

# 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 Value Fund  
July 2022

- *This statement provides you with key information about Manulife Global Fund – China Value 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	1.72% <sup>1</sup>	
	Class AA Acc	1.72% <sup>2</sup>	
Base currency:	USD		
Currency of denomination:	USD		
Dividend policy:	<u>Class AA</u>		
(Distribution policy)	Dividends (if any) will be paid annually (Dividends will automatically be reinvested unless indicated otherwise. Cash dividends are only available if the amount payable with respect to each account of the Sub-Fund is US\$50 or more.)		
	<u>Class AA Acc</u>		
	No distribution will be paid.		
Financial year end:	30 June		
Minimum investment:	<u>Classes AA / AA Acc</u>		
	Initial – US\$1,000 (or the equivalent in any other major currency)		
	Subsequent – US\$100 (or the equivalent in any other major currency)		

<sup>#</sup> 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> As from 30 June 2021 (the "Effective Date"), Class A Shares were merged into Class AA Shares of the Sub-Fund. In order to take into account the merger of Class A Shares into Class AA Shares on the Effective Date, this figure is estimated on the basis of the sum of the current ongoing charges of both Class A Shares and Class AA Shares for the 12 month period ending 31 December 2021 expressed as a percentage of the sum of the average net asset values of Class A Shares and Class AA Shares over the same period, as adjusted for the savings in out-of-pocket expenses resulting from the merger as from the Effective Date. 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 Value 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 Value Fund aims to achieve long term capital appreciation through investing at least 70% of its net assets in a diversified portfolio of securities of companies with substantial business interests in the Greater China Region (which includes Mainland China, Hong Kong and Taiwan) which are listed or traded on the stock exchanges of Shanghai, Shenzhen, Hong Kong, Taipei or other overseas exchanges and which are currently under-valued but which may have long term potential.

The Sub-Fund's investments, as described above, will generally be in equity and equity related securities of its target companies, including common stocks, preferred stocks, China A-Shares Access Products (as defined below) and depository receipts issued by such companies, in all cases, within the limits of the investment and borrowing powers and restrictions contained in the Prospectus. Investments of the Sub-Fund may also include A-Shares and/or B-Shares listed on the Shanghai Securities Exchange ("**SSE**") and the Shenzhen Stock Exchange ("**SZSE**") in Mainland China. The Sub-Fund may invest directly in certain China A shares listed on the SSE or the SZSE via the Shanghai-Hong Kong Stock Connect programme or the Shenzhen-Hong Kong Stock Connect programme respectively (collectively, "**Stock Connect**"). The Sub-Fund may also invest indirectly in China A shares via access products ("**China A-Shares Access Products**") such as equity-linked notes, participating certificates, participatory notes, swaps and other similar instruments issued by institutions that have obtained Qualified Foreign Institutional Investor ("**QFII**") and/or Renminbi Qualified Foreign Institutional Investor ("**RQFII**") licences from China Securities Regulatory Commission (the "**CSRC**"). In any event where the Sub-Fund invests in China A shares, it is expected that the Sub-Fund will not hold (directly or indirectly) more than 30% of its net assets, in aggregate, in China A shares. Further, the Sub-Fund will not hold (directly or indirectly) more than 10% of its net assets, in aggregate, in China B-Shares.

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 and in issuers of any market capitalisation. Hence, the Sub-Fund may invest more than 30% of its net assets in issuers located in any of Mainland China, Hong Kong and Taiwan, and due to the nature of the investment portfolio of the Sub-Fund, securities of small and medium sized companies may represent, at times, more than 30% of the net assets of the Sub-Fund. The Sub-Fund's investments may be denominated in any currency.

The Sub-Fund may also hold the remaining assets in fixed-income securities and hold cash on an ancillary basis, if determined to be appropriate by the Investment Manager.

In respect of this Sub-Fund, Manulife Global Fund will seek to differentiate this Sub-Fund from other funds investing in Mainland China that are already available in the market by investing principally in companies that are undervalued. Undervalued stocks are those that trade at a lower valuation than their intrinsic value. The Investment Manager will use in-house financial models to arrive at a company's intrinsic value.

