

March 16, 2020

This notice refers to the Offering Document and the Trust Deed of the Manulife Global Select (MPF) Scheme (the "**Scheme**") and is intended to provide a summary of the changes made to the Offering Document and the Trust Deed for reference. You should refer to the Offering Document and the Trust Deed for full details of the Scheme. Capitalised terms used in this notice have the same meaning as those defined in the Offering Document. If you are in any doubt about the contents of this document, you should seek independent professional advice. Manulife Provident Funds Trust Company Limited accepts responsibility for the accuracy of the information contained in this document as at the date of publication.

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

This part summarizes the changes which are elaborated in the main body of this notice:

The Offering Document and, where appropriate, the Trust Deed will be amended to reflect the changes associated with:

- (i) the guarantee arrangement of the Manulife MPF Stable Fund (the "**Stable Fund**") in the context of withdrawals by instalments;
- (ii) changes to the administrative arrangements regarding the fund switching instructions and frequency of withdrawal of accrued benefits attributable to voluntary contributions;
- (iii) the automatic exchange of financial account information ("**AEOI**") - the account holders and controlling persons (as defined below) may be required to provide valid self-certification form and such other information as the Trustee and/or any of its authorised person may require for the implementation of AEOI, but if you are not a tax resident in any jurisdiction outside Hong Kong, your MPF account information will not be reported to the Inland Revenue Department ("**IRD**") for transmission to any tax authority outside Hong Kong;
- (iv) the notification arrangement where a Retirement Fund (other than the Manulife MPF Smart Retirement Fund) (a "**Terminating Retirement Fund**") is to be terminated on the relevant maturity date;
- (v) certain miscellaneous changes as detailed in this notice;
- (vi) the latest requirements of the Code on Disclosure for MPF Investment Funds issued by the Mandatory Provident Fund Schemes Authority (the "**Code**").

Unless otherwise specified, the above changes to the Offering Document and, where appropriate, the Trust Deed, will be effective from March 31, 2020 (the "**Effective Date**").

The Trustee confirms that the changes outlined in this notice will not have any adverse impact on the Scheme or the Stable Fund or the members.

If you have any queries in relation to the changes set out in this notice, scheme members can call our Customer Service Hotline on 2108 1388 and participating employers can call 2108 1234.

1. Guarantee arrangement of the Stable Fund in the context of withdrawals by instalments

Currently, where a Member invests in the Stable Fund and wishes to effect the first withdrawal of accrued benefits by instalments as a result of the pre-determined event of attaining the normal retirement age of 65, all units of the Stable Fund will be redeemed with the guarantee determined and provided (if any) all at once as if a lump sum withdrawal took place. The redemption proceeds, after the deduction of the portion for making the first instalment payment, will be invested in the Manulife MPF Interest Fund (the "Interest Fund") which provides a capital guarantee. The guaranteed account in respect of the Stable Fund will be cancelled and no further guarantee will be applied to any contributions or monies that are invested in the Stable Fund thereafter.

Effective from June 1, 2020, changes will be made so that only relevant units for making the first instalment payment will be redeemed and the remaining units will continue to be invested in the Stable Fund. The following will apply:

- the guarantee will be determined and provided (if any) as if a lump sum withdrawal is taken place; the balance in the guaranteed account will be compared with the value of all qualifying units which are entitled to the guarantee; if the balance in the guaranteed account is greater than the value of all qualifying units, the Member is entitled to the balance in the guaranteed account and thus the excess amount will be allocated to the Member's relevant account/sub-account to acquire non-qualifying units of the Stable Fund; however, if the balance in the guaranteed account is less than or equal to the value of all qualifying units, the Member is entitled to the value of all qualifying units and thus no excess amount to be allocated;
- all qualifying units in all sub-accounts of the Member's contribution account/personal account/TVC account will be converted into non-qualifying units so that such account will only contain non-qualifying units of the Stable Fund;
- the appropriate portion of non-qualifying units of the Stable Fund will be redeemed for making the first instalment payment;
- the guaranteed account will be cancelled. Thereafter, if there are contributions or monies invested in the Stable Fund, only non-qualifying units will be acquired; no further guarantee will be available from the Stable Fund for such account being claimed by the Member.

