

ManuJoy Annuity Plan

宏悦年金計劃



You enjoy your life, and want to maintain your current standard of living when you retire. But how will you be able to manage your daily expenses when you're no longer earning a salary?

ManuJoy Annuity Plan (ManuJoy) is your retirement solution. It provides you with a steady stream of annual income each year to better manage your finances after you have retired. Now you can keep on living the life you love.



Annual income for easy financial planning

Starting on your first policy anniversary, you would receive an annual income (see note 1) which consists of guaranteed annual income and non-guaranteed annual dividends (see note 2) until the life insured reaches age 85, 90 or 100.

The guaranteed annual income will increase by 3% every year based on the previous year's amount of the guaranteed annual income that we paid, so you can keep pace with inflation and maintain your desired lifestyle over time.

You can choose not to withdraw your annual income, and leave it on deposit to earn interest (see notes 2 and 3).

Hassle-free payment

You could pay up ManuJoy in just two years. You can also choose to prepay the 2nd year premium at the start of the policy and enjoy a guaranteed interest rate of 4.5% a year for the 2nd year premium.

No medical examination and no health questions

Applying for ManuJoy couldn't be easier. Simply fill in the application form. The life insured will not have to go through any medical examination or answer any health questions to prove their good health.

Protect your family's future

If, unfortunately, the life insured passes away, ManuJoy will pay out a lump sum (see note 4) to help relieve the financial hardship on their family.

Notes:

1. We will not pay any annual income until we receive the full premium for the second policy year.
2. Annual dividends and the accumulation interest rates of dividends and guaranteed annual income (in other words, interest rates for building up dividends and guaranteed annual income left with us) are not guaranteed and we may change them from time to time.
3. You can change the income payment option at any time during the income period. To do so, you will need to fill in the necessary form and return it to us.
4. Please see the policy proposal and policy provision for more details on the death benefit.

Plan at a glance

Premium payment period	2 years	
Income period	To age 85 / 90 / 100	
Issue age	Income period	Issue age
	To age 85	45 – 65
	To age 90	45 – 70
To age 100		
Payment / Policy currency	HKD / USD	
Minimum initial guaranteed annual income	HKD8,000 / USD1,000	

How does ManuJoy work?

Mr Lau is a 45-year-old non-smoker. He has just bought ManuJoy and would like to receive an income each year. He has arranged to receive an initial guaranteed annual income of HK\$15,000. He chooses to pay in two lump-sum payments. The guaranteed annual income increases by 3% per year and he can continue to receive it until age 85 as long as the policy stays in force.

Amount of first annual premium : HK\$417,210

Amount of second annual premium : HK\$417,210

Total premium : HK\$834,420



Learn more:

www.manulife.com.hk

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Important Information

This plan is a participating plan. A participating plan provides you with non-guaranteed benefits, such as annual dividends.

Dividend philosophy

Our participating plan aims to offer a competitive long-term return to policyholders and at the same time make a reasonable profit for shareholders. We also aim to make sure we share profits between policyholders and shareholders in a fair way. In principle, all experience gains and losses, measured against the best estimate assumptions, are passed on to the policyholders. These gains and losses include claims, investment return and persistency (the likelihood of policies staying in force), and so on. However, expense gains and losses measured against the best estimate assumptions, are not passed on to the policyholders. Shareholders will be responsible for any gains or losses when actual expenses are different from what was originally expected. Expenses refer to both expenses directly related to the policy (such as commission, the expenses for underwriting (reviewing and approving insurance applications), issuing the policy and collecting premiums) as well as indirect expenses allocated to the product group (such as general overhead costs).

To protect dividends from significant rises and falls, we use a smoothing process when we set the actual dividends. When the performance is better than expected, we do not immediately use the full amount we have made to increase dividends. And, when the performance is worse than expected, we do not pass back the full amount of losses immediately to reduce dividends. Instead, the gains or losses are passed back to the policies over a number of years to make sure we provide a more stable dividend year to year.

