

Manulife Global Fund 宏利環球基金

Product Key Facts
產品資料概要

PRODUCT KEY FACTS

Manulife Global Fund

Sustainable Asia Bond Fund
July 2022

- *This statement provides you with key information about Manulife Global Fund – Sustainable Asia Bond Fund.*
- *This statement is a part of the Hong Kong Offering Document.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Management Company:	Manulife Investment Management (Ireland) Limited	
Investment Manager:	Manulife Investment Management (Hong Kong) Limited (internal delegation, Hong Kong)	
Sub-Investment Manager:	Manulife Investment Management (Singapore) Pte. Ltd. (internal delegation, Singapore)	
Depository:	Citibank Europe plc, Luxembourg Branch	
Dealing frequency:	Daily	
Ongoing charges over a year [#] :	Class AA Acc	1.26% ¹
	Class AA (USD) MDIST (G)	1.25% ¹
	Class AA (HKD) Acc	1.26% ²
	Class AA (HKD) MDIST (G)	1.26% ²
	Class AA (AUD Hedged) MDIST (G)	1.25% ¹
	Class AA (GBP Hedged) MDIST (G)	1.26% ²
	Class AA (RMB Hedged) MDIST (G)	1.26% ²
Base currency:	USD	
Currency of denomination:	<u>Class</u>	<u>Currency</u>
	AA Acc / AA (USD) MDIST (G)	USD
	AA (HKD) Acc / AA (HKD) MDIST (G)	HKD
	AA (AUD Hedged) MDIST (G)	AUD
	AA (GBP Hedged) MDIST (G)	GBP
	AA (RMB Hedged) MDIST (G)	RMB
Dividend policy:	<u>Class AA Acc / AA (HKD) Acc</u>	
(Distribution policy)	No dividends will be paid in respect of this Class.	

Classes AA (USD) MDIST (G) / AA (HKD) MDIST (G) / AA (AUD Hedged) MDIST (G) / AA (GBP Hedged) MDIST (G) / AA (RMB Hedged) MDIST (G)

Dividends (if any) will be paid monthly (Dividends will automatically be paid in cash unless indicated otherwise. Cash dividend is only available if the payable amount with respect to each account of the Sub-Fund is US\$50 or more.) Dividends may be paid out of capital and, if so, may immediately reduce the Sub-Fund's net asset value. With respect to Class AA (AUD Hedged) MDIST (G), Class AA (GBP Hedged) MDIST (G) and Class AA (RMB Hedged) MDIST (G), dividends may be paid from the interest rate differential between the currency in which the share class is denominated and the base currency of the Sub-Fund.

Financial year end: 30 June

Minimum investment: **Initial – US\$1,000 (or the equivalent in any other major currency)**
 Subsequent – US\$100 (or the equivalent in any other major currency)

The ongoing charges 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.

² As the share class has been launched for less than a year, this figure is estimated on the basis of the expenses of Class AA Acc Shares of the Sub-Fund as at 31 Dec 2021.

What is this product?

Sustainable Asia Bond Fund is a Sub-Fund of Manulife Global Fund, which is an umbrella fund constituted as an open-ended investment company. It is domiciled in Luxembourg. The home regulator is Commission de Surveillance du Secteur Financier ("**CSSF**").

Objective and Investment Strategy

The Sustainable Asia Bond Fund aims to maximize total returns from a combination of income generation and potential capital appreciation by investing primarily in a portfolio of fixed income securities issued by governments, agencies, supranationals and corporations in Asia (which shall include Australia and New Zealand).

To meet its objective, the Sub-Fund will invest at least 85% of its net assets in USD-denominated fixed income and fixed income-related securities of companies domiciled in, traded in and/or with substantial business interests in Asia and/or governments and government-related issuers located in Asia, who demonstrate strong or improving sustainability attributes. Such investments may include USD-denominated debt securities that are issued or guaranteed by governments, agencies, supra-nationals and corporate issuers incorporated in Mainland China but which are issued and distributed outside Mainland China. The Sub-Fund may invest up to 10% of its net assets in RMB-denominated debt securities that are circulated in the CIBM via Bond Connect.

Sustainability attributes 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 ("**ESG**"). Issuers with improving sustainability attributes are those that demonstrate awareness and commitment to ESG issues, while issuers with strong sustainability attributes are those that demonstrate stronger performance on and management of ESG issues compared to their peers. In order to select securities of issuers with strong or improving sustainability attributes, the Investment Manager will (i) adhere to an exclusion framework; (ii) screen out securities with the lowest ESG rankings; and (iii) select securities that have higher ESG rankings (see below).

