

# Manulife Global Fund 宏利環球基金

Product Key Facts  
產品資料概要

# PRODUCT KEY FACTS

Manulife Global Fund

China Total Return Bond Fund  
July 2022

- *This statement provides you with key information about Manulife Global Fund – China Total Return 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)	
Depository:	Citibank Europe plc, Luxembourg Branch	
Dealing frequency:	Daily	
Ongoing charges over a year <sup>#</sup> :	Class AA	1.43% <sup>1</sup>
	Class AA Acc	1.43% <sup>2</sup>
	Class AA Inc	1.41% <sup>1</sup>
	Class AA (USD) MDIST (G)	1.38% <sup>1</sup>
	Class AA (AUD Hedged)	1.38% <sup>1</sup>
	Class AA (AUD Hedged) Inc	1.43% <sup>2</sup>
	Class AA (AUD Hedged) MDIST (G)	1.38% <sup>1</sup>
	Class AA (CAD Hedged)	1.43% <sup>2</sup>
	Class AA (CAD Hedged) Inc	1.43% <sup>2</sup>
	Class AA (CAD Hedged) MDIST (G)	1.43% <sup>2</sup>
	Class AA (HKD)	1.38% <sup>1</sup>
	Class AA (HKD) Inc	1.38% <sup>1</sup>
	Class AA (HKD) MDIST (G)	1.38% <sup>1</sup>
Base currency:	USD	
Currency of denomination:	<u>Class</u>	<u>Currency</u>
	AA / AA Acc / AA Inc / AA (USD) MDIST (G)	USD
	AA (AUD Hedged) / AA (AUD Hedged) Inc / AA (AUD Hedged) MDIST (G)	AUD
	AA (CAD Hedged) / AA (CAD Hedged) Inc / AA (CAD Hedged) MDIST (G)	CAD
	AA (HKD) / AA (HKD) Inc / AA (HKD) MDIST (G)	HKD
	Classes AA / AA (AUD Hedged) / AA (CAD Hedged) / AA (HKD)	
Dividend policy: (Distribution policy)	Dividends (if any) will be paid annually (Dividends will automatically be reinvested 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.)	
	<u>Classes AA Inc / AA (USD) MDIST (G) / AA (AUD Hedged) Inc / AA (AUD Hedged) MDIST (G) / AA (CAD Hedged) Inc / AA (CAD Hedged) MDIST (G) / AA (HKD) Inc / AA (HKD) MDIST (G)</u>	
	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 or effectively paid out of capital and, if so, may immediately reduce the Sub-Fund's net asset value. With respect to Class AA (AUD Hedged) Inc, Class AA (CAD Hedged) Inc, Class AA (AUD Hedged) MDIST (G) and Class AA (CAD 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.	
	<u>Class AA Acc</u>	
	No distribution will be paid.	

**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.

<sup>1</sup> The Management Fee applicable to Class AA Shares changed from 1.25% to 1.00% per annum of the Sub Fund's net asset value on 30 June 2021, this figure is estimated on the basis of the sum of the current ongoing charges the 12 month period ending 31 December 2021 expressed as a percentage of the sum of the average net asset values over the same period, as adjusted for the revised Management Fee as from 30 June 2021. This figure may vary from year to year.

<sup>2</sup> As the first issue of Shares of the share class has not yet occurred at the time of publication of this statement, this figure is estimated on the basis of the expenses of Class AA Shares of the Sub-Fund.

## What is this product?

China Total Return 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

China Total Return Bond Fund aims to maximize total returns through a combination of income generation and capital appreciation by investing primarily in RMB-denominated debt securities listed or traded in Mainland China and the offshore RMB market, and/or USD-denominated debt securities issued and distributed outside of Mainland China by issuers with substantial business interests in Mainland China.

The Sub-Fund invests at least 70% of its net assets in: (a) RMB-denominated debt securities that are listed or traded in Mainland China and/or outside of Mainland China (typically, dim sum bonds), and/or (b) USD-denominated debt securities issued and distributed outside of Mainland China by issuers with substantial business interests in Mainland China. As part of the above investments, the Sub-Fund may invest less than 30% of its net assets in RMB-denominated debt securities that are circulated in the China interbank bond market via Bond Connect, and up to 20% of its net assets in urban investment bonds (城投債), which are debt instruments issued by local government financial vehicles ("**LGFVs**") and circulated in the China interbank bond market. LGFVs are separate legal entities established by local governments and / or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may invest up to 30% of its net assets in other debt securities not covered above, and/or cash, cash equivalents and money market instruments.

