

PRODUCT KEY FACTS

Manulife Advanced Fund SPC - China A Segregated Portfolio (the “Fund”)

Investment Manager:

Manulife Investment Management (Hong Kong) Limited

September 2022

- *This statement provides you with key information about the Fund.*
 - *This statement is a part of the Prospectus and must be read in conjunction with the Prospectus of the Fund, as amended and supplemented from time to time.*
 - *You should not invest in this product based on this statement alone.*
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- ***The Fund uses the QFII regime to invest primarily in the Mainland China A Shares market.***
 - ***The Fund will remit USD into Mainland China and then convert into Renminbi (“RMB”) to invest.***
 - ***The Fund therefore is not denominated in RMB. All subscriptions and redemptions are in Hong Kong Dollars (“HKD”) or other Major Currencies^Δ. The Fund involves multi-currency conversions and is therefore subject to higher costs and multi-currency conversion risk.***

Quick facts

Investment Manager / QFII Holder:	Manulife Investment Management (Hong Kong) Limited
Custodian and Paying Agent:	Citibank Europe plc, Luxembourg Branch
QFII Local Custodian:	Industrial and Commercial Bank of China Limited
Dealing Frequency:	Daily (Please refer to the Prospectus for details)
Base Currency:	USD
Ongoing Charges over a Year ^{**} :	Class AA Shares: 1.79% ¹
Dividend Policy:	Currently no intention to distribute
Financial Year End of the Fund:	30 June
Minimum Initial Investment:	HKD20,000 [#] (or the equivalent in any other Major Currencies ^Δ) for Class AA Shares
Minimum Holding:	Same as above
Minimum Subsequent Investment:	HKD1,000 [#] (or the equivalent in any other Major Currencies ^Δ) for Class AA Shares
Minimum Redemption Amount:	HKD1,000 [#] (or the equivalent in any other Major Currencies ^Δ) for Class AA Shares

^Δ “Major Currencies” means any of USD, Pound Sterling, Swiss Francs, Euro, Japanese Yen, HKD and Canadian Dollars.

^{**} The ongoing charge figure is expressed as a percentage of the sum of expenses over the average net asset value of the share class for the corresponding period as described below. This figure may vary from year to year.

¹ The management fee applicable to Class AA Shares changed from 1.75% to 1.5% per annum of the net asset value of the share class on 1 September 2022. This figure is an estimate based on expenses for the period from 1 July 2021 to 30 June 2022, as adjusted for the revised management fee as from 1 September 2022. The actual figure may differ and may vary from year to year.

[#] Or such other minimum amount as may be determined by the Directors at their sole discretion.

What is this product?

- The Fund is constituted as a segregated portfolio of the Manulife Advanced Fund SPC, which is a mutual fund incorporated as an exempted segregated portfolio company with limited liability in the Cayman Islands.
- The Fund is denominated in USD and not RMB.
- The Fund will primarily invest (i.e. not less than 70% of its net assets) directly in RMB-denominated A-Shares in Mainland China via the QFII regime under the name of the QFII holder for the account of the Fund.

Objective and Investment Strategy

Objective

To achieve long term capital appreciation by investing primarily in Mainland China capital markets.

Strategy

The Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its net assets) in companies listed on the A-Share markets of the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange.

The Fund may invest up to 30% of its net assets in (i) RMB-denominated bonds issued and listed in Mainland China; (ii) companies listed in the B-share market; (iii) companies / entities listed in stock markets outside Mainland China and which have significant interests in Mainland China; (iv) money market instruments, deposits and short-term paper; and (v) other securities (including listed fixed income securities) which may be approved from time to time by the China Securities Regulatory Commission for direct investment by a QFII holder.

The Fund currently does not invest in any index futures in the A-Share markets, although QFII holders are permitted to invest in stock index futures (subject to prevailing regulations in Mainland China). Not less than one month's prior written notice will be given to shareholders should the Fund wish to make such investment.

The Fund may also use options, futures and warrants for hedging purposes, and any such hedging is currently expected to take place primarily, if not entirely, in Hong Kong. At present, the Investment Manager has no intention to engage in any hedging in the A-Share markets, and in the event that the Investment Manager intends to engage in such hedging activity, shareholders will be given one month's prior written notice of such intention.

For the avoidance of doubt, the Investment Manager has no intention of investing in any urban investment bonds (城投債) or any asset backed securities (including asset backed commercial papers) or bonds which are rated below investment grade or unrated bonds.

In times of extreme market volatility or during severe adverse market conditions, the Investment Manager may temporarily hold a substantial portion (up to 40%) of the Fund's assets in cash or cash equivalents, or invest in short-term money market instruments to preserve the value of the assets in the investment portfolio of the Fund.

Use of derivatives / investment in derivatives

The Fund's net derivative exposure may be up to 50% of the Fund's latest available net asset value.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

1. Investment Risk

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. The Fund is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal.

2. China Market Risk / Single Country Risk

- The Fund's investments are concentrated in Mainland China capital markets. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- By investing in the China market (both onshore and offshore), the value of the Fund may be more susceptible to the risks of investing in emerging markets generally and the risks specific to the China market and special considerations not typically associated with investment in more developed countries or markets, such as adverse economic, political, policy, foreign exchange, volatility, liquidity, tax, legal or regulatory events affecting the China market.

