

Product Highlights Sheet dated 16 November 2021

Manulife Investment Asia-Pacific REIT 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 Investment Asia-Pacific REIT 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 this Fund is not offered for sale to any US person. If you are a non-Malaysian, your subscription may be restricted by your home country's law or regulation. Please observe and comply with your home country's 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 fund-of-funds that aims to provide long-term capital appreciation and sustainable income through a combined investment in other collective investment schemes ("CISs"), namely real estate investment trusts ("REITs") and infrastructure funds/ trusts.

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:

- wish to have investment exposure through a diversified portfolio of REITs and/or infrastructure funds/ trusts within the Asia-Pacific region;
- are seeking a sustainable distribution of income and capital growth; and
- have a long-term investment horizon of 5 years or more.

Key Product Features

3. What am I investing in?

| Fund Category | Fund-of-Funds |
|--------------------------------|---|
| Investment Strategy and Policy | <p>The Fund will invest in REITs and infrastructure funds/ trusts that are listed on Asia-Pacific stock exchanges. The Fund focuses on REITs that have historically generated regular income and also expect to generate future income with the potential for capital growth. In evaluating the suitability of a REIT, the Fund Manager will review key attributes including but not limited to, the underlying property of the REIT, performance of the REIT's manager, and its rental yield.</p> <p>The underlying assets of infrastructure funds/ trusts will comprise of listed equities of companies which focus primarily on but are not limited to utilities, transportation/ logistics and communications:-</p> <ul style="list-style-type: none">▪ Utilities include facilities for the recycling, treatment, distribution and supply of water, as well as facilities for the generation, transmission, distribution and supply of electricity and gas.▪ Transportation/ logistics include toll roads, railways, storage terminals, airports and seaports.▪ Communications comprise broadcast transmission infrastructures, satellite systems and terrestrial wireline and wireless network infrastructures. |

| | | |
|------------------------------|--|---|
| | The countries that the Fund may invest in include, but are not limited to Australia, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand. | |
| Asset Allocation | <u>Asset Class</u> | <u>Allocation (% of the Fund's NAV)</u> |
| | CISs with: ▪ Asia-Pacific REITs, and ▪ Infrastructure funds/ trusts. Liquid assets | 70% to 98% 50% to 98% Maximum 48 % 2% to 30% |
| Performance Benchmark | Manulife Investment Asia REIT Ex Japan Index is a customised index which consists of the REIT funds universe within Asia ex Japan markets, which include China, Hong Kong, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Taiwan and Thailand. The index is a market capitalisation weighted index of REIT funds with market capitalisation of USD5 million or more. | |
| Base Currency | Ringgit Malaysia (RM) | |
| Currency Class | RM Class | |
| Launch Date | 7 June 2007 | |
| Financial Year End | 31 August | |
| Distribution Policy | Semi-annually, if any. Subject to availability of income, the Manager has the discretion to declare distribution at a higher frequency. | |

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

As the investments of the Fund may be denominated in currencies other than the Base Currency, any fluctuation in the exchange rate between the Base Currency and the currencies in which the investments are denominated may have an impact on the value of these investments. Investors should be aware that if the currencies in which the investments are denominated depreciate against the Base Currency, this will have an adverse effect on the NAV of the Fund in the Base Currency and vice versa. Investors should note that any gains or losses arising from the fluctuation in the exchange rate may further increase or decrease the returns of the investment.

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.

Risks Associated with Investment in REITs

Property Taxes Risk: Any increase in property taxes law or requirement could have an adverse impact to income gained from sales of any property.

Rental Risk: Any material changes in the regulatory limits on rent could have an adverse impact on the income rental which may reduce dividend payout.

REIT Management Risk: REIT's performance depends, in part, upon the continued service and performance of REIT's manager. For example, the key personnel of REIT's manager may leave the employment and affect results in the duties which such personnel are responsible for. The loss of key personnel, or the inability of the relevant businesses REIT's manager to retain or replace qualified employees, could have an adverse effect on its operating results, affect its ability to generate cash and make distributions to the REIT's investors. The REIT's performance will have an impact on the investments of the Fund.

Fees and Charges

6. What are the fees and charges involved?

Charges when buying units of the Fund

| Sales Charge | Distributors | Maximum Sales Charge* |
|-------------------|---|---|
| | Unit Trust Consultant | Up to 5.00% of NAV per unit of the Fund |
| | Manager | |
| | Institutional Unit Trust Adviser ("IUTA") | |
| | Employees Provident Fund ("EPF") Sales | Up to 3.00% of NAV per unit of the Fund |
| | EPF via i-Akaun (Member) | Up to 0.50% of NