sub-account on the Policy anniversary
"C" = present value of an annuity certain of $1 per annum for "n" years at interest rate "j"
"n" = number of years remaining until the sub-account is completely reinvested
"i" = fixed rate of interest for the sub-account
"j" = rate of interest declared by Manulife for new deposits at the date of withdrawal

The withdrawal value on other than a Policy anniversary will be determined in a similar manner.

Withdrawals from a Fifteen Year Deposit Fund Account will be made from the balance of the current year's sub-account until that sub-account is exhausted. Further withdrawals will be made from the next most recent sub-account until that account is exhausted. In such case, the withdrawal value will be applied. Any further withdrawals will be made in the same manner.

What are the key risks?

Investment involves risks. The underlying investments of the Investment Portfolio are subject to a number of risks, including the following:

- General risks
- Liquidity risk
- Concentration risk
- Custodial risk
- Currency risk
- Emerging market risk
- Credit risk and credit rating risk
- Interest rate risk

Please refer to section 4 on "Risk Factors" for a detailed description of each of the above risks.

What are the fees and charges?

Charges which may be payable by you

Please refer to section 5 on "Fees and Charges" for details of the fees and charges which may be payable by the Policyholders/members.

Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's NAV)
Administration and Investment Management Fee	Please refer to section 5 on "Fees and Charges" for details.
Fund Administration Fee	Please refer to section 5 on "Fees and Charges" for details.

Please refer to section 5 on "Fees and Charges" for details of the fees and expenses which may be deducted from the assets of the Investment Portfolio and the underlying investments.

Valuation, pricing and dealing arrangements

The Investment Portfolio is valued on each Valuation Date, which is currently on a monthly basis.

Please refer to section 6.1 on "Valuation and pricing" for details relating to valuation and suspension of valuation of the Investment Portfolio.

Investment can be made in or monies can be withdrawn from the Investment Portfolio on each Dealing Day. Please also refer to section 6.2 on “Flexibility” for details relating to the arrangements for change of future contribution allocation and transfer between Investment Portfolios.

Additional information

The Investment Portfolio is only available to the participating employers in which their existing Participating Plans have this Investment Portfolio provided as an investment option.

The NAV of the Investment Portfolio will be published at www.manulife.com.hk.

If the lump sum payable under the Fifteen Year Deposit Fund Account in accordance with the Policy is greater than HK$6 million (or the equivalent in US$) or 10% of the NAV of the Investment Portfolio, whichever is lower, such amount may be paid in monthly instalments, each of which will not exceed:
(i) HK$6 million (or the equivalent in US$), plus
(ii) interest on the unpaid balance, at a rate to be determined by Manulife.

Important

If you are in doubt, you should seek independent professional advice.

Five Year Bond Fund

Quick facts

Product Provider:	Manulife (International) Limited
Insurance Company:	The Manufacturers Life Insurance Company
Management Company:	Manulife Investment Management (Hong Kong) Limited
Base currency:	HKD
Dealing frequency:	Daily

Objectives and investment policy

The Five Year Bond Fund (the "**Investment Portfolio**") is a non-unitised bond fund which invests in fixed income securities via Manulife's general funds. It is intended that the underlying investments will be made on a diversified basis, mainly in HKD fixed income instruments or related investments.

The Policyholders/members can obtain information on the latest composition of the Investment Portfolio at www.manulife.com.hk.

Please refer to sections 3.2 and 3.3 on "Borrowing policy" and "Investment restrictions" for details relating to the investment and borrowing restrictions of the Investment Portfolio.

Five Year Bond Fund Account

Interest bearing account(s) known as Five Year Bond Fund Account are made available to the Policyholder, operating on a 5-year reinvestment cycle and comprised of one or more sub-accounts. The first of such sub-account will be established when a deposit is first allocated to the Five Year Bond Fund Account. The first sub-account will be credited with this initial deposit and all other deposits made in the same Policy Year which are also allocated to the Five Year Bond Fund Account.

After the first sub-account is established, and provided amounts continue to remain in the Five Year Bond Fund Account, additional sub-accounts will be established for each future Policy Year.

A sub-account will earn interest on its minimum balance in each month at a rate determined by Manulife. At the end of the Policy Year for which a sub-account was established, Manulife will calculate, on the basis of the interest rates that applied to the sub-account during the year, a rate which will thereafter be the fixed rate for that sub-account.