We share the gains and losses from the participating accounts among different classes and generations of policyholders, depending on the contribution from each class. When we manage dividends, we aim to pass back these gains and losses within a reasonable time, while making sure we treat policyholders fairly. When considering the fairness between different groups of policyholders, we will consider, for example, the following.

- Products (including supplementary benefits) that you bought
- Premium payment periods or policy terms or the currency of the plan
- When the policy was issued

The dividends each year are not guaranteed. We review and decide on the dividends at least every year.

Written declaration by our Chairman of the Board, an Independent Non-Executive Director and the Appointed Actuary is in place to confirm the mechanism manages fairness between different parties. You may browse the following website to learn more about your participating policy.

www.manulife.com.hk/link/par-en

Investment policy, objective and strategy

Our investment policy aims to achieve targeted long-term investment results based on the set amount of risk we are willing to take ('risk tolerances'). It also aims to control and spread out risk, maintain enough assets that we can convert into cash easily ('liquidity') and manage assets based on our liabilities.

Our current long-term target asset mix of the product is as follows.

Asset class	Target asset mix
Bonds and other fixed income assets	50% to 75%
Non-fixed income assets	25% to 50%

The bonds and other fixed income assets include mainly government and corporate bonds, and are mainly invested in Hong Kong, the United States and Asia. Non-fixed income assets may include, for example, public and private equities and real estate and so on, and are mainly invested in Hong Kong, the United States, Europe and Asia. Derivatives may be used mainly for hedging purposes.

For bonds and other fixed-income assets, if the currency of the asset is not in the same currency as the policies, we use currency hedges. These are a way of counteracting the effect of any fluctuations in the currency. However, we give more flexibility to non-fixed-income assets where those assets can be invested in other currencies not matching the policy currency. This is to benefit from diversifying our investment (in other words, spreading the risk).

Actual investments would depend on market opportunities at the time of buying them. As a result, they may differ from the target asset mix.

The investment strategy may change depending on the market conditions and economic outlook. If there are any significant changes in the investment strategy, we would tell you about the changes, with reasons and the effect on the policies.

Dividend and bonus history

You may browse the following website to understand our dividend and bonus history. This is only for reference purposes. Dividend history or past performance is not a guide for future performance of the participating products.

www.manulife.com.hk/link/div-en

Other product disclosures

1. Nature of the product

The product is a long-term participating life-insurance policy with a savings element. Part of the premium pays for the insurance and related costs. The savings element is reflected in the cash value and may not be guaranteed. The product is aimed at customers who can pay the premiums for the whole of the premium payment period. As a result, you are advised to save enough money to cover the premiums in the future. You should be prepared to hold this product for the long term to achieve the savings target.

2. Cooling-off period

If you are not happy with your policy, you have a right to cancel it within the cooling-off period and get a refund of any premiums and any levy paid.

- **If your policy is issued in Hong Kong:** To do this, you must give us, within the cooling-off period, your written notice signed by you at Individual Financial Products, Manulife (International) Limited, 22/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. In other words, your written notice to cancel your policy must reach us directly at the relevant address within a period of 21 calendar days immediately following the day we deliver to you or your nominated representative the policy or a notice telling you about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier.
- **If your policy is issued in Macau:** To do this, you must give us, within the cooling-off period, your written notice signed by you at Avenida De Almeida Ribeiro number 61, Circle Square, 14 andar A, Macau. In other words, your written notice to cancel your policy must reach us at the relevant address within 21 days after we have delivered the policy or sent you or your representative a notice telling you about the availability of the policy and the expiry date of the cooling-off period, whichever is the earlier.

3. Premium term and result of not paying the premium

You should pay the premium (or premiums) on time for the whole of the premium payment period. If you do not pay a premium on time, you have 31 days from the due date to pay it, during which the policy will continue in force. If we do not receive the premium after the 31-day period ends, the policy will end without further notice and the life insured will not be covered. In this case, we will not pay any amount to you.

4. The main risks affecting the dividends and accumulation interest rate of the non-guaranteed dividends and guaranteed annual income (see note 2)

The dividends each year are not guaranteed. Factors that may significantly affect the dividends include, but are not limited to, the following:

Claims – our experience on insurance claims such as paying death benefit.