Debt securities include but are not limited to bonds, commercial paper, short-term bills, certificate of deposits and negotiated term deposits, and may be issued by governments, agencies, supra-nationals and corporate issuers.

The Sub-Fund may invest (up to 50% of its net assets) in higher-yielding debt securities rated lower than investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch, or BB+ or below by a PRC credit rating agency), or if unrated\*, their equivalent. As such, an investment in this Sub-Fund is accompanied by a higher degree of credit risk. The Sub-Fund may also invest up to 20% of its net assets in collateralised and/or securitized products such as asset backed securities and mortgage backed securities.

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 any of Mainland China, Hong Kong and Macau.

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 (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch).

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).

In times of extreme market volatility or during severe adverse market conditions, the Sub-Fund may temporarily hold a substantial portion (up to 50%) of the Sub-Fund's net 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 Sub-Fund.

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, futures, options, forwards and other derivative instruments or contracts.

\* For the purpose of this Sub-Fund, "unrated" debt securities refer to debt securities in respect of which neither the securities nor their issuer has a credit rating.

## 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.**

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| <b>1. Investment Risk:</b>                | 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.   |
| <b>2. Mainland China Investment Risk:</b> | Investing in the securities markets 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. |

**3. Mainland China Tax Risk:**

Onshore PRC debt securities are subject to PRC taxes, including withholding income tax on dividends and distributions. The State Administration of Taxation has not issued any specific tax regulations in relation to Bond Connect, and thus the current PRC tax regulations and market practice should be referenced. Based on professional and independent tax advice received, the Investment Manager of the Sub-Fund does not currently make any tax provision in respect of any potential PRC tax; however, the Investment Manager reserves the right to do so when it thinks appropriate. The tax laws, regulations and practice in Mainland China are constantly changing, and they may be changed with retrospective effect. In this connection, the Sub-Fund may be subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. The income from and/or the value of the relevant investments in the Sub-Fund may be reduced by any of those changes.

**4. Investments via Bond Connect:**

Investing in the China interbank bond market via Bond Connect is subject to regulatory risks and other risks such as volatility risk, liquidity risk, settlement and counterparty risk, and risks typically applicable to debt securities. Bond Connect is a new programme. The applicable rules and regulations are untested and are subject to change from time to time. There can be no assurance that the Bond Connect will not be restricted, suspended or abolished. In the event that the relevant PRC authorities suspend account opening or trading on the China interbank bond market, the Sub-Fund's ability to invest in the China interbank bond market will be adversely affected. Further, there can be no assurance that the trading platforms and operational systems of Bond Connect will function properly. Bonds acquired through Bond Connect are held under a nominee arrangement. How a beneficial owner (such as the Sub-Fund) of the relevant bonds exercises and enforces its rights over such securities in the courts in China is yet to be tested. The Sub-Fund may suffer significant losses when there is any failure or default in relation to investments under Bond Connect.

**5. Risks Associated with Investments in "dim sum" bonds:**

The dim sum bond (i.e. RMB-denominated debt securities that are listed or traded outside of Mainland China) market remains to be a relatively small market and is more susceptible to volatility and illiquidity. As a result, it may be difficult to ascertain the valuation of dim sum bonds. Further, if the PRC regulators promulgate any new laws, regulations or administrative measures that limit or restrict the ability of issuers to raise Renminbi by way of dim sum bond issuances and/or reverse or suspend of the liberalisation of the offshore Renminbi market, the operation of the dim sum bond market and new issuances of such bonds could be adversely affected. The Sub-Fund may suffer significant losses due to these risks.

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| <b>6. Valuation Risk:</b>                      | 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.   |
| <b>7. Interest Rate Risk:</b>                  | When interest rates rise on certain currencies that the bonds are denominated in, the value of the bonds may reduce, resulting in a lower value for the relevant portfolio.  |
| <b>8. Credit Risk:</b>                         | 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 bond to decline.   |
| <b>9. Currency Risk:</b>                       | The Sub-Fund's assets may be invested primarily in securities denominated in currencies other than U.S. Dollars and the Sub-Fund may receive income or realization proceeds from these investments in those currencies, some of which may fall in value against U.S. Dollars. Also, a class of Shares may be designated in a currency other than the base currency of the Sub-Fund and Shareholders of such classes of Shares may be affected unfavourably by fluctuations in the exchange rates between such designated currency and the base currency of the Sub-Fund. |
| <b>10. Volatility and Liquidity Risk:</b>      | The debt securities in the PRC market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.   |
| <b>11. High-Yield Bonds Risk:</b>              | The Sub-Fund may invest in higher-yielding debt securities rated lower than investment grade, or if unrated, their equivalent. 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.   |
| <b>12. Sovereign Debt Risk:</b>                | The Sub-Fund's investment in 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.  |
| <b>13. Credit Rating and Downgrading Risk:</b> | 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.   |

