

Date: 28 April 2023

Dear Valued Members,

Notification on proposed modifications to the Deed for:

- 1) **Manulife PRS NESTEGG Series consisting of –**
 - Manulife PRS – Growth Fund
 - Manulife PRS – Moderate Fund
 - Manulife PRS – Conservative Fund
 - Manulife PRS Asia – Pacific REIT Fund

- 2) **Manulife Shariah PRS NESTEGG Series consisting of –**
 - Manulife Shariah PRS – Growth Fund
 - Manulife Shariah PRS – Moderate Fund
 - Manulife Shariah PRS – Conservative Fund
 - Manulife Shariah PRS – Global REIT Fund
 - Manulife Shariah PRS – Golden Asia Fund

(collectively the “Funds” and individually the “Fund”)

We would like to inform you that we, as the PRS Provider of the Manulife PRS NESTEGG Series and Manulife Shariah PRS NESTEGG Series (collectively the “PRS Schemes”), will be making some modifications to the Deed of the PRS Schemes.

Modifications to the PRS Schemes’ Deeds include:

- 1) **Removal of information in relation to Class B and changes to the provisions in relation to the conversion of units for PRS Schemes core funds.**

Rationale for Change:

In accordance with the deed of PRS Schemes, members holding Class A units of a core fund will automatically be converted into Class B units of such core fund at no cost to the member on the 10th anniversary of the date the first contribution was made by or on behalf the member holding Class A units (“Impacted Class A Members”).

Apart from the imposition of transfer fee and a higher sales charge for Class C, the other features and fees imposed for both Class B and Class C are the same. In view of the similarities in features for both Class B and C, the Provider wishes to terminate Class B units of the core funds due to zero in fund size. Instead of conversion to Class B units, units of Impacted Class A Members will automatically be converted into Class C units. The Provider will waive transfer fee and sales charge for units which are converted from Class A to Class C.

We would like to assure you that the conversion of units to Class C instead of Class B does not affect the investment objective, investment strategy, risk profile, distribution policy and the manner in which the PRS Schemes core funds are being managed.

For Manulife PRS NESTEGG Series, a letter dated 11 November 2022 was sent to core fund members holding Class A units communicating on the same matter. Class B was terminated on 10 November 2022 and members holding Class C units were notified accordingly on 11 November 2022.

- 2) **To enable distribution of income out of capital for Manulife PRS – Moderate Fund, Manulife PRS – Conservative Fund, Manulife Shariah PRS – Moderate Fund and Manulife Shariah PRS – Conservative Fund**

The Provider propose to allow income distribution out of capital to enable the Funds to distribute income once a year, if any.

Rationale for change:

Based on the revised Guidelines on Private Retirement Schemes (“Revised Guidelines”), which reads “Distributable income which is not declared and paid as distribution in a period of a financial year can be carried forward as distributable income for the next period(s) within the same financial year. Distributable income that has been accrued as at the end of a financial year and is declared and paid as distribution at the next distribution date immediately after that financial year end could be treated as distributable income in respect of that financial year. **However, distributable income which has been accrued as at the end of a financial year but is not declared and paid as distribution at the next distribution date immediately after that**

financial year end (“Unutilised Distributable Income”) should be included as “capital” for the next financial year.”

The above-mentioned Funds aim to provide income as stated under the investment objective and income distribution policy. In order to provide income once a year (if any) as per the distribution policy of respective Funds, the Funds currently may distribute income based on Unutilised Distributable Income (“existing practice”). Based on the Revised Guidelines, the Unutilised Distributable Income is now included as capital for income distribution for next financial year.

The modification to the Deed to allow distribution of income out of the Fund’s capital to be in line with the Revised Guidelines is consistent with the existing practice. There is no intention to change the existing practice for calculation of income distribution amount. What has changed is the categorisation of Unutilised Distributable Income under the Revised Guidelines which is now be part of the Fund’s capital. There is no intention to allow distribution out of the Fund’s capital which is not part of the Unutilised Distributable Income. Hence, there is no additional risk to the Fund.

- 3) Consequential amendments pursuant to revisions made to the Revised Guidelines, which includes but not limited to:
- Streamlining the definitions throughout the Deed;
 - amendments to:
 - the requirements on suspension of dealing in units;
 - the requirements to manage any potential conflict of interest that may arise as a result of Provider and its related corporation’s holding of units in the Fund;
 - roles and responsibilities of the Scheme Trustee, including its oversight function over the management of the Funds;
 - the requirements in relation to retention of soft commissions by the Provider or fund manager;
 - the appointment of investment committee for the Funds which is replaced with committee undertaking oversight function.
 - inclusion of new paragraphs:
 - to provide for the requirements of quorum for members’ meeting;
 - on termination of non-core fund in the PRS Schemes without members’ meeting;
 - removal of requirements:
 - to obtain approval from Securities Commission Malaysia for change in investment objective and name of the PRS Schemes or any of the Funds;
 - to publish termination notice in newspaper;

Rest assured that there will be no changes to the investment objective and strategy of the Funds, risk profile and the manner in which the Funds are being managed. We and HSBC (Malaysia) Trustee Berhad (Scheme Trustee for Manulife PRS NESTEGG Series) / CIMB Islamic Trustee Berhad (Scheme Trustee for Manulife Shariah PRS NESTEGG Series), are of the view that the proposed modifications to the Deeds do not materially prejudice the interests of members of the PRS Schemes.

Please contact Customer Service at 03-2719 9271 if you require any clarification or further information.

Thank you for your support.

Note: This letter is computer generated and no signature is required.