While deduction from the asset value of the insurance policy corresponding to the Stable Fund for the purpose of guarantee provision shall continue, there will be an arrangement to refund of the guarantee provision on a monthly basis in arrears to the Member's relevant account/sub-account in which the guarantee has been provided as a result of the first withdrawal of accrued benefits by instalments and no further guarantee will be available. The amount of refund will be calculated at each month end, based on the monthly average value of the units of the Stable Fund (i.e. the average of the month start value and month end value of the units of the Stable Fund held in the Member's account) multiplied by the current level of guarantee provision divided by 12. The refund for each month will be made to the Member in the following month either through crediting the Member's relevant account/sub-account to acquire non-qualifying units of the Stable Fund or in such other manner as the Trustee considers appropriate.

The following example illustrates steps taken under the current arrangement and the new arrangement.

Assumption: Day 1: At the beginning of the month start date, a Member is holding 300 qualifying units in the Stable Fund and unit price is HK\$10. Day 30 (month end date): There is no change in the units held in the Member's actual account. The Member's guarantee account balance is HK\$3,015. Upon attaining the normal retirement age of 65, the Member makes the first withdrawal by instalments in which HK\$1,350 is required to be withdrawn from the Stable Fund. Units are redeemed at a unit price of HK\$9. Current level of guarantee provision is kept at 0.25% p.a. of NAV.

Steps	Current arrangement	New arrangement effective from June 1, 2020
1) Determine and provide the guarantee as if a lump sum withdrawal is taken place; a) Determine any excess amount by comparing with the balance in the guaranteed account; b) Acquire non-qualifying units (if applicable)	Greater of the balance in the guaranteed account (= HK\$3,015) and the value of all qualifying units (= HK\$2,700, i.e. 300 units x HK\$9) is entitled to the Member Excess amount = HK\$315 (= HK\$3,015 – HK\$2,700) Non-qualifying units acquired = 35 units (= HK\$315 ÷ HK\$9) All qualifying units (= 300 units) are converted to non-qualifying units	No change from current arrangement
2) Determine the number of non-qualifying units required to make the first instalment payment	Units required to be redeemed for the first instalment payment = 150 units (= HK\$1,350 ÷ HK\$9)	No change from current arrangement

3) Treatment of remaining non-qualifying units	<p>Remaining non-qualifying units (= 300 + 35 – 150 = 185 units) will also be redeemed from the Stable Fund</p> <p>The proceeds (= 185 units x HK\$9 = HK\$1,665) will be invested in the Interest Fund</p>	<p>Remaining non-qualifying units (= 300 + 35 – 150 = 185 units) will remain in the Stable Fund</p> <p>Refund of guarantee provision will be made on a monthly basis in arrears with first refund amount determined as below: Average of month start value and month end value of units of the Stable Fund held multiplied by the current level of guarantee provision divided by 12 Month start value = HK\$3,000 Month end value = HK\$1,665 (HK\$3,000 + HK\$1,665) ÷ 2 x 0.25% ÷ 12 = HK\$0.49</p>
4) Treatment of guaranteed account	Cancelled and no further guarantee available under the Stable Fund	Cancelled and no further guarantee available under the Stable Fund

In case the balance in the guaranteed account is less than or equal to the value of all qualifying units, the Member is entitled to the value of all qualifying units and thus no excess amount to be allocated.

In view of the above changes, Members may consider whether they would like to continue to invest the remaining balance in the Stable Fund after the first instalment payment as no further guarantee will apply thereafter and such balance will be exposed to market fluctuations or switch part or all units of the Stable Fund to other constituent fund(s) of their choice including the Interest Fund (which provides the capital guarantee) anytime without any handling fee or switching fee.

If switching is performed before making the first withdrawal of accrued benefits by instalments as a result of the pre-determined event of attaining the normal retirement age of 65, there may have an impact on the guarantee balance of the Members. Members should review all terms and conditions under the Stable Fund in the Offering Document before switching.