**14. Use of FDIs:**

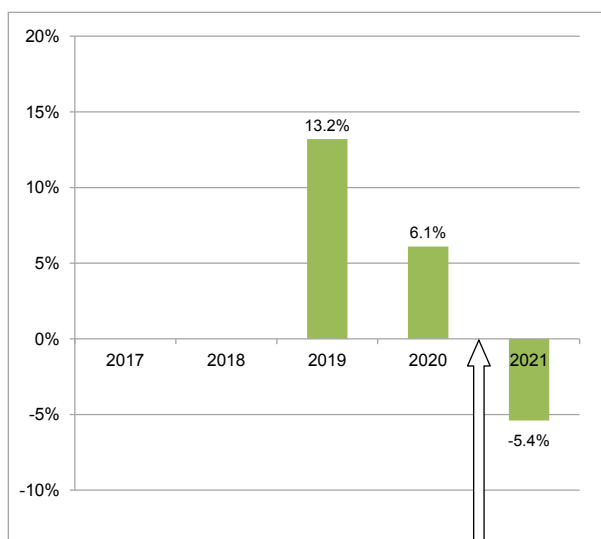
The Sub-Fund intends to use FDIs for investment, efficient portfolio management and/or hedging purposes. The use of FDIs exposes the Sub-Fund to additional risks, including: (i) volatility risk – FDIs may be highly volatile; (ii) management risk – the results are reliant upon the success of the Investment Manager in making investment decisions in the prevailing market conditions; (iii) market risk – there is a risk from exposures to changes in market value of FDIs; (iv) credit risk – the Sub-Fund is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations; and (v) liquidity risk – which exists when particular investments are difficult to be purchased or sold quickly. 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 (i) out of income, realized capital gains and/or capital, of the Sub-Fund in respect of Class AA Inc, Class AA (AUD Hedged) Inc, Class AA (CAD Hedged) Inc and Class AA (HKD) Inc Shares and (ii) 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 Class AA (USD) MDIST (G), Class AA (AUD Hedged) MDIST (G), Class AA (CAD Hedged) MDIST (G) and Class AA (HKD) 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 Class AA (AUD Hedged) Inc, Class AA (CAD Hedged) Inc, Class AA (AUD Hedged) MDIST (G) and Class AA (CAD Hedged) 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.

## How has the Sub-Fund performed?



The performance of these years were achieved under circumstances that no longer apply, as the annual management fee of Class AA has been reduced from 1.25% to 1.00% since 30 June 2021.

- 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 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: 11 September 2018
- Class AA<sup>^</sup> launch date: 11 September 2018

<sup>^</sup> 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](http://www.manulifefunds.com.hk). This website has not been reviewed by the Securities and Futures Commission of Hong Kong.

## 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.

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

### 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.

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

\* 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, Class AA Acc, Class AA Inc, Class AA (USD) MDIST (G), Class AA (AUD Hedged), Class AA (AUD Hedged) Inc, Class AA (AUD Hedged) MDIST (G), Class AA (CAD Hedged), Class AA (CAD Hedged) Inc, Class AA (CAD Hedged) MDIST (G), Class AA (HKD), Class AA (HKD) Inc and Class AA (HKD) 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, Class AA Acc, Class AA Inc, Class AA (USD) MDIST (G), Class AA (AUD Hedged), Class AA (AUD Hedged) Inc, Class AA (AUD Hedged) MDIST (G), Class AA (CAD Hedged), Class AA (CAD Hedged) Inc, Class AA (CAD Hedged) MDIST (G), Class AA (HKD), Class AA (HKD) Inc and Class AA (HKD) MDIST (G) Shares of this Sub-Fund is published daily at [www.manulifefunds.com.hk](http://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 Inc, Class AA (USD) MDIST (G), Class AA (AUD Hedged) Inc, Class AA (AUD Hedged) MDIST (G), Class AA (CAD Hedged) Inc, Class AA (CAD Hedged) MDIST (G), Class AA (HKD) Inc and Class AA (HKD) 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](http://www.manulifefunds.com.hk)\*.

\* This website has not been reviewed by the Securities and Futures Commission in Hong Kong ("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