Such companies, in the Investment Manager's opinion, either have excellent potential but are generally not recognised as having such potential and can therefore be purchased at cheap prices, or are currently out-of-favour with the market but the Investment Manager's research indicates that they have significant potential for gains. The emphasis will be on selecting such stocks and, as a result, the portfolio will consist of listed securities that may not have a high degree of correlation with other more mainstream Mainland China stocks.

The Sub-Fund will be permitted, within applicable restrictions, to use derivatives for the purpose of efficient portfolio management and hedging of portfolio risk and may, from time to time, do so through the use of index/equity options or futures contracts if determined to be appropriate by the Investment Manager.

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). Neither does the Sub-Fund currently intend to enter into securities lending, repurchase, reverse repurchase, and similar over-the-counter transactions.

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.

## 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. Equity Market Risk:</b>              | The Sub-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.   |
| <b>3. Geographical Concentration Risk:</b> | The concentration of the Sub-Fund's investments in equity securities of companies related to Mainland China, Hong Kong or Taiwan 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 those regions. |

**4. 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.

**5. Mainland China Investment Risk:**

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.

**6. Mainland China Tax Risk:**

With effect from November 17, 2014, PRC-sourced gains on disposal of shares and other equity investments (including A shares) derived by QFIs or RQFIs (without an establishment or place of business in the PRC or having an establishment or place in the PRC but the income so derived in the PRC is not effectively connected with such establishment or place) would be exempt from PRC corporate income tax. Value-added tax and other surtaxes have not been actively imposed on QFIs and RQFIs by the PRC tax authorities. 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. In addition, investments in A shares through Stock Connect would be exempt from PRC corporate income tax and value-added tax on gains on disposal of the A shares. 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.

**7. Investments in China A-Shares Access Products:**

QFIs or RQFIs may not be able to fulfil investment requests from the Investment Manager in relation to China A-Shares Access Products, or to process redemption requests in a timely manner. Any risk or restriction in relation to the licences (such as licence revocation) of QFIs and RQFIs will constitute a risk or restriction for the Sub-Fund. The Sub-Fund may also incur additional cost in investing in China A-Shares Access Products due to the limited availability of such products and the high demand for such products in the market. The Sub-Fund, which relies on the PRC custodians and PRC brokers to execute or settle transactions for China A-Shares Access Products, will be exposed to the less developed custody and settlement system in Mainland China. In addition, QFI and RQFI investment restrictions and the illiquidity of the Chinese securities market may further limit the Sub-Fund's investment capabilities. An investment in China A-Shares Access Products is not a direct investment in China A-Shares and thus does not entitle the Sub-Fund to any direct beneficial interest in China A-Shares or to any direct claim against the issuers of China A-Shares. Issuers of China A-Shares Access Products may deduct various charges, expenses or potential liabilities from the prices of the products. Accordingly, investing in China A-Shares Access Products may lead to a dilution of performance of the Sub-Fund when compared to a direct investment in the underlying China A-Shares. Access by the Sub-Fund to its profits generated through investments in China A-Shares Access Products is subject to repatriation capabilities of QFIs and/or RQFIs under the prevailing foreign exchange rules applicable to QFIs and/or RQFIs. Any fluctuation in the exchange rate between the Renminbi and the denomination currency of China A-Shares Access Products may have an adverse impact on the value of the China A-Shares Access Products. In addition, as China A-Shares Access Products constitute a type of FDIs, investments in such products may also subject the Sub-Fund to risks associated with investments in FDIs, which include, but without limitation to, credit risk, valuation risk and volatility risk.

