

# News Release

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For Immediate Release

June 2, 2023

**For Manulife Global Select (MPF) Scheme****Important to note:**

- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of constituent funds or the Default Investment Strategy (“DIS”), you are in doubt as to whether a certain constituent fund or the DIS is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice and make investment choices most suitable for you taking into account your circumstances.
- The asset allocation of the Manulife MPF Core Accumulation Fund and the Manulife MPF Age 65 Plus Fund (“DIS CFs”) in the DIS and some of the constituent funds which are referred to as Retirement Funds will change over time and hence the risk profile and return will also change over time. The DIS CFs or the Retirement Funds may not be suitable for all members. You should understand the relevant risks involved before investment and consider factors other than age and review your own investment objectives.
- The Manulife MPF Interest Fund and the Manulife MPF Stable Fund (collectively the “Guaranteed Funds”) under the scheme each invests solely in approved pooled investment funds in the form of insurance policy provided by Manulife (International) Limited. The guarantee is also given by Manulife (International) Limited. Your investments in the Guaranteed Funds, if any, are therefore subject to the credit risks of Manulife (International) Limited. Please refer to sections 3.4.2 (Manulife MPF Stable Fund (the “Stable Fund”)) and 7.2.4(b) (Manulife MPF Stable Fund) and sections 3.4.1 (Manulife MPF Interest Fund (the “Interest Fund”)) and 7.2.4(c) (Manulife MPF Interest Fund) of the MPF Scheme Brochure for details of the credit risks, guarantee features and qualifying conditions.
- The Manulife MPF Retirement Income Fund (the “Retirement Income Fund”) does not guarantee distribution of dividend, the frequency of distribution, and the dividend amount/yield. Dividends may be paid out of the realized capital gains, capital and/or gross income while charging/paying all or part of the fees, charges and expenses to/out of the capital, resulting in an increase in distributable income available for dividend distribution. Payment of dividends out of capital and/or effectively out of capital represent a withdrawal of part of the original investment or from any capital gains attributable to that original investment. Distribution of dividends will result in an immediate decrease or adjustment in the net asset value per unit of the Retirement Income Fund on the ex-dividend date.
- Members who are below age 65 should note that the regular and frequent distribution of dividends and reinvestment of such dividends into the Retirement Income Fund will inevitably involve an investment time-lag during which dividends are not reinvested and it is subject to out-of-market risk on a recurring basis (currently, on a monthly basis). With the feature of dividend distribution, the return of the Retirement Income Fund for these members may be impacted negatively or positively as its net asset value per unit may have gone up or down at the time when dividends are reinvested. Therefore the return of the Retirement Income Fund for these members may deviate from that of a constituent fund with similar investment portfolio without such arrangement and may not always be advantageous to these members.
- Investment involves risks and not each of the constituent funds would be suitable for everyone. You should consider the risks associated with each of the constituent funds and the DIS and your investments/accrued benefits may suffer loss.
- Before making your investment choices, you should read the MPF Scheme Brochure and Key Scheme Information Document for details including risk factors, fees and charges of the scheme. You should not make your investment decision based on this material alone.

## **Manulife first to announce launch of two ESG-themed MPF products, each of which integrates all three sustainability factors<sup>1</sup>**

- The first MPF provider to announce to the market the launch of ESG funds that integrate all three sustainability factors, providing both sustainable equity and fixed income investment options in the same MPF scheme
- Broadens MPF members’ investment options that can meet their retirement and social responsibility goals

**Hong Kong** – Manulife announced today the repositioning of two of its funds under the Manulife Global Select (MPF) Scheme (“the Scheme”) into environmental, social, and governance (“ESG”) themed products,

<sup>1</sup> The three factors of sustainability that make up ESG are environmental, social, and governance factors.

enabling the Scheme to provide sustainable investment options that comprehensively integrate ESG considerations for HongKongers. The two funds will be renamed as Manulife MPF Sustainable Pacific Asia Bond Fund<sup>2</sup> and Manulife MPF Hang Seng Index ESG Fund<sup>3</sup>, and the investment objectives and the underlying investments of the funds will be changed correspondingly. This also underlines Manulife's continued leadership and commitment in driving corporate ESG engagement for the benefit of its customers.

With sustainable investments increasingly gaining global traction, regulators in Hong Kong and authorities around the world have developed ESG-related initiatives or principles for various markets and investments, including pensions. Manulife MPF is responding to MPF members' increasing demand for investment options that aims to drive long-term sustainable returns into retirement. Effective 3 October 2023, the two funds, namely Manulife MPF Hang Seng Index ESG Fund and Manulife MPF Sustainable Pacific Asia Bond Fund, will be repositioned into ESG-themed MPF products, that incorporate ESG factors as their key investment focus, and reflect them in their investment objectives and underlying investments.

“At Manulife MPF, we recognize the importance of ESG factors that impact both the planet and the future of its inhabitants. We see it as our duty to refine and improve the integration of ESG factors into the assessment of risks and opportunities within the investment processes of our MPF products,” said **Raymond Ng, Vice President & Head of Hong Kong and Macau Retirement at Manulife**. “The addition of these two ESG-labelled funds on our MPF platform not only allows us to better capture opportunities arising from Asia's long term sustainability themes, but also enables us to contribute to improving the world in which our members live, while helping them gain a better understanding of sustainable investing that should ultimately improve their financial outcomes. As the largest MPF provider<sup>4</sup> in Hong Kong, we have always played a trailblazer role in enriching our investment choices for MPF members to meet their evolving needs via our comprehensive MPF platform.”