The Five Year Bond Fund Account operates on the following basis:

At the beginning of each Policy Year, Manulife will credit the current year's sub-account with
(a) the interest earned in the preceding Policy Year by all other sub-accounts; and
(b) from each of such other sub-accounts, one-fifth of its "Basic Amount" (i.e. the balance of a sub-account at the end of the Policy Year for which it was established, excluding any interest earned by it during that Policy Year); or if the current balance of the sub-account is less than the Basic Amount, the current balance of the sub-account divided by the number of years remaining in the 5-year period since the sub-account was established.

After the first Policy Year, Manulife can change the fraction in (b) above for future sub-accounts.

Withdrawal value of Five Year Bond Fund Account

Lump sums paid from a Five Year Bond Fund Account will be deducted from the withdrawal value of the Five Year Bond Fund Account. The corresponding deduction from the current balance of the Five Year Bond Fund Account may be less than, equal to or more than the amount paid.

The withdrawal value of a Five Year Bond Fund Account is the total of the withdrawal values of its sub-accounts.

The withdrawal value of a sub-account is the present value of the sub-account's future interest earnings and series of principal reinvestments, as described in "Five Year Bond Fund Account" above, at the annual rate of interest declared by Manulife for new deposits at the date of withdrawal.

The withdrawal value of a sub-account (other than amounts paid from the current year's sub-account) of the Five Year Bond Fund Account on a Policy anniversary is determined by application of the following formula:

$$W = \frac{B}{n} \left[C + \frac{i}{j} (n - C) \right]$$

where "W" = withdrawal value of the sub-account
"B" = balance of the sub-account on the Policy anniversary
"C" = present value of an annuity certain of $1 per annum for "n" years at interest rate "j"
"n" = number of years remaining until the sub-account is completely reinvested
"i" = fixed rate of interest for the sub-account
"j" = rate of interest declared by Manulife for new deposits at the date of withdrawal

The withdrawal value on other than a Policy anniversary will be determined in a similar manner.

Withdrawals from a Five Year Bond Fund Account will be made from the balance of the current year's sub-account until that sub-account is exhausted. Further withdrawals will be made from the next most recent sub-account until that account is exhausted. In such case, the withdrawal value will be applied. Any further withdrawals will be made in the same manner.

What are the key risks?

Investment involves risks. The underlying investments of the Investment Portfolio are subject to a number of risks, including the following:

- General risks
- Liquidity risk
- Concentration risk
- Custodial risk
- Currency risk
- Emerging market risk
- Credit risk and credit rating risk
- Interest rate risk

Please refer to section 4 on "Risk Factors" for a detailed description of each of the above risks.

What are the fees and charges?

Charges which may be payable by you

Please refer to section 5 on "Fees and Charges" for details of the fees and charges which may be payable by the Policyholders/members.

Ongoing fees payable by the Investment Portfolio

The following expenses will be paid out of the Investment Portfolio. They affect you because they reduce the return you get on your investments.

Fee	Annual rate (as a % of the Investment Portfolio's NAV)
Administration and Investment Management Fee	Please refer to section 5 on "Fees and Charges" for details.
Fund Administration Fee	Please refer to section 5 on "Fees and Charges" for details.

Please refer to section 5 on "Fees and Charges" for details of the fees and expenses which may be deducted from the assets of the Investment Portfolio and the underlying investments.

Valuation, pricing and dealing arrangements

The Investment Portfolio is valued on each Valuation Date, which is currently on a monthly basis.

Please refer to section 6.1 on "Valuation and pricing" for details relating to valuation and suspension of valuation of the Investment Portfolio.

Investment can be made in or monies can be withdrawn from the Investment Portfolio on each Dealing Day. Please also refer to section 6.2 on "Flexibility" for details relating to the arrangements for change of future contribution allocation and transfer between Investment Portfolios.

Additional information

The Investment Portfolio is only available to the participating employers in which their existing Participating Plans have this Investment Portfolio provided as an investment option.

The NAV of the Investment Portfolio will be published at www.manulife.com.hk.

If the lump sum payable under the Five Year Bond Fund Account in accordance with the Policy is greater than HK$6 million (or the equivalent in US$) or 10% of the NAV of the Investment Portfolio, whichever is lower, such amount may be paid in monthly instalments, each of which will not exceed:
(i) HK$6 million (or the equivalent in US$), plus
(ii) interest on the unpaid balance, at a rate to be determined by Manulife.

