

**Product Highlights Sheet** dated 13 September 2021

## Manulife Asia Total Return Bond Fund

### Responsibility Statement

This Product Highlights Sheet has been reviewed and approved by the directors and/or persons approved by the Board of Manulife Investment Management (M) Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

### Statement of Disclaimer

The Securities Commission Malaysia has authorized the issuance of *Manulife Asia Total Return Bond Fund* ("the Fund") and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorization of the Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manulife Investment Management (M) Berhad, the Manager responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

Please note that the Fund is not offered for sale to any US person. If you are a non-Malaysian, your subscription may be restricted by your local law or regulation. Please observe and comply with such local restrictions, if any. If in doubt, please consult a professional adviser.

**This product highlights sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the prospectus of the Fund before deciding to invest.**

### Brief Information on the Product

#### 1. What is the Fund about?

The Fund is a feeder fund that aims to provide total return from a combination of income and capital appreciation by investing in a collective investment scheme with investment focus on fixed income securities.

Note: Any material change to the Fund's investment objective would require unit holders' approval.

### Product Suitability

#### 2. Who is the Fund suitable for?

The Fund is suitable for investors who:

- seek a combination of income and capital appreciation;
- have a medium to long-term investment horizon (a period of 3 to 5 years); and
- seek investment exposure in the Asia region.

### Key Product Features

#### 3. What am I investing in?

Fund Category	Feeder Fund (Bond)		
Investment Strategy and Policy	The Fund will invest at least 95% of the Fund's net asset value ("NAV") in Share Class I3 Inc of Manulife Global Fund - Asia Total Return Fund (the "Target Fund"), while the balance of the Fund's NAV will be in cash, money market instruments (including fixed income securities which have a remaining maturity period of less than 365 days) and/or placement of deposits with financial institutions for liquidity purposes.		
	The Fund's portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund's asset is allocated in accordance with its prescribed asset allocation.		
Asset Allocation	<u>Asset Class</u>		<u>Allocation (% of the Fund's NAV)</u>
	Target Fund		Minimum 95%
	Cash, money market instruments and/or deposits		Remaining NAV of the Fund
Performance Benchmark	50% JP Morgan Emerging Local Markets Index Plus (Asia) + 50% JP Morgan Asia Credit Index, which is also the performance benchmark of the Target Fund.		
Base Currency	USD		
Currency Class(es)	USD Class	RM-Hedged Class	CNH-Hedged Class

Launch Date	18 February 2019
Financial Year End	30 November
Distribution Policy	Depending on the level of income (if any) the Fund generates, the Fund aims to distribute all or part of its distributable income on a quarterly basis.

#### Target Fund's Information

Name of Target Fund	Manulife Global Fund - Asia Total Return Fund
Management Company of Target Fund	Manulife Investment Management (Ireland) Limited
Investment Manager of Target Fund	Manulife Investment Management (Hong Kong) Limited
Domicile Country	Luxembourg
Regulatory Authority of the Target Fund	Commission de Surveillance du Secteur Financier
Date of Establishment	4 May 2011
Name of Share Class	Share Class I3 Inc
Investment Objective	<p>The Target Fund aims to maximize total returns from a combination of capital appreciation and income generation. The Target Fund invests at least 70% of its net assets in a diversified portfolio of fixed income securities, issued by governments, agencies, supra-nationals and corporate issuers in Asia. As part of the above investments, the Target Fund may invest less than 30% of its net assets in Renminbi-denominated debt securities that are circulated in the China interbank bond market via Bond Connect.</p> <p>The Target Fund may also invest (up to 30% of its net assets) in cash and fixed income securities of other issuers outside Asia if the Investment Manager considers that such securities will achieve the goal of maximizing capital appreciation and income generation.</p> <p>While the Target Fund will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the Target 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 Target Fund may invest more than 30% of its net assets in issuers located in the People's Republic of China.</p> <p>The Target Fund invests in securities denominated in Asian currencies or other currencies. It may invest in local currency bonds with unhedged currency exposure to achieve currency gains. The Target Fund may also hedge the portfolio.</p> <p>The Target Fund may invest (up to 40% 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 &amp; Poor's or Fitch), or if unrated, their equivalent. As such, an investment in the Target Fund is accompanied by a higher degree of credit risk.</p>
Investment Policy and Strategy	<p>It is not the intention of the Target 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 &amp; Poor's or Fitch).</p> <p>In times of extreme market volatility or during severe adverse market conditions, the Target Fund may temporarily hold a substantial portion (up to 30%) of its 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 Target Fund.</p>