The Sub-Fund shall adhere to an exclusion framework where certain issuers are removed from the permissible investment universe. This includes screening out issuers, where possible, who are considered by third party data providers to be in violation of the Ten Principles of the United Nations Global Compact. This also includes issuers with products or within industries that are considered by the Investment Manager to be unsustainable or associated with significant environmental or social risks. These may be updated from time to time depending on the assessment of each product or industry against the abovementioned principles, but currently issuers deriving more than 5% of revenue from alcohol, tobacco, gambling operations, adult entertainment, thermal coal production, conventional weapons and any revenue from controversial weapons are automatically eliminated from investment consideration (exclusion framework). For the avoidance of doubt, issuers which have not been assessed by third party data providers regarding their compliance with the Ten Principles of the United Nations Global Compact will not be excluded from the Sub-Fund's permissible investment universe provided that they are also not issuers with the abovementioned categories of products or within the abovementioned categories of industries.

The Sub-Fund's investment process combines bottom-up fundamental credit analysis with a proprietary ESG-based methodology (outlined in the paragraphs below) which assigns ESG rankings on each potential issuer with the aim of identifying potential issuers demonstrating such strong or improving sustainability attributes.

Each potential issuer will be assigned with one of four rankings in respect of each category of environmental, social and governance, based on the Investment Manager's assessment of that issuer's performance on and management of ESG issues, in consideration of and/or in reference to a number of industry principles and standards including the principles of financial materiality as outlined by the Sustainability Accounting Standards Board (SASB). The ESG rankings will be determined and assigned by the Investment Manager using a proprietary method which aims to incorporate all relevant ESG factors, considering and processing third party ratings and scores (such as MSCI, Sustainalytics, Bloomberg, S&P Trucost, MSCI Carbon Delta, CDP, and SPOTT) together with the Investment Manager's own analysis of raw industry data (such as publicly available ESG reports, assessment reports or case studies).

Using the ESG rankings, the Investment Manager will (i) remove the lowest ranked issuers (which typically comprise approximately 10% of all potential issuers); and (ii) select issuers which are ranked above a minimum threshold determined by the Investment Manager to indicate strong or improving sustainable attributes. Selected issuers shall be included in the Sub-Fund's investment universe.

Within the primary investment strategy, the Sub-Fund will also invest a minimum of 15% of net assets in ESG themed bonds issued by companies domiciled in, traded in and/or with substantial business interests in Asia and/or governments and government-related issuers located in Asia. "ESG themed bonds" are bonds which align with a combination of one or more of the International Capital Market Association (ICMA) Green Bond Principles, ICMA Social Bond Principles and/or the ICMA Sustainability Bond Guidelines, amongst others.

The Sub-Fund may invest up to 15% of its net assets in the fixed income securities of issuers outside of Asia, who demonstrate strong or improving sustainability attributes, and/or cash and cash equivalents.

The Sub-Fund may also invest up to 10% of its net assets in collateralized and/or securitized products such as asset-backed securities and mortgage-backed securities.

The Sub-Fund may invest up to 35% of its net assets in debt securities rated below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch) or if unrated, determined to be of comparable quality.

While the Sub-Fund will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the Sub-Fund is not otherwise subject to any limitation on the portion of its net assets that may be invested in any one country or sector. Hence, the Sub-Fund may invest more than 30% of its net assets in issuers located in the PRC.

The Sub-Fund may invest up to 20% of its net assets in debt instruments with loss-absorption features, including, but not limited to, total loss-absorbing capacity eligible instruments, contingent convertible bonds, certain types of senior non-preferred debt and other similar instruments with write-down or bail-in features related to the issuers' regulatory capital ratio. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).

It is not the intention of the Sub-Fund to invest more than 10% of its net assets in securities issued, or guaranteed, by any single sovereign (including the relevant government, public or local authority) which has a credit rating that is below investment grade.

The Sub-Fund may use financial derivative instruments ("FDIs") for investment, efficient portfolio management and/or hedging purposes. The major FDIs which may be used by the Sub-Fund for such purposes include, but are not limited to, warrants, options, futures, swaps and forwards.

Use of Derivatives

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

What are the key risks?

Investment involves risks. Please refer to the Prospectus which forms part of the Hong Kong Offering Document for details including the risk factors.

1. **Investment Risk:** The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
2. **Sustainable investing risk:**

Investing primarily in investments of issuers demonstrating sustainability characteristics ("**sustainable investment**") carries the risk that, under certain market conditions, the Sub-Fund may underperform funds that do not utilize a sustainable investment strategy. The Sub-Fund focuses on sustainable investment. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The securities held by the Sub-Fund may be subject to the risk that they no longer meet the Sub-Fund's sustainability and ESG criteria after investment. The Investment Manager and/or the Sub-Investment Manager may need to dispose of such securities when it may be disadvantageous to do so. This may lead to a fall in the net asset value of the Sub-Fund.