Important

If you are in doubt, you should seek independent professional advice.

APPENDIX B
Details of certain underlying funds invested in by certain Investment Portfolio

The unit trust funds established under the Manulife Provident Funds Unit Trust Series (the "**Underlying Funds**") listed below are managed by MIMHK as the investment manager.

The terms "approved stock exchange" and "debt securities" used in this Appendix B have the same meaning ascribed to them in the General Regulation.

The term "permitted deposits" has the same meaning as "deposit" as defined in the Banking Ordinance (Cap. 155 of the laws of Hong Kong) but shall include a certificate of deposit issued by an institution authorised under Part IV of the Banking Ordinance (unless otherwise specified by the MPFA by notice in the Government Gazette for the purposes of the MPF Ordinance).

Underlying Fund	Objectives and investment policy of the Underlying Fund
Manulife European Equity Fund	The Manulife European Equity Fund is a unitised equity fund which seeks to achieve medium to long term capital growth for investors who hold a longer term investment view and who are prepared to accept fluctuations in the value of their investments in order to achieve long term returns. The investment of the Manulife European Equity Fund will be made on a diversified basis. It will be invested in shares of companies covering different sectors of the economy in Europe and which are listed on any stock exchanges subject to the restrictions in the General Regulation. The Manulife European Equity Fund may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of its NAV for cash management purposes. The intended asset allocation as aforesaid is for reference only and may be changed as and when the investment manager deems appropriate.
Manulife Hong Kong Equity Fund	The Manulife Hong Kong Equity Fund is a unitised equity fund which is designed to provide medium to long term capital growth for investors who hold a longer term investment view and who are prepared to accept significant fluctuations in the value of their investments in order to achieve long term returns. The investment of the Manulife Hong Kong Equity Fund will be made on a diversified basis with at least 70% in shares of companies listed on SEHK or companies covering different sectors of the economy in Hong Kong and which are listed on any stock exchanges subject to the restrictions in the General Regulation. The Manulife Hong Kong Equity Fund may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of its NAV for cash management purposes. The Manulife Hong Kong Equity Fund may also, via SEHK, invest less than 30% of its NAV in shares of companies listed in mainland China. The intended asset allocation as aforesaid is for reference only and may be changed as and when the investment manager deems appropriate.
Manulife Japan Equity Fund	The Manulife Japan Equity Fund is a unitised equity fund which is designed to provide medium to long term capital growth for investors who hold a longer term investment view and who are prepared to accept significant fluctuations in the value of their investments in order to achieve long term returns. The investment of the Manulife Japan Equity Fund will be made on a diversified basis. It will be invested in shares of companies covering different sectors of the economy in Japan and which are listed on any stock exchanges subject to the restrictions in the General Regulation. The Manulife Japan Equity Fund may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of its NAV for cash management purposes. The intended asset allocation as aforesaid is for reference only and may be changed as and when the investment manager deems appropriate.
Manulife North American Equity Fund	The Manulife North American Equity Fund is a unitised equity fund aiming to provide medium to long term capital growth for investors who hold a long term

Underlying Fund	Objectives and investment policy of the Underlying Fund
	investment view and who are prepared to accept fluctuations in the value of their investments in order to achieve long term returns. The investment of the Manulife North American Equity Fund will be made on a diversified basis. It will be invested in shares of companies covering different sectors of the economy in North America and which are listed on any stock exchanges subject to the restrictions in the General Regulation. The Manulife North American Equity Fund may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of its NAV for cash management purposes. The intended asset allocation as aforesaid is for reference only and may be changed as and when the investment manager deems appropriate.
Manulife Pacific Asia Equity Fund	The Manulife Pacific Asia Equity Fund is a unitised equity fund which is designed to provide medium to long term capital growth for investors who hold a long term investment view and who are prepared to accept significant fluctuations in the value of their investments in order to achieve long term returns. The investment of the Manulife Pacific Asia Equity Fund will be made on a diversified basis. It will be invested in shares of companies covering different sectors of the Asia Pacific markets, excluding domestic Hong Kong and Japanese companies and which are listed on any stock exchanges subject to the restrictions in the General Regulation. The Manulife Pacific Asia Equity Fund may also include bonds, deposits and other investments as permitted under the General Regulation, up to 30% of its NAV for cash management purposes. The intended asset allocation as aforesaid is for reference only and may be changed as and when the investment manager deems appropriate.