3. Equity Market Risk

- The Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, economic and political conditions, and issuer-specific factors.

4. Risks Relating to A-Share Market Risk

- The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- High market volatility and potential settlement difficulties in the A-Share markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- Securities exchanges in the Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.

5. RMB Currency and Conversion Risks

- Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. The NAV of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investment in the Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

6. Multi-Currency Conversion Risk

- Subscriptions and redemptions in Hong Kong are normally paid in HKD or USD and will not be conducted in RMB. The Fund will convert subscription proceeds to USD (where subscriptions are made in HKD) and then to RMB in order to invest. To meet redemption requests, the Fund will convert the RMB sale proceeds to USD and then to HKD (where redemption proceeds are paid in HKD). Investors may be subject to risks of exchange rate fluctuations as a result of such currency conversion transactions. The Fund may incur higher costs as a result of the multiple conversions between RMB, USD and HKD upon:
 - the conversion of HKD subscription monies to USD (where necessary), followed by the conversion of USD into RMB for the Fund to acquire RMB denominated securities; and
 - the conversion of RMB sale proceeds from the selling of RMB denominated securities to USD, followed by the conversion of USD into HKD (where necessary), to meet redemption requests. For redemptions paid in HKD, the Fund may be subject to higher costs as a result of the time lag between the relevant dealing day and the day of settlement of redemption payments.

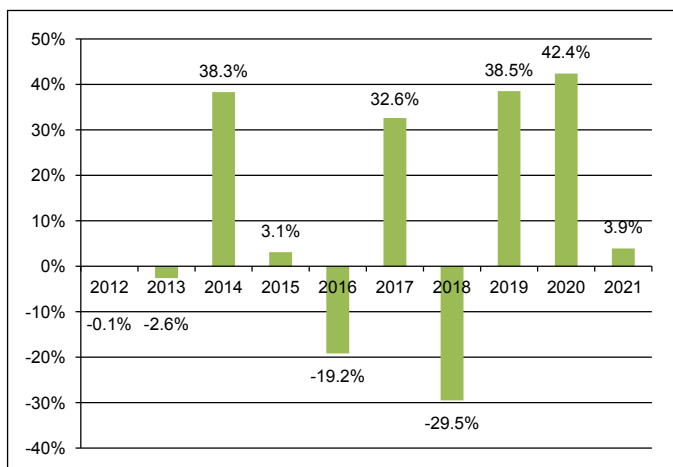
7. Risk Associated With Investment Made Through QFII Regime

- The Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the Mainland China, which are subject to change and such change may have potential retrospective effect.
- The Fund may suffer substantial losses if the approval of the QFII status is being revoked / terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including QFII Local Custodian / Mainland China broker(s)) is bankrupt / in default and/or is disqualified from performing its obligations (including execution or settlement or any transaction or transfer of monies or securities).

8. Mainland China Tax Risk

- There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realised via QFII status on the Fund's investments in the Mainland China (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund's value.
- Based on professional and independent tax advice, the Investment Manager is no longer making a provision for withholding tax of 10% on realised gains derived from the trading of A-Shares on or after 17 November 2014 with respect to the Fund.
- Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund's assets, will adversely affect the Fund's NAV. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class AA Shares increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Fund launch date: 8 November 2010
- Class AA Shares launch date: 8 November 2010

For further information on the performance of other share classes, please refer to www.manulifefunds.com.hk. The website has not been reviewed by the SFC.

Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the Class AA Shares of the Fund.

Fee	What you pay
Subscription fee (initial charge)	Up to 5% ^{##} of the NAV
Switching charge	No switching is allowed
Redemption charge	0.30%* of redemption proceeds

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % p.a. of the NAV)
Management fee	1.50% ^{##} for Class AA Shares
Custodian, Paying Agent, Sub-Administrator, Registrar and Transfer Agent fee	Up to 0.50% (excluding transaction fees and related servicing and processing fees attributable to the Fund)
Performance fee	None
Administrator fee	Annual fee of 0.004% (subject to an annual minimum fee of USD8,000)

Other fees

You may have to pay other fees when dealing in the Class AA Shares of the Fund.

^{##} A portion (or all in the case of the initial charge) may be paid to the General Adviser and Distributor for its services.

* You should note that such fees and charges may be increased, up to a specified permitted maximum, by giving affected shareholders at least one month's prior notice. For details please refer to Section 6.6 and Section 7 of Part I of the Prospectus.

Additional information

- Only Class AA Shares will be available to retail investors in Hong Kong.
- The Fund offers daily dealing. Please refer to the Prospectus for details.
- Applications for subscription and redemption must be received by either Manulife Investment Management (Hong Kong) Limited on or before 4:00 p.m. (Hong Kong time) or by Citibank Europe plc, Luxembourg Branch on or before 1:00 p.m. (Luxembourg time), on each dealing day. Applications received after the relevant cut-off times will be processed on the next dealing day.
- Orders placed through distributors may be subject to different procedures from those described above. Investors should consult their distributors before placing any orders.
- The NAV is calculated and published daily at www.manulifefunds.com.hk[◊].

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

[◊] This website has not been reviewed by the SFC.