

PRODUCT KEY FACTS

Manulife Advanced Fund SPC - U.S. Bank Equity Segregated Portfolio (the “Fund”)

Investment Manager:
Manulife Investment Management (Hong Kong) Limited

April 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.*

Quick facts

Investment Manager:	Manulife Investment Management (Hong Kong) Limited
Sub-Investment Manager:	Manulife Investment Management (US) LLC (in the United States, internal delegation)
Custodian and Paying Agent:	Citibank Europe plc, Luxembourg Branch
Dealing Frequency:	Daily
Base Currency:	USD
Ongoing Charges over a Year**:	Class AA (USD) Inc: 1.89%¹ Class AA (HKD) Inc: 1.90%¹
Dividend Policy:	Currently on a semi-annual basis, subject to the Investment Manager's discretion. The Fund may at its discretion pay dividend out of capital or gross income of the relevant Class of the Fund while charging/paying all or part of the relevant Class' fees and expenses to/out of the capital of the relevant Class of the Fund, effectively resulting in an increase in net distributable income for the payment of dividends by the Fund. In such cases, the Fund effectively pays dividend out of capital. Any such distributions out of capital and/or effectively out of capital may result in an immediate reduction of the NAV per Share of the relevant Class after the distribution date.
Financial Year End of the Fund:	30 June

** 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 This figure is based on the expenses for the period from 1 January 2021 to 31 December 2021.

Minimum Initial Investment:	Class AA (USD) Inc: HKD20,000[#] (or the equivalent in any other Major Currencies^Δ) Class AA (HKD) Inc: HKD20,000[#] (or the equivalent in any other Major Currencies^Δ)
Minimum Holding:	Same as above
Minimum Subsequent Investment:	Class AA (USD) Inc: HKD1,000[#] (or the equivalent in any other Major Currencies^Δ) Class AA (HKD) Inc: HKD1,000[#] (or the equivalent in any other Major Currencies^Δ)
Minimum Redemption Amount:	Same as above

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.

Objective and Investment Strategy

Objective

The investment objective of the Fund is to achieve medium to long term growth of capital primarily through investing in equities (such as common, preferred and convertible preferred stocks) and equity-related investments (such as depositary receipts and exchange traded funds (“ETF”)), of U.S. banks (including regional banks, commercial banks, industrial banks, savings and loan associations and bank holding companies incorporated in the United States of America and/or its territories, collectively “**U.S. Banks**”).

Strategy

The Fund (i) shall invest at least 80% and up to 100% of its net assets in (a) equity securities of U.S. Banks, such as publicly traded common, preferred and convertible preferred stocks; and (b) other U.S. Banks focused equity-related investments such as American depositary receipts, European depositary receipts, global depositary receipts and ETFs; (ii) may invest up to 20% of its net assets in equity securities of other U.S. and foreign financial services companies and/or in cash, short term securities and money markets instruments such as bank deposits, certificates of deposits, discount notes, treasury and agency debt, or collateralised and/or securitised products (such as asset backed commercial paper); and (iii) may invest up to 5% of its net assets in equity securities of companies outside the financial services sector. Due to the nature of the U.S. Banks equity securities markets, it is expected that under normal market conditions, investments in equities of small- and mid-capitalisation companies would typically comprise between 30% and 75% of the Fund’s net assets.

In times of extreme market volatility or during severe adverse market conditions, the Investment Manager may temporarily hold a substantial portion (up to 100%) 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.

The Fund will not invest in any financial derivatives instruments (either for hedging or non-hedging purposes), structured deposits, or structured products.

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

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

The Investment Manager does not currently intend to enter into any short selling, securities lending, repurchase or reverse repurchase transactions in respect of the Fund. Should this policy change, (unless otherwise agreed with the SFC) the SFC's prior approval will be obtained and you will be given at least one month's prior notice.

Use of derivatives / investment in derivatives

The Fund will not use financial derivative instruments for any purposes.

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. Concentration Risk

- The Fund's investments are concentrated in U.S. Bank securities. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the U.S. Bank market.

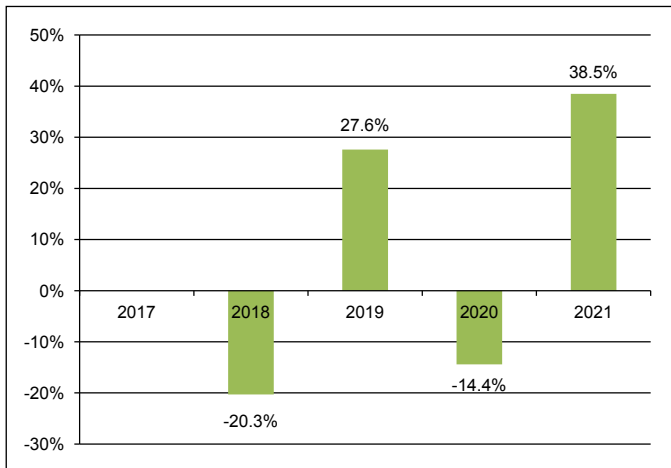
3. Equity Market Risk

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

4. Risks Associated with Payment of Dividends, Fees And/or Expenses Out of Capital And/or Effectively Out of Capital

- The Fund may at its discretion pay dividend out of capital or gross income while charging / paying all or part of the Fund's fees and expenses out of the capital of the Fund, resulting in an increase in net distributable income for the payment of dividends by the Fund. Therefore, the Fund may effectively pay dividend out of capital. Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the NAV per Share in respect of the relevant Class after the distribution date.

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 (USD) Inc[^] 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.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 6 June 2017
- Class AA (USD) Inc[^] launch date: 6 June 2017

[^] This share class has been designated, for the purposes of this statement, as the representative share class of the Fund as USD is the base currency of the Fund. 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 Class AA (USD) Inc and Class AA (HKD) Inc Shares of the Fund. Only these Classes of the Fund will be offered to the retail investors in Hong Kong.

Fee	What you pay
Subscription fee (initial charge) ^{##}	Currently up to 5% of the NAV per Share. The Directors reserve the right to charge up to the specified permitted maximum of 6% of the NAV per Share
Switching charge	Up to 1% of the NAV of the Shares being switched
Redemption charge	There is currently no redemption charge

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	Currently 1.50% ^{##}
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 any of the Class AA (USD) Inc and Class AA (HKD) Inc 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 may be increased up to a specified permitted maximum by giving affected shareholders at least one month's prior notice.

Additional information

- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months (“**Dividend Composition Information**”) are available from the General Adviser and Distributor, Manulife Investment Management (Hong Kong) Limited, on request and at www.manulifefunds.com.hk[◇].
- Applications for subscription and redemption must be received by either Manulife Investment Management (Hong Kong) Ltd 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 of Class AA (USD) Inc and Class AA (HKD) Inc Shares of the Fund are 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.