

Date: 30 October 2020

Dear Valued Customer,

CLOSURE OF MANULIFE HSBC'S FLEXILIFE INCOME FUND

We wish to inform you that effective from 10 February 2021, HSBC's FlexiLife Income Fund (HSBCFLIF) will be discontinued from our overall investment-linked funds portfolio. This is following our fund review to ensure that we continue to deliver our long term commitment to our customers.

How does this impact you?

All units available under HSBCFLIF from your policy will be switched to Manulife Managed Fund (MMF) on 10 February 2021, based on the prevailing net asset value per unit (market value).

As part of this transition, any premiums paid from 02 February 2021 onwards will also be allocated to MMF, based on the existing fund allocation prescribed for HSBCFLIF.

All other benefits under your insurance policy remain as is and will not be impacted.

Why Manulife Managed Fund (MMF)?

HSBCFLIF and MMF have similar investment strategies and risk profiles. Enclosed is a copy of the Fund Fact Sheet of MMF for your reference.

What are the options available to you?

Option 1: Manulife Managed Fund is your preferred investment-linked fund for now.

No action is required. Units under your current HSBC's FlexiLife Income Fund will be automatically switched to Manulife Managed Fund on 10 February 2021.

Option 2: You may choose to switch to a different investment-linked fund.

You may choose to switch to any of the available funds under your policy by performing Fund Switching at no charge. Kindly visit our website for more information on the list of available funds at <https://www.manulife.com.my/en/individual/services/announcements/fund-closure-HSBC-Funds.html>

We have enclosed a Frequently Asked Questions (FAQ) document for your better understanding. If you need further assistance, please contact us at our customer service through:

Telephone : 03-2719 9112 or 1-300-13-2323

Email : MYCARE@manulife.com

Thank you.

Yours sincerely,



Lee Tat Fatt,
Chief Operations Officer of Manulife Insurance Berhad

The contents of this letter do not take into account for any alteration(s) to the policy made since 30 October 2020.

Frequently Asked Questions (FAQ)

Q01 : What are the reasons for the fund closure?

A01 : In our recent fund review, we noted that HSBC's FlexiLife Income Fund has a more restrictive asset allocation than its peers, skewing towards fixed income investments. This would mean that the fund will not be able to perform at its best when equity markets perform.

It is also important to note that for any investment-linked fund to be managed efficiently, the fund has to be sizeable. To date, the net inflow for this fund is at low levels and with the smaller fund size, it is challenging for this fund to operate at its optimum level.

The combined assets under management of both the funds will provide better economies of scale in managing the fund and increasing diversification. Diversification generally reduces volatility and may potentially increase the fund performance over time.

Q02 : What is the difference between the two funds?

A02 : The table below shows the key information of the two funds.

	HSBC's FlexiLife Income Fund	Manulife Managed Fund
Launch Date	21 December 2005	10 July 2000
Fund Risk Profile	Moderate	Moderate
Investment Objective	HSBC's FlexiLife Income Fund aims to provide capital growth over the medium to long term. This fund is ideal for investors who want a diversified portfolio yet prefer higher exposure to fixed interest securities. It has the potential to grow in value over the medium term and offset the effects of inflation.	Managed Fund is an investment vehicle that enables investors to participate in the long-term growth of equities and, yet have the protection from a spread of fixed income securities.
Investment Strategy	The investment manager utilizes a combination of top down macroeconomic analysis with bottom up on the ground stock research.	The investment manager utilizes a combination of top down macroeconomic analysis with bottom up on the ground stock research. The fund invests mainly in Malaysian investments. The fund may invest up to 30% of the fund's net asset value in foreign equity securities and/or fixed income instruments in the Asia-Pacific region. Asia Pacific region includes but not limited to Australia, China, Hong Kong, India, Indonesia, Japan, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. The fund may invest in the investments directly and/or via collective investment schemes.
Strategic Asset Allocation	Equity: 25-55% Fixed income: 45-75%	Equity: 35- 65% Fixed income: 35-65%

Foreign Exposure	0%	Up to 30% of the fund's net asset value in Asia Pacific markets
Performance Benchmark	60% Maybank 12-months Fixed Deposit Rate + 40% FTSE Bursa Malaysia KLCI Index (Total Return Net of Tax)	50% FTSE Bursa Malaysia Top 100 Index (Total Return Net of Tax) + 50% Maybank 12-months Fixed Deposit Rate
Fees and Charges		
Fund Management Charge	1.20% per annum of Net Asset Value	1.35% per annum of Net Asset Value

For more details regarding Manulife Managed Fund, please refer to the fund fact sheet attached to this letter.

Q03 : Where can I get the latest information on the IL fund performance?

A03 : For the latest fund information, you may refer to Manulife website at www.manulife.com.my

Q04 : How will this affect my account value?

A04 : Your account value will depend on the fund's performance and the prevailing fund prices when we switch your fund. In the event Manulife Managed Fund is not a suitable fund for you, you may choose to switch to any of the available funds under your policy that suit your risk profile and investment objectives.

Q05 : How will this affect my premium?

A05 : Your premium amount will not be affected by this exercise.

Q06 : How will this affect the benefits of my insurance plan?

A06 : There will be no change to the benefits of your existing insurance plan.

Q07 : Can I choose to switch to a different fund?

A07 : You are advised to switch to any of the available funds under your policy by performing Fund Switching before 22 January 2021.

Q08 : How do I perform Fund Switching?

A08 : You may perform Fund Switching at no additional cost by submitting the Investment-Linked Insurance Request Form by:

1. Mailing to the address below:

Customer Service
Level 12
Menara Manulife, 6 Jalan Gelenggang, Damansara Heights,
50490 Kuala Lumpur, Malaysia

Or

2. Sending the scanned copy to this Email: MYCARE@manulife.com



You may obtain a copy of the form online at Manulife's website by visiting www.manulife.com.my/fundswitch or scan this QR code:



Q09 : What will happen if I perform a Regular or Single Premium Top Up?

A09 : For Top Up made prior to 02 February 2021, your premium will continue to be allocated into HSBC's FlexiLife Income Fund.

From 02 February 2021 onwards, any Top Up premium will be allocated to Manulife Managed Fund.

Q10 : How do I get more information?

A10 : Please do not hesitate to contact your bank representative. Alternatively, you may contact our Customer Service during business hours:

Business Hours	: Monday – Friday, from 9:00am to 5:30pm
Telephone	: 03-2719 9112 or 1-300-13-2323
Email	: MYCARE@manulife.com