It is intended that the underlying investments of Manulife MPF Sustainable Pacific Asia Bond Fund will invest at least 85% of its net assets in a diversified portfolio of US dollar denominated fixed income and fixed income-related securities of companies, governments, and government-related issuers in the Asia Pacific region. The fund will select securities of issuers with strong sustainability attributes that may include but are not limited to an issuer's performance on and management of certain environmental factors, such as climate change and natural resource use; social factors, such as labor standards and diversity considerations; and governance factors, such as board composition and business ethics.

Manulife MPF Hang Seng Index ESG Fund will invest in securities currently through the ChinaAMC HSI ESG ETF, seeking to track the performance of the HSI ESG Enhanced Index, which aims to measure the overall performance of the Hong Kong stock market combined with ESG initiatives. Through investment into the ETF, the fund's underlying investments are comprised of securities of Greater China companies that are listed on the Main Board of the Hong Kong Stock Exchange and are screened based on an ESG exclusion policy. The fund aims to provide medium- to long-term capital growth for MPF members who hold a longer-term investment view and who are prepared to accept significant fluctuations in the value of their

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<sup>2</sup> Manulife MPF Sustainable Pacific Asia Bond Fund was previously named Manulife MPF Pacific Asia Bond Fund

<sup>3</sup> Manulife MPF Hang Seng Index ESG Fund was previously named Manulife MPF Hang Seng Index Tracking Fund

<sup>4</sup> Source: "Mercer MPF Market Shares Report" as of March 31, 2023 by Mercer (Hong Kong) Limited, in terms of market share of total MPF assets by scheme sponsor.

investments.

**Eric Nietsch, Head of Sustainable Investment for Asia at Manulife Investment Management,** said: “At Manulife, we are committed to investing responsibly, and ESG is a component that complements our strengths as an active investment manager. In Asia, we are seeing a surge in awareness on sustainability challenges among policymakers, corporates, and investors, particularly in a new-normal environment post COVID. We strongly believe that Asia’s growing sustainability drive can unlock compelling investment opportunities and lead to potential diversification and long-term sustainable performance benefits for investors.”

As one of the global leaders in sustainable investments, Manulife Investment Management has been expanding its ESG investment offerings, such as the introduction of Global Climate Action, Sustainable Asia Bond, and Sustainable Asia Equity strategies, to global investors. These strategies demonstrate the firm’s capability in combining its long-standing global investment expertise with years of on-the-ground experience and extensive knowledge in ESG investing in Asia, to offer the most relevant investment products that can deliver long-term returns for investors in the region. In addition, as the world’s largest manager of natural capital<sup>5</sup>, Manulife continuously enhances its range of sustainable investment solutions, from ESG integrated portfolios to ESG-focused and impact-first strategies, to meet investors’ objectives.

**Mr. Ng** added: “Manulife has more than 87 years of pension management experience in Hong Kong with a very strong retirement management footprint globally. We strive to stay ahead in providing innovative and timely solutions for our MPF members, and this latest addition of ESG elements to our MPF platform is certainly a win-win for all our scheme members, the wider society, and more importantly, our future generations.”

As a forerunner in the MPF industry, Manulife has been the only provider in the market to offer a sector solution since 2008 that focuses on investments related to medical technology and advancement. It is also the first to introduce a retirement income solution in 2020 that caters to both pre- and post-retirement needs of MPF members in face of longevity and inflation risks.

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### **About Manulife Hong Kong**

Manulife Hong Kong has been a trusted name for more than 125 years. Since our operations started in Asia in 1897, we have grown to become one of the top-tier providers of financial services, offering a diverse range of protection and wealth products and services to about 2.5 million customers in Hong Kong and Macau. We are committed to helping make decisions easier and lives better for our customers. 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.

### **About Manulife Investment Management**

Manulife Investment Management is the global brand for the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship and the full

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<sup>5</sup> Source: IPE research as of February 5, 2023. Ranking is based on total Natural Capital AUM, which includes forestry/timberland and agriculture/farmland AUM.

resources of our parent company to serve individuals, institutions, and retirement plan members worldwide. Headquartered in Toronto, our extensive capabilities in public and private markets are strengthened by an investment footprint that spans 19 geographies. We complement these capabilities by providing access to a network of unaffiliated asset managers from around the world. We're committed to investing responsibly across our businesses. We develop innovative global frameworks for sustainable investing, collaboratively engage with companies in our securities portfolios, and maintain a high standard of stewardship where we own and operate assets, and we believe in supporting financial well-being through our workplace retirement plans. Today, plan sponsors around the world rely on our retirement plan administration and investment expertise to help their employees plan for, save for, and live a better retirement. Not all offerings are available in all jurisdictions. For additional information, please visit [manulifeim.com](http://manulifeim.com).

### **About Manulife**

Manulife Financial Corporation is a leading international financial services provider, helping people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we provide financial advice and insurance, operating as Manulife across Canada, Asia, and Europe, and primarily as John Hancock in the United States. Through Manulife Investment Management, the global brand for our Global Wealth and Asset Management segment, we serve individuals, institutions, and retirement plan members worldwide. At the end of 2022, we had more than 40,000 employees, over 116,000 agents, and thousands of distribution partners, serving over 34 million customers. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong. Not all offerings are available in all jurisdictions. For additional information, please visit [manulife.com](http://manulife.com).

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