In evaluating an issuer, the Investment Manager is reliant on information and data from external research providers that may be incomplete, inaccurate or unavailable, which could cause the Investment Manager to incorrectly assess an issuer's sustainability characteristics. In addition, there is a lack of standardized taxonomy of ESG investments.

Successful application of the Sub-Fund's sustainable investment strategy will depend on the Investment Manager's skill in properly identifying and analyzing material sustainability issues. Sustainability factors may be evaluated differently by different managers, and may mean different things to different people.

- 3. Geographical Concentration Risk:** The Sub-Fund may have the flexibility to concentrate its investments in securities of issuers located in Mainland China. The concentration of the Sub-Fund's investments in securities of issuers related to Mainland China may result in greater volatility than portfolios which comprise broad-based global investments. The value of the Sub-Fund may be more susceptible to adverse events in this region.
- 4. Mainland China Investment Risk:** Investing in the securities of issuers located in Mainland China is subject to the risks of investing in emerging markets generally as well as to specific risks relating to the Mainland China market. Investing in Mainland China-related companies involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, foreign exchange, liquidity and regulatory risk.
- 5. Political and Regulatory Risk:** Changes to government policies or legislation in the markets in which the Sub-Fund may invest may adversely affect the political or economic stability of such markets, such as preventing or limiting the repatriation of foreign capital or the availability of legal redress through the courts. Investments in certain markets may also require the procurement of a substantial number of licences, regulatory consents, certificates and approvals. The inability to obtain a particular licence, regulatory consent, certificate or approval could adversely affect the operations of the Sub-Fund.
- 6. Credit Rating and Downgrading Risk:** Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times. In any event, the credit rating of a debt security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt securities that are being downgraded.
- 7. High-Yield Bonds Risk:** The Sub-Fund may invest in higher-yielding debt securities rated below investment grade, or if unrated, determined to be of comparable quality. As such, an investment in the Sub-Fund is accompanied by a higher degree of credit, volatility and liquidity risks than high-rated debt securities.
- 8. Interest Rate Risk:** When interest rates rise on certain currencies that the debt securities are denominated in, the value of the debt securities may reduce, resulting in a lower value for the relevant portfolio.

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| 9. Credit Risk: | This refers to the risk that a debt issuer will default, by failing to repay principal and interest in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt security to decline. |
| 10. Volatility and Liquidity Risk: | The Sub-Fund may invest in securities of companies or markets that are subject to higher volatility and lower liquidity as compared with more developed companies or markets. These securities may often experience significant price volatility and potential lack of liquidity due to their low trading volume. The absence of adequate liquidity may also arise when a particular securities is difficult to sell at the desired moment during particular periods or in particular market conditions. |
| 11. Valuation Risk: | Where the valuation of the Sub-Fund's investments involves uncertainties and judgmental determination due to the difficulties in ascertaining their valuation, the calculation of the net asset value of the Sub-Fund and its Shares may be adversely affected. The Sub-Fund and its investors may suffer significant losses due to errors in valuations used by the Sub-Fund. |
| 12. Sovereign Debt Risk: | The Sub-Fund's investment in debt securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers. |
| 13. Currency Risk: | Classes of Shares may be designated in a currency other than the base currency of the Sub-Fund. The net asset value of such Classes of Shares may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls. |
| 14. Use of FDIs: | The Sub-Fund intends to use FDIs for investment, efficient portfolio management and/or hedging purposes. The use of derivatives exposes the Sub-Fund to additional risks, including: volatility risk, management risk, market risk, credit risk and liquidity risk. The eventuation of any of the above risks could have an adverse effect on the net asset value of the Sub-Fund. In adverse situations, the Sub-Fund's use of FDIs may become ineffective in investment, efficient portfolio management or hedging and the Sub-Fund may suffer significant losses. |

15. Risks relating to Dividends Paid or Effectively Paid out of Capital:

The Directors of Manulife Global Fund may, at their discretion, pay dividends out of realized capital gains, capital and/or gross income while charging all or part of their fees and expenses to capital, of the Sub-Fund in respect of Classes of Shares labelled with “MDIST (G)”. Dividends paid or effectively paid out of capital of the Sub-Fund (if any) would amount to a return or withdrawal of part of the amount of an investor’s original investment, or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of the Sub-Fund’s capital may result in an immediate decrease in the net asset value per Share of the above Classes of the Sub-Fund.

The dividends and the net asset value of each of the Classes that are hedged against a reference currency and labelled with “MDIST(G)” may also be adversely affected by the differences in the interest rates of the reference currency of such share class and the Sub-Fund’s base currency, resulting in an increase in the amount of dividends that is paid out of capital and hence a greater erosion of capital than other share classes.