#### 4. Who am I investing with?

Manager	Manulife Investment Management (M) Berhad
Trustee	HSBC (Malaysia) Trustee Berhad

#### Key Risks

#### 5. What are the key risks associated with this Fund?

##### Manager's Risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

##### Market Risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

##### Liquidity Risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

### Country Risk

Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

### Currency Risk

The impact of the exchange rate movement between the Base Currency and the currency of the respective Class(es) may result in a depreciation of the investor's holdings as expressed in currency of the respective Class(es).

A hedged Class provides mitigation to the currency risk arising from the difference between the currency of the Class and the Base Currency. You should note that currency hedging does not entirely eliminate currency risk. Hence, the unhedged portion of the hedged Class will be affected by the exchange rate and it may cause fluctuation of NAV of the respective hedged Class. If the exchange rate moves favourably, the hedged Class would not benefit from any upside in currency movement due to the hedging strategy. In addition, hedging is subject to a minimum size of entering into a hedging contract and the cost of hedging may affect returns of the respective hedged Class.

### Investment Manager Risk

The Manager has no control over the investment techniques and knowledge, operational controls and management of Fund which feeds into the Target Fund managed by another party. In the event the Target Fund is mismanaged by the Investment Manager of the Target Fund, the NAV of the Fund would be affected negatively. Should such a situation arise, the Manager may replace the Target Fund with another fund of a similar objective (in consultation with the Trustee and subject to unit holders' approval).

### Risk Considerations for Investing in Derivatives

The Manager may use derivatives such as futures and options to hedge against adverse movements in currency exchange rates. This involves special risks, including but not limited to:

- the risk of loss from default by the counterparty, typically as a consequence of insolvency or failed settlement; and
- the risk of the supply and demand factors in the derivatives market and in other related markets impacting the liquidity of the derivatives market adversely, which in turn would adversely affect the derivative's pricing and the Fund.

The Manager will only enter into hedging transactions where the counterparty is a financial institution with a minimum long-term credit rating by any domestic or global rating agency which indicates strong capacity for timely payment of financial obligations. In the event where the counterparty or issuer's rating falls below the minimum required or it ceases to be rated, the Manager will liquidate its position within 6 months or sooner, unless the Trustee considers it to be in the best interest of investors to do otherwise.

### Specific Risks associated with the Target Fund

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|--|--|
| ▪ Emerging Markets Risks   | ▪ Taxation Risks   |
| ▪ Political and Regulatory Risks                                     | ▪ Currency Risk  |
| ▪ Renminbi Currency and Conversion Risks                             | ▪ Credit and Counterparty Risk                           |
| ▪ Liquidity and Volatility Risks                                     | ▪ Collateralised/Securitised Products Risk               |
| ▪ Rating of Investment Risk  | ▪ Inflation Indexed Bonds Risk                           |
| ▪ Debt Instrument Risk   | ▪ Bank Obligations Risk                                  |
| ▪ Financial Derivative Instruments other than for Investment Purpose | ▪ Mainland China Investment Risks                        |
| ▪ Non-Investment Grade Debt Instruments Risk                         | ▪ Mainland China Tax Risk                                |
| ▪ Interest Rate Risk   | ▪ Risks Associated with Investments via the Bond Connect |
|  | ▪ Swing Pricing Risk                                     |

Please refer to the Fund's prospectus for further details on specific risks associated with the Target Fund.

