

Manulife Hong Kong Series 宏利香港系列

Product Key Facts
產品資料概要

PRODUCT KEY FACTS

Manulife Hong Kong Series (the “Series”) – Manulife Global Multi-Asset Diversified Income Fund (the “Fund”)

Manager: Manulife Investment Management (Hong Kong) Limited

July 2022

- *This statement provides you with key information about the Fund.*
- *This statement forms part of the offering document and must be read in conjunction with the Prospectus of the Series, as amended and supplemented from time to time.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Manager:	Manulife Investment Management (Hong Kong) Limited
Trustee:	BOCI-Prudential Trustee Limited
Dealing frequency:	Daily
Base Currency:	USD
Distribution policy:	<u>Class AA (USD) Acc / Class AA (HKD) Acc / Class AA (RMB) Acc / Class AA (RMB) Acc Hedged</u> No distribution will be paid. <u>Class AA (USD) Inc / Class AA (HKD) Inc / Class AA (RMB) Inc / Class AA (RMB) Inc Hedged</u> Currently on a monthly basis, subject to the Manager’s discretion. Distributions may be paid out of the capital or effectively paid out of capital of the Fund. Any such distributions may result in an immediate reduction of the net asset value (“NAV”) per unit of the Fund.
Ongoing charges over a year[#]:	Class AA (USD) Acc: 2.50% Class AA (USD) Inc: 2.50% Class AA (HKD) Acc: 2.50% Class AA (HKD) Inc: 2.50% Class AA (RMB) Acc: 2.50% Class AA (RMB) Inc: 2.50% Class AA (RMB) Acc Hedged: 2.50% Class AA (RMB) Inc Hedged: 2.50%
Financial year end of the Fund:	30 June

[#] The ongoing charges figure is an estimate only as the Fund is newly established. It represents the sum of the estimated ongoing expenses chargeable to the relevant Class of the Fund expressed as a percentage of the estimated average NAV of the relevant Class of the Fund. The actual figure may be different upon actual operation of the Fund and the figure may vary from year to year. In any event, for the first 24 months from the launch date of the Fund, the ongoing charges will be capped at 2.50% of the average net asset value of the relevant Class of the Fund. Any ongoing expenses in excess of such cap will be borne by the Manager.

Minimum Initial Subscription*[▲]:	Class AA (USD) Acc: US\$2,500 Class AA (USD) Inc: US\$2,500 Class AA (HKD) Acc: HK\$20,000 Class AA (HKD) Inc: HK\$20,000 Class AA (RMB) Acc: RMB20,000 Class AA (RMB) Inc: RMB20,000 Class AA (RMB) Acc Hedged: RMB20,000 Class AA (RMB) Inc Hedged: RMB20,000
Minimum Holding*[▲]:	Same as above under Minimum Initial Subscription
Minimum Subsequent Subscription*[▲]:	Class AA (USD) Acc: US\$125 Class AA (USD) Inc: US\$125 Class AA (HKD) Acc: HK\$1,000 Class AA (HKD) Inc: HK\$1,000 Class AA (RMB) Acc: RMB1,000 Class AA (RMB) Inc: RMB1,000 Class AA (RMB) Acc Hedged: RMB1,000 Class AA (RMB) Inc Hedged: RMB1,000
Minimum Redemption*[▲]:	Same as above under Minimum Subsequent Subscription

What is this product?

- The Fund is a sub-fund of Manulife Hong Kong Series which is an open-ended umbrella unit trust established under the laws of Hong Kong by a trust deed dated 3 July 2015. The Fund is a feeder fund authorised under Chapter 7 of the Code on Unit Trusts and Mutual Funds that invests 90% or more of its total net assets in the Master Fund (as defined below).

Investment Objective and Policies

Objective

The investment objective of the Fund is to achieve income generation, through investing in the Global Multi-Asset Diversified Income Fund (the “**Master Fund**”), a sub-fund of Manulife Global Fund, which is an umbrella fund constituted as an open-ended investment company domiciled in Luxembourg. The home regulator of the Master Fund is the Commission de Surveillance du Secteur Financier. The Master Fund is authorised by the SFC.

The investment objective of the Master Fund is to achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securities of companies and/or governments (which include agencies and supra-nationals in respect of fixed income and fixed income-related securities) globally (including emerging markets from time to time).