No costs and expenses associated with the changes set out in this notice will be charged to the Scheme, the Stable Fund or the Members.

2. Changes to the administrative arrangement

Fund switching instructions

Currently, fund switching instructions received by the Trustee via facsimile or mail on a dealing day will generally be processed on the next dealing day. Effective from March 31, 2020, all fund switching instructions, regardless of the means through which the Trustee receives them, will generally be processed on the dealing day on which the Trustee receives them, provided that they are received at or before the dealing cut-off time (currently at 4:00 p.m. Hong Kong time) on that dealing day.

Withdrawal of accrued benefits attributable to voluntary contributions

With effect from March 31, 2020, a self-employed person or a personal account member may withdraw the accrued benefits in his voluntary contribution account four times in each financial year, instead of the current limitation of two times in each financial year. For the avoidance of doubt, the steps that a self-employed person or a personal account member will need to take in order to apply for withdrawal of such benefits will continue to apply.

3. AEOI

Regulatory changes relating to AEOI

Financial institutions in Hong Kong and many other jurisdictions are required to identify account holders who are reportable foreign tax residents under the laws, regulations and international agreements for the implementation of AEOI, and report the information of account holders and controlling persons of certain entity account holders (each, a "**controlling person**") (including but not limited to their names, addresses, dates of birth, places of birth/incorporation, 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 tax authority where the financial institutions operate. The local tax authority, in respect of a reportable foreign tax resident, will provide the Reportable Information of the reportable foreign tax resident to the tax authority(ies) of the country(ies) and jurisdiction(s) of tax residence of the reportable foreign tax resident on a regular, annual basis. If you are not a tax resident in any jurisdiction outside Hong Kong, your MPF account information will not be reported to the Inland Revenue Department (the "IRD") for transmission to any tax authority outside Hong Kong.

Frequently asked questions about AEOI are available at www.manulife.com.hk.

How does AEOI affect the Scheme?

The Scheme is a Hong Kong financial institution for AEOI purposes. As required under AEOI of Hong Kong, effective January 1, 2020, the Trustee will use for the purposes of AEOI the Reportable Information of any individual or entity, whether in the capacity as a Member, participating employer or beneficiary, that is considered under AEOI to be an "account holder" or "controlling person".

Trustee's authority to implement AEOI

The Trustee and/or any of its authorised person(s) may require any "account holder" and "controlling person" under AEOI to provide a valid self-certification form and such other information (including the Reportable Information and any documentary evidence) which the 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**").

Where required by AEOI and to the extent not prohibited by applicable law, the Trustee will not accept any applicant to the Scheme or make any payment to any "account holder" (whether in the capacity of a Member, a participating employer or a beneficiary) before receiving the Required Information. "Account holders" and "controlling persons" must update the Trustee and/or any of its authorised person(s) about any changes in the information they have previously provided to the Trustee and/or any of its authorised person(s) as soon as practicable and ideally within 30 days of such change. If the 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 Trustee and/or any of its authorised person(s) may be required to report such person based on the information they have.

Members, participating employers, and any other "account holders" and "controlling persons" should consult their own tax advisers regarding the possible implications of AEOI. The application of the AEOI rules and the information that may be required to be reported and disclosed are subject to change. Please see the IRD website (https://www.ird.gov.hk/eng/tax/dta_aei.htm) for more information about AEOI in Hong Kong. Any discussion of tax considerations in this notice 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.

4. Notification arrangement of the termination of a Terminating Retirement Fund on a maturity date

Currently, the Offering Document provides that all existing Members of the Scheme will be notified of the impending maturity of a Terminating Retirement Fund three months prior to the maturity either by mail or via electronic means. The Trustee would like to clarify that the Members investing in the Terminating Retirement Fund at the time when the notification is to be issued will be notified of the impending maturity via mail (either by post or email) and the other Members will be so notified via the electronic means of posting the notification on our website at www.manulife.com.hk. This arrangement is in line with the Trustee's aim to streamline communication for Members' convenience so that relevant information will only be given to the relevant Members concerned.