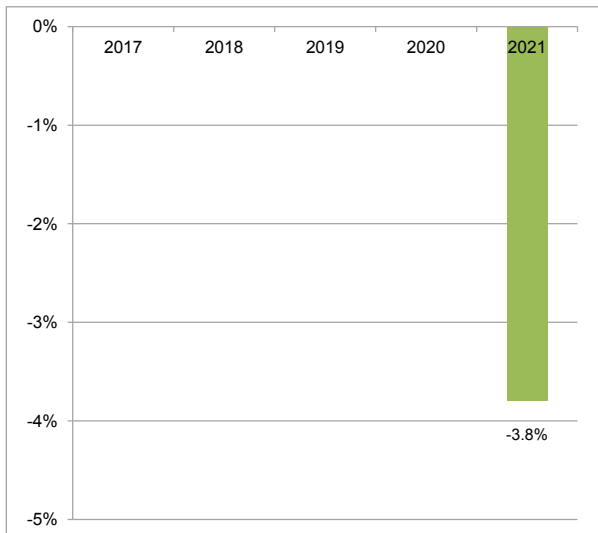
16. RMB Conversion and RMB Class(es) related Risk:

RMB is currently not a freely convertible currency. The supply of RMB and the conversion of foreign currency into RMB are subject to exchange control policies and restrictions imposed by the Mainland China authorities which could adversely impact the Sub-Fund’s ability to exchange RMB. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

As offshore RMB (CNH) will be used for the valuation of RMB denominated Class(es), CNH rate may be at a premium or discount to the exchange rate for onshore RMB (CNY) and there may be significant bid and offer spreads and thus the value of the RMB denominated Class(es) will be subject to fluctuation.

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 be subject to devaluation. Any devaluation of RMB could adversely affect the value of investors’ investments in the RMB denominated Class(es) of the Sub-Fund.

How has the Sub-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 Acc 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 investors might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 6 August 2020
- Class AA Acc[^] launch date: 6 August 2020

[^] This share class has been designated, for the purposes of this statement, as the representative share class of the Sub-Fund as it has the longest track record among the share classes of the Sub-Fund. For further information on the performance of other share classes, please refer to www.manulifefunds.com.hk. This website has not been reviewed by the Securities and Futures Commission of Hong Kong (“SFC”).

Is there any guarantee?

This Sub-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 Shares of the Sub-Fund.

Fee	What you pay
Subscription fee (Initial charge)	Up to 5% of the subscription amount
Switching fee (Switching charge)	Up to 1% of the total redemption amount
Redemption fee (Redemption charge)	N/A

Ongoing fees payable by the Sub-Fund

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

	Annual rate (as a % of the Sub-Fund's net asset value)
Management company fee	Up to 0.013%
Management fee	1.00%*
Depository fee	Ranges from 0.003% to 0.40% (excluding transaction charges and disbursements)
Performance fee	N/A
Administration fee	Up to 0.5%

* This fee may be increased up to a maximum of 6%, by giving the affected shareholders not less than three months' prior notice. Please see section 9.5 of the Prospectus for details.

Other fees

You may have to pay other fees when dealing in Shares of the Sub-Fund.

Additional Information

- You generally subscribe and redeem Class AA Acc, AA (HKD) Acc, AA (USD) MDIST (G), AA (HKD) MDIST (G), AA (AUD Hedged) MDIST (G), AA (GBP Hedged) MDIST (G) and AA (RMB Hedged) MDIST (G) Shares at the Sub-Fund's next-determined net asset value after Manulife Investment Management (Hong Kong) Limited receives your request in good order on or before 5:00 p.m. (Hong Kong time) of a Dealing Day, being the dealing cut-off time of Manulife Global Fund. Before placing your orders (subscription, switching or redemption), please check with your distributor for the distributor's internal dealing cut-off time (which may be different from Manulife Global Fund's dealing cut-off time).
- The net asset value of Class AA Acc, AA (HKD) Acc, AA (USD) MDIST (G), AA (HKD) MDIST (G), AA (AUD Hedged) MDIST (G), AA (GBP Hedged) MDIST (G) and AA (RMB Hedged) MDIST (G) Shares of this Sub-Fund is published daily at www.manulifefunds.com.hk* and are also available at the registered office of Manulife Global Fund.
- The composition of dividends (i.e. the relative amounts paid out of net distributable income and capital) (if any) paid on the Class AA (USD) MDIST (G), AA (HKD) MDIST (G), AA (AUD Hedged) MDIST (G), AA (GBP Hedged) MDIST (G) and AA (RMB Hedged) MDIST (G) Shares of the Sub-Fund for the preceding 12 months (or if the Sub-Fund was launched less than 12 months ago, since its inception) is available from Manulife Global Fund upon request as well as on the website www.manulifefunds.com.hk*.

* This website has not been reviewed by the SFC and may contain information on funds not authorized by the SFC.

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.

III **Manulife** Investment Management
宏利投資管理