The investment manager of the Master Fund is Manulife Investment Management (US) LLC (the “**Master Fund IM**”), and the co-sub investment managers of the Master Fund are Manulife Investment Management (Europe) Limited and Manulife Investment Management (Hong Kong) Limited.

* or such other amount as may be determined by the Manager at its sole discretion.

▲ or the equivalent in any other Major Currency being USD, Pound Sterling, Swiss Francs, Euro, Japanese Yen, HKD, Canadian Dollars, Australian Dollars or Singapore Dollars.

Policies

The Fund

The Fund invests all or substantially all of its assets (i.e. 90% or more of its total net assets) in the Master Fund.

The Fund will not have direct investments other than cash, cash equivalents and financial derivative instruments (“**FDIs**”) (such as futures, options and forwards). The Fund may directly invest in FDIs for hedging purposes only but not for investment purposes.

The Master Fund

To meet the Master Fund’s objective, the Master Fund will invest at least 70% of its net assets in equity and equity-related securities (which are listed on any regulated market), fixed income and fixed income-related securities of companies and/or governments (which include agencies and supra-nationals in respect of fixed income and fixed income-related securities) located across the globe. The remaining assets of the Master Fund may be invested in cash and/or cash equivalents.

Equity and equity-related securities may include common stocks, preferred stocks, depositary receipts and listed closed-ended real estate investment trusts. The Master Fund may also invest up to 10% of its net assets in UCITS (undertaking for collective investment in transferable securities) and UCIs (undertaking for collective investment). Fixed income and fixed income-related securities include but are not limited to bonds (including inflation-linked and convertible bonds), floating rate securities, commercial paper, short-term bills, certificate of deposits and negotiated term deposits, and may be issued by governments, agencies, supra-nationals and companies.

The Master Fund will actively allocate investment between equities and equity-related securities, fixed income and fixed income-related securities and cash and cash equivalents to achieve its objective. The asset allocation of the Master Fund will change according to the Master Fund IM’s views of fundamental economic and market conditions and investment trends across the world, taking into consideration factors such as liquidity, costs, timing, relative attractiveness of individual securities and issuers available in the market. The Master Fund’s expected asset allocation ranges for each asset class is expected to be the following (as percentage of its net assets):

Global equities and equity-related securities: 10-90%

Global fixed Income and fixed income-related securities: 10-90%

Cash and/or cash equivalents: 0-30% (up to 40% during adverse market conditions, as further described below)

In addition to the Master Fund IM’s active asset allocation strategy, the Master Fund will also perform active security selection for its investments in equities and equity-related securities and fixed income and fixed income-related securities. For the fixed income and fixed income-related securities portfolio, the Master Fund intends to focus on securities that will enhance income generation. For the equities/equity-related securities portfolio, the Master Fund intends to focus on companies that are able to enhance income generation as well as potentially generate capital growth over the medium to long term.

The Master Fund may invest (up to 90% of its net assets) in higher-yielding debt securities rated below investment grade (i.e. below Baa3 by Moody’s or BBB- by Standard & Poor’s or Fitch) or unrated debt securities. For these purposes, an unrated debt security means a debt security which neither the debt security itself nor its issuer has a credit rating. The Master Fund may also invest up to 20% of its net assets in collateralized and/or securitized products, such as asset backed securities and mortgage backed securities.

The Master Fund may invest up to 5% 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 Master Fund to invest more than 10% of its net assets in higher-yielding 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 (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch).

The Master Fund may engage in exchange-traded or over-the-counter FDIs for the purpose of investment, hedging and/or efficient portfolio management, consistent with the risk profile of the Master Fund. These may include, but are not limited to, currency forwards, non-deliverable forwards, currency options, currency swaps, interest rate options, interest rate swaps, interest rate futures and equity and equity index options. The Master Fund may employ currency management and hedging techniques to hedge the currency exposure on the Master Fund's portfolio.

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

While the Master Fund will invest in accordance with the above investment objectives and strategies, the Master Fund is not subject to any limitation on the portion of its net assets that may be invested in any one country or region and in issuers of any market capitalisation. Given the flexibility available to the Master Fund, the Master Fund may invest more than 30% of its net assets in issuers located in the United States. The Master Fund's investments may be denominated in any currency.

Use of derivatives / investment in derivatives

The Fund's net derivative exposure may be up to 50% of the Fund's NAV.

What are the key risks?