Investment return – includes both interest income, dividend income, the outlook for interest rates and any changes in the market value of the assets backing the product. Investment returns could be affected by a number of market risks, including but not limited to credit spread and default risk, and the rise and fall in share and property prices.

Persistency – includes other policy owners voluntarily ending their insurance policies (premiums not being paid, cashing in all or part of the policy), and the corresponding effects on investments.

You can leave your non-guaranteed annual dividends and guaranteed annual income with us to earn interest. The rate of interest that we can pay is based on the investment performance, market conditions and the expected length of time you leave your non-guaranteed annual dividends or guaranteed annual income with us. This rate is also not guaranteed and may change from time to time due to changes in the investment environment.

5. Credit risk

Any premiums you paid would become part of our assets and so you will be exposed to our credit risk. Our financial strength may affect our ability to meet the ongoing obligations under the insurance policy.

6. Currency risk

This plan is available in foreign currency. You should consider the potential currency risks when deciding which policy currency you should take. The foreign-currency exchange rate may fall as well as rise. Any change in the exchange rate will have a direct effect on the amount of premium you need to pay and the value of your benefits in your local currency. The risk of changes in the exchange rate may cause a financial loss to you. This potential loss from the currency conversion may wipe out the value of your benefits under the policy or even be more than the value of benefits under your policy.

7. Inflation risk

The cost of living in the future is likely to be higher than it is today due to inflation. As a result, your current planned benefits may not be enough to meet your future needs.

8. Risk from cashing in (surrender) early

If you cash in the policy, the amount we will pay is the cash value worked out at the time you cash in the policy, less any amount you owe us. Depending on when you cash in your policy, this may be considerably less than the total premiums you have paid. You should refer to the proposal for the illustrations of the cash value we project.

9. Liquidity and withdrawal risk

You can make withdrawals from guaranteed annual income or non-guaranteed dividends which have built up, or even cash in the policy to get the cash value. You may make partial withdrawals from the cash value but it would reduce the future guaranteed annual income, death benefit and other policy values and benefits. However, the amount of guaranteed annual income after such partial withdrawals cannot be smaller than the minimum guaranteed annual income which we will set from time to time without giving you notice.

10. Condition for ending the policy

This policy will end if:

- i. the life insured dies;
 - ii. you fail to pay the premium within 31 days after the due date;
 - iii. you cash in the policy; or
 - iv. your policy reaches its expiry date;
- whichever happens first.

11. Suicide

If the life insured commits suicide, whether sane or insane, within one year from the date of issue of the policy, our liability will be limited to a refund of the premium paid less any amount paid by us under the policy. For detailed terms and conditions including reinstatement, please refer to the policy provisions.

12. Exclusions and limitations

What we have said are an outline of the product features and risks. You should see the policy provision for the exact terms and conditions and pay particular attention to those terms where we will not pay the policy benefits.

In this product leaflet, 'you' and 'your' refer to the policyowner. 'Manulife', 'we', 'us' and 'our' refer to Manulife (International) Limited (incorporated in Bermuda with limited liability).

ManuJoy is an insurance product provided and underwritten by Manulife. For the exact terms and conditions of this product, please see the policy provision. You can ask us for a copy.

You should not buy this product unless you fully understand the product features and risks. For more information, please contact your Manulife insurance advisor or call our customer service hotline on (852) 2510 3383 (if you are in Hong Kong) or (853) 8398 0383 (if you are in Macau). If you have any doubts, please get professional advice from independent advisors.

From January 1, 2018, the Insurance Authority starts collecting levy on insurance premiums from policyowners for policies issued in Hong Kong. For details of the levy and its collection arrangement, please visit our website at www.manulife.com.hk/link/levy-en.

To view our Privacy Policy, you can go to our website at www.manulife.com.hk. You may also ask us not to use your personal information for direct marketing purposes by writing to us. You can find our address on our website. We will not charge you a fee for this.

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