**8. Investments via  
Stock Connect:**

Stock Connect is a new programme and there is no certainty as to how the relevant regulations will be applied. The current Stock Connect regulations are subject to change, which may take retrospective effect. A stock may be recalled from the scope of eligible SSE shares or SZSE shares, as the case may be, for trading via Stock Connect, and in such event the stock can only be sold and is restricted from being bought by the Sub-Fund. During the settlement process for SSE shares and SZSE shares, such shares are held by Hong Kong Securities Clearing Company as nominee on behalf of the executing brokers. The Sub-Fund will have only a beneficial interest in the shares and the status of such beneficial interest is untested. The Sub-Fund would also be exposed to the counterparty risk with respect to China Securities Depository and Clearing Corporation Limited. Under extreme market conditions, Stock Connect may be available only on a limited basis, if at all. Each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is subject to a daily quota measuring total trading volume via the relevant Stock Connect. As these quotas are not particular to either the Sub-Fund or the Investment Manager, the Investment Manager will not be able to control the use or availability of the quota. Trading in SSE shares or SZSE shares and carrying out corporate actions in respect of such shares held by the Sub-Fund are subject to local regulations, rules and practice. The risks and restrictions associated with investments via Stock Connect may affect the Investment Manager's ability to implement the Sub-Fund's investment strategy. In addition, when the Sub-Fund invests in SZSE shares through Shenzhen-Hong Kong Stock Connect, it will be subject to the risk associated with the Small and Medium Enterprise Board and/or ChiNext Board of the SZSE.

**9. Small Cap Risk:**

Investments in securities of small and medium sized companies may involve greater risk than is customarily associated with investment in larger and more established companies. In particular, smaller companies often have limited product lines, markets or financial resources, with less research information available about the company, and their management may be dependent on a few key individuals.

**10. Liquidity and Volatility  
Risks:**

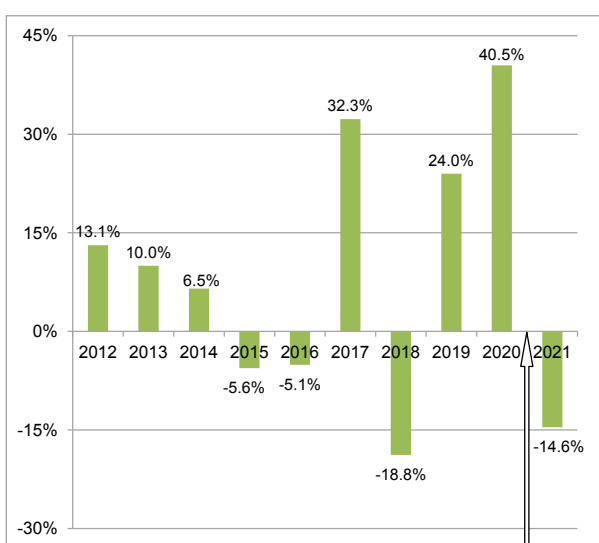
The Sub-Fund may invest in companies which are less well established in their early stages of development. These companies may often experience significant price volatility and potential lack of liquidity due to the low trading volume of their securities. The absence of adequate liquidity may also arise when a particular securities is difficult to sell at the desired moment during particular periods or in particular market conditions.

**11. Currency Risk:**

The Sub-Fund is denominated in US dollars. Its performance will be affected by movements in the exchange rates between the currencies in which the assets are held and US dollars, and any changes in exchange control regulations which may cause difficulties in the repatriation of funds.

**12. Use of FDIs:**

The Sub-Fund may 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 exposure 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.

**How has the Sub-Fund performed?**

The performance of these years were achieved under circumstances that no longer apply, as the investment manager was changed since November 2017.

The merger of Class A Shares, the previous representative share class, into Class AA Shares occurred on 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.
- Sub-Fund launch date: 1 April 1998
- Class AA<sup>^</sup> launch date: 19 April 2004

<sup>^</sup> This share class has been designated for the purposes of this statement, as the representative share class of the Sub-Fund as after the merger of Class A into Class AA on 30 June 2021, 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.

Fee	What you pay <u>Classes AA / AA Acc</u>
Subscription fee (Initial charge)	Up to 5% of 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) <u>Classes AA / AA Acc</u>
Management company fee	Up to 0.013%
Management fee	1.5%*
Depositary 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 and Class AA Acc 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 and Class AA Acc 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. 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.

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