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

Risks relating to the Fund

1. General 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. There is no guarantee of the repayment of principal.

2. Risks of investing in the Master Fund

- The Fund is established as a feeder fund which invests all or substantially all of its assets in the Master Fund. As such, the Fund may therefore be subject to the risks associated with the Master Fund. The Fund does not have control of the investments of the Master Fund.
- The Fund and its unitholders may be adversely affected by the suspension of dealing in the Master Fund. In these circumstances, the Fund's request for redemption from the Master Fund may be delayed or suspended. Consequently, the Fund may experience difficulties and/or delays in satisfying redemption requests from the unitholders.

- In addition to the expenses and charges charged by the Fund, investor should note that there are additional fees involved when investing into the Master Fund, including fees and expenses charged by service providers of the Master Fund. There can be no assurance that 1) the liquidity of the Master Fund will always be sufficient to meet redemption request as and when made; and 2) investment objective and strategy of the Master Fund will be successfully achieved. These factors may have adverse impact on the Fund and its investors.

3. RMB class(es) related risk

- When calculating the value of the RMB denominated class(es), offshore RMB (“**CNH**”) will be used. The 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. The value of the RMB denominated class(es) thus calculated will be subject to fluctuation.
- Non-RMB based (e.g. Hong Kong) investors may have to convert HKD or other currencies into RMB when investing in the RMB denominated class(es). Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the Units) and RMB distributions received (if any) back to HKD or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against HKD or such other currencies upon receipt of the RMB redemption proceeds and/or RMB distributions (if any).
- For hedged RMB denominated class(es), investors have to bear the associated hedging costs which may be significant depending on prevailing market conditions. If the counterparties of the instruments used for hedging purpose default, investors of the hedged RMB denominated class(es) may be exposed to RMB currency exchange risk on an unhedged basis and in which case investors may be subject to the risks of investing in RMB denominated class(es) on an unhedged basis as outlined in the paragraph above. There is no guarantee that the hedging strategy will be effective. Also, hedging will limit the hedged RMB denominated class(es) from benefiting from any potential gain resulting from the appreciation of the base currency against RMB.
- Furthermore, under the scenario where RMB appreciates against the currencies of the underlying investments and/or the base currency of the Fund (i.e. USD), and the value of the underlying investments decreased, the value of investors' investments in (any hedged or unhedged) RMB denominated class(es) may suffer additional losses.

4. RMB currency and conversion risks

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 investor's investment in the Fund.

Although CNH and CNY are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemption requests and/or distributions in RMB (if any) from the RMB class(es) may be delayed due to the exchange controls and restrictions applicable to RMB.

5. Distribution risk

- In respect of the Class AA (USD) Inc, Class AA (HKD) Inc, Class AA (RMB) Inc and Class AA (RMB) Inc Hedged Units, investors should note that the payment of distributions out of capital and/or effectively of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that original investments. Distributions will result in an immediate decrease in the NAV per unit of the relevant units.
- The distribution amount and NAV of the Class AA (RMB) Inc Hedged Units may be adversely affected by differences in the interest rates of the currency of denomination of Class AA (RMB) Inc Hedged Units and the Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged unit classes.

Risks relating to both the Fund and the Master Fund**6. Currency and foreign exchange risk**

- Underlying investments of the Master Fund may be denominated in currencies other than the base currency of the Master Fund. Also, a class of shares of the Master Fund or class of units of the Fund may be designated in a currency other than the base currency of the Master Fund or the Fund. The net asset value of the Master Fund and 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.

7. Derivative risk

- Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a FDI can result in a loss significantly greater than the amount invested in the FDIs by the Master Fund. Exposure to FDIs may lead to a high risk of significant loss by the Fund and the Master Fund.

Risks relating to the Master Fund**8. Risk relating to active asset allocation strategy**

- The performance of the Master Fund (and thus the Fund) is partially dependent on the success of the asset allocation strategy employed by the Master Fund, which may not achieve the desired results under all circumstances and market conditions. The investments of the Master Fund may be periodically rebalanced and therefore the Master Fund may incur greater transaction costs than a fund with static allocation strategy.

9. Equity market risk

- The Master 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, political and economic conditions and issuer-specific factors.

10. Risks relating to debt securities

- *Credit risk*

The Master Fund is exposed to the credit/insolvency risk of issuers of the debt securities that it may invest in.

- *Credit ratings 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.

- *Credit rating downgrading risk*

The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Master Fund may be adversely affected. The investment manager of the Master Fund may or may not dispose of the debt securities that are being downgraded.