## Fees and Charges

### 6. What are the fees and charges involved?

#### Charges when buying units of the Fund

Charges when buying units of the Fund

Sales Charge	Distributors	Maximum Sales Charge*		
		RM-Hedged Class	USD Class	CNH-Hedged Class
	Unit Trust Consultant	Up to 3.00% of NAV per unit of the Class		
	Manager			
	Institutional Unit Trust Adviser ("IUTA")			
*The sales charge is non-negotiable. However, the Manager may at its discretion charge a lower sales charge from time to time				
Redemption Charge	Nil			
Switching Fee	Subject to the conditions on switching as set out in the prospectus of the Fund.			
Transfer Fee	RM3.00 per transfer			

#### Fees incurred when investing in the Fund

Management fee	Up to 1.25% per annum of NAV of the Fund
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<b>Trustee fee</b>	Up to 0.04% per annum of NAV of the Fund (excluding foreign custodian fees and charges)
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All fees and charges (e.g. sales charge, redemption charge, switching fee, transfer fee, management fee, trustee fee and any other relevant fees and/or charges), where applicable, may be subject to any tax that may be introduced by the government of Malaysia from time to time.

	<b>RM-Hedged Class</b>	<b>USD Class</b>	<b>CNH-Hedged Class</b>
<b>Minimum initial investment</b>	RM1,000.00	USD1,000.00	CNH1,000.00
<b>Minimum additional investment</b>	RM100.00	USD100.00	CNH100.00
<b>Cut-off time</b>	<ul style="list-style-type: none"> <li>3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and</li> <li>4.00 p.m. for online transactions* (for RM-Hedged Class only).</li> </ul>		

\*Online transactions include purchase of Units and switching between Fund/ Class denominated in RM only. Online transactions are not applicable for redemption of Units currently. You may refer to our online tool for latest updates.

**YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.**

## Valuation and Exiting from Investment

### 7. How often are valuations available?

The valuation of the Fund is carried out daily at the end of the business day. The Fund's NAV per unit will be available on the Manager's website: [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).

### 8. How can I exit from this investment and what are the risks and costs involved?

#### Redeeming an investment

Unit holders may redeem part or all of their investments at any time by completing a "Redemption Form" which is available from 8.45 a.m. to 5.30 p.m. at the office of the Manager and its branches. There is no redemption charge levied on the redemption of units.

	<b>RM-Hedged Class</b>	<b>USD Class</b>	<b>CNH-Hedged Class</b>
<b>Payment of redemption proceeds from the date on which the request to redeem is received by the Manager</b>	Within ten (10) calendar days	Within ten (10) business days*	Within eleven (11) business days*
	There is no redemption charge levied on the redemption of units. *The Manager has obtained SC's approval to vary the period of payment of redemption proceeds to ten (10) business days (for USD Class) and eleven (11) business days (for CNH-Hedged Class).		
<b>Minimum redemption amount</b>	500 units		
<b>Minimum holding/ balance</b>	1,000 units		
<b>Cut-off time</b>	<ul style="list-style-type: none"> <li>3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and</li> <li>4.00 p.m. for online switching (for RM-Hedged Class only).</li> </ul>		

#### Cooling-off period

The cooling-off period is only applicable to any individual investing for the first time in any unit trust funds managed by the Manager and excludes staff of the Manager and persons registered with a body approved by the SC to deal in unit trusts. You have the right, within six (6) Business Days from the day of the receipt by the Manager of your application form, to call for a withdrawal of your investment. A full refund of the money initially invested (including the sales charge, if any) will be refunded to you within 10 calendar days from the receipt of the application for cooling-off by the Manager.

For purchase/ redemption transaction made with IUTAs, the transaction is subject to the terms and conditions of the respective IUTAs. Also, if you invest in units through an IUTA which adopts the nominee system of ownership, you will not be considered as a unit holder under the Fund's deed, and you may consequently not have all the rights ordinarily exercisable by a unit holder (for example, the right to call for a unit holders' meeting and to vote thereat, and the right to have your particulars appearing in the Fund's register of unit holders).

## Fund Performance

### 9. Average Total Return for Financial Year Ended 30 November 2020

#### Basis of calculation

Average Total Return = Annualised Total Return  

$$= [(1 + \text{Total return for the period})^{(\text{Actual no. of days in a year} \div \text{No. of days during the period})} - 1] \times 100\%$$

<b>Returns in RM (%)</b>	<b>1-Year</b>
Manulife Asia Total Return Bond Fund – RM-Hedged Class	7.88
Benchmark	5.75
Manulife Asia Total Return Bond Fund – USD Class	7.35
Benchmark	5.75
Manulife Asia Total Return Bond Fund – CNH-Hedged Class	8.26

Benchmark	5.75
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Returns in USD (%)	1-Year
Target Fund	9.37
Benchmark	5.78

## 10. Annual Total Return for Financial Year Ended 30 November

Basis of calculation

$$\text{Annual Total Return} = \frac{(\text{NAV}_t - \text{NAV}_{t-1})}{\text{NAV}_{t-1}}$$

NAV<sub>t</sub> denotes NAV at the end of the period.  
NAV<sub>t-1</sub> denotes NAV at the beginning of the period.