5. Certain miscellaneous changes

5.1 Update on the breakdown of management fees of the Manulife MPF Hong Kong Equity Fund and the Manulife MPF North American Equity Fund

Effective from July 11, 2019, the breakdown of management fees of the Manulife MPF Hong Kong Equity Fund and the Manulife MPF North American Equity Fund has been updated. This update is in response to the latest multi-manager arrangement at the underlying APIF levels of these constituent funds. This update is merely related to the breakdown of management fees, whilst the current level of the management fees of these constituent funds remain unchanged.

5.2 Name change of Manulife Asset Management (Hong Kong) Limited to Manulife Investment Management (Hong Kong) Limited

Effective from July 29, 2019, the name of the investment manager, Manulife Asset Management (Hong Kong) Limited, has been changed to Manulife Investment Management (Hong Kong) Limited.

5.3 Disclosure on the fee charging arrangement in relation to the Manulife MPF Interest Fund

The Offering Document will be updated to reflect the existing arrangement whereby the fees and charges to be borne by the Manulife MPF Interest Fund and its underlying insurance policy will accrue monthly.

5.4 Disclosure on the Trustee's checking on the source of funds for Flexi Retirement Contribution

The Offering Document will be amended to reflect that if the amount of the Flexi Retirement Contribution exceeds such limit as the Trustee may determine, not only the Trustee may require additional proof of identification of funds, the Trustee may also require additional proof of source of funds, per the existing practice.

5.5 Disclosure on the underlying investment arrangement of certain constituent funds

The Offering Document will be updated to include the current arrangement with respect to the constituent funds listed below by specifying that the first level pooled investment funds of these constituent funds may invest in any approved pooled investment funds managed by investment managers other than Manulife Investment Management (Hong Kong) Limited:

- Manulife MPF Growth Fund
- Manulife MPF Aggressive Fund
- Manulife MPF Hong Kong Equity Fund
- Manulife MPF International Equity Fund
- Manulife MPF Pacific Asia Equity Fund
- Manulife MPF North American Equity Fund
- Manulife MPF RMB Bond Fund
- Manulife MPF China Value Fund
- Manulife MPF Smart Retirement Fund
- Manulife MPF 2020 Retirement Fund
- Manulife MPF 2025 Retirement Fund
- Manulife MPF 2030 Retirement Fund
- Manulife MPF 2035 Retirement Fund
- Manulife MPF 2040 Retirement Fund
- Manulife MPF 2045 Retirement Fund

5.6 Addition of a risk factor

While the grounds on which a constituent fund may be terminated remain unchanged, a risk factor on early termination will be included in the Offering Document to enhance the risk disclosure for the sake of clarity.

6. Updates for compliance with Part G of the Code

The Offering Document will be updated to reflect the latest requirements in Part G of the Code. In particular, the sequence of the contents will be rearranged to be in line with the requirements of the Code. Also, certain editorial changes will be made and the contents will be updated in an easy-to-understand and concise manner to enhance readability and clarity. For the purpose of standardisation, the Offering Document will be renamed as the “MPF Scheme Brochure”.

7. Updated statement regarding SFC’s authorization of the Scheme or pooled investment fund

With effect from January 1, 2020, where the Offering Document mentions that the Scheme or pooled investment fund is authorized by the SFC, a statement with the following meaning shall be included:

- SFC authorization is not a recommendation or endorsement of the Scheme or pooled investment fund nor does it guarantee the commercial merits of the Scheme or pooled investment fund or its performance. It does not mean the Scheme or pooled investment fund is suitable for all scheme participants or fund holders nor is it an endorsement of its suitability for any particular scheme participant or fund holder.

The Offering Document and, where appropriate, the Trust Deed will be amended to reflect the changes outlined above. The Trustee confirms that the amendments to the Offering Document and the Trust Deed in this regard will not have any adverse impact on the Scheme or its Members.

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

The updated Trust Deed of the Scheme can be inspected free of charge during the service hours (Monday to Friday from 9:00 am to 6:00 pm, except public holidays) at the Customer Service Centers. For locations of our Customer Service Centers, please refer to our website or call our Customer Service Hotline.

Issued by Manulife Provident Funds Trust Company Limited