- *Below investment grade and unrated securities risk*

The Master Fund may invest in debt securities which are below investment grade or which are unrated. Such securities would generally be considered to have a higher degree of counterparty risk, credit risk and liquidity risk than higher rated, lower yielding securities and may be subject to greater fluctuation in value and higher chance of default. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses.

- *Interest rates risk*

Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. If the debt securities held by the Master Fund fall in value, the Master Fund's value will also be adversely affected.

- *Valuation risk*

Where the valuation of the Master 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 Master Fund and its shares may be adversely affected. The Master Fund and its investors may suffer significant losses due to errors in valuation used by the Master Fund.

- *Sovereign debt risk*

The Master Fund's investment to 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 Master Fund to participate in restructuring such debts. The Master Fund may suffer significant losses when there is a default of sovereign debt issuers.

11. Emerging markets risks

- The Master Fund may be exposed to emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

12. Political and regulatory risk

- Changes to government policies or legislation in the markets in which the Master 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 Master Fund.

13. Volatility and Liquidity risk

- Some of the markets or securities in which the Master Fund invest may be less liquid and more volatile. These securities may often experience significant price volatility and potential lack of liquidity due to their low trading volume. Certain securities may be difficult or impossible to sell, and this would affect the Master Fund's ability to acquire or dispose of such securities at their intrinsic value. As a result, this may affect the value of the Master Fund and in turn have adverse impact on the Fund and its investors.

14. Geographical concentration risk

- The Master Fund may have the flexibility to concentrate its investments in issuers located in the United States. In such circumstances, the Master Fund may be subject to higher concentration risks and the net asset value per unit of the Master Fund may be more volatile than a more diversified portfolio as the Master Fund will be more susceptible to fluctuations in value resulting from adverse conditions, such as economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events, in the United States.

How has the Fund performed?

There is insufficient data to provide a useful indication of past performance to investors as the Fund is newly established for less than a full calendar year.

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 units of the Fund.

Fee	What you pay
Initial charge (% of initial offer price or NAV per unit)	Up to 5%*
Switching fee (% of NAV per unit of units switched)	Up to 1%
Redemption charge (% of NAV per unit)	Nil

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.

	The Fund (as a % p.a. of the Fund's NAV)	Annual rate The Master Fund (as a % p.a. of the Master Fund's NAV)	Aggregate fees (as a % p.a. of the Fund's NAV)
Management company fee	Not applicable	Up to 0.013%	Up to 0.013%
Management fee	1.50%	0%	1.50%
	Up to 0.50%, subject to a monthly minimum fee of US\$3,000 per fund (to be waived for the first year of launch of the Fund)		Up to 0.50%, subject to a monthly minimum fee of US\$3,000 per fund (to be waived for the first year of launch of the Fund)
Trustee fee		Not applicable	
		Ranges from 0.003% to 0.40% (excluding transaction charges and disbursements)	Ranges from 0.003% to 0.40% (excluding transaction charges and disbursements)
Depository fee	Not applicable		
Custodian fee	Up to 0.08% [#]	Not applicable	Up to 0.08% [#]
Performance fee	N/A	N/A	N/A
Administration fee	N/A	Up to 0.5%	Up to 0.5%

Other fees

You may have to pay other fees when dealing in any of the units of the Fund.

* You should note that such fees may be increased up to a specified permitted maximum by giving affected unitholders at least one month's prior notice. For details please refer to the section headed "Fees and Expenses" and Appendix B of the Prospectus.

[#] The Custodian charges the Custodian / safe-keeping fees at different rates, depending on the markets where assets of the Fund are held, and is also entitled to transaction fees.

Additional information

- In respect of Class AA (USD) Inc, Class AA (HKD) Inc, Class AA (RMB) Inc and Class AA (RMB) Inc Hedged Units, the composition of the distributions (i.e. the percentages of distribution being made out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website <http://www.manulifefunds.com.hk> (this website has not been reviewed by the SFC).
- You generally buy and redeem units offered at the Fund's next-determined NAV after the Manager or the distributor receives your request before 4:00 p.m. (Hong Kong time, for investors in Hong Kong) on the relevant dealing day, which is generally every business day.
- Orders placed through intermediaries may be subject to different procedures from those described above. Investors should consult their intermediaries before placing any orders.
- The NAV per unit for each Class AA unit of the Fund is calculated on each dealing day and published on each dealing day on the Manager's website <http://www.manulifefunds.com.hk> (this website has not been reviewed 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