Returns (%)		2019	2020
Manulife Asia Total Return Bond Fund	RM-Hedged Class*	4.17	7.88
	Benchmark	4.31	5.75
	USD Class*	3.59	7.35
	Benchmark	4.31	5.75
	CNH-Hedged Class**	2.80	8.26
	Benchmark	3.19	5.75

For the financial year ended 30 November 2020, the Fund's RM-Hedged Class return increased by 7.88%, compared with its benchmark return which increased by 5.75%. The USD Class and CNH-Hedged Class return increased by 7.35% and 8.26% respectively.

\*For the period from 11 March 2019 (commencement date) to 30 November 2019.

\*\*For the period from 1 April 2019 (commencement date) to 30 November 2019.

Returns in USD (%)	2019*	2020
Target Fund	5.00	9.37
Benchmark	4.22	5.78

\*Share class I3 Inc was launched on 11 March 2019.

**PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.**

## 11. Portfolio Turnover Ratio and Income Distribution per Unit

Financial Year End (FYE)	2019	2020
Portfolio Turnover Ratio ("PTR")	0.64	0.49
The PTR for FYE2020 is 0.49 times and was lower than FYE2019 mainly due to decrease in average NAV.		
Gross distribution per unit (sen) – RM-Hedged Class	1.06	2.17
Net distribution per unit (sen) – RM-Hedged Class	1.06	2.17
Gross distribution per unit (sen) – USD Class	1.13	1.99
Net distribution per unit (sen) – USD Class	1.13	1.99
Gross distribution per unit (sen) – CNH-Hedged Class	1.00	1.77
Net distribution per unit (sen) – CNH-Hedged Class	1.00	1.77
Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.		

## Contact Information

### 12. Who should I contact for further information or to lodge a complaint?

- i) For internal dispute resolution, you may contact us:

**Manulife Investment Management (M) Berhad**

13th Floor, Menara Manulife  
No. 6, Jalan Gelenggang  
Damansara Heights  
50490 Kuala Lumpur.

Customer Service Hotline : 03-2719 9271  
Tel : 03-2719 9228  
Fax : 03-2094 7654  
Email : [MY\\_CustomerService@manulife.com](mailto:MY_CustomerService@manulife.com)  
Website : [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my)

- ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):

**Securities Industries Dispute Resolution Center (SIDREC)**

Unit A-9-1, Level 9, Tower A  
Menara UOA Bangsar  
No. 5, Jalan Bangsar Utama 1  
59000 Kuala Lumpur.

Phone : 03-2282 2280  
Fax : 03-2282 3855  
Email : [info@sidrec.com.my](mailto:info@sidrec.com.my)

- iii) Even if you have initiated a dispute resolution process with SIDREC, you may also direct your complaint to the SC. To make a complaint, please contact the SC's Consumer & Investor Office:

**Consumer & Investor Office**  
**Securities Commission Malaysia**  
No. 3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur.

Phone : 03-6204 8999 (Aduan Hotline)  
Fax : 03-6204 8991  
Email : [aduan@seccom.com.my](mailto:aduan@seccom.com.my)  
Online complaint form available at [www.sc.com.my](http://www.sc.com.my)

- iv) Federation of Investment Managers Malaysia (FiMM)'s Complaints Bureau:

**Legal, Secretariat & Regulatory Affairs**  
**Federation of Investment Managers Malaysia**  
19-06-1, 6th Floor, Wisma Tune  
No. 19, Lorong Dungun  
Damansara Heights  
50490 Kuala Lumpur.

Phone : 03-2092 3800  
Fax : 03-2093 2700  
Email : [complaints@fimm.com.my](mailto:complaints@fimm.com.my)  
Online complaint form available at [www.fimm.com.my](http://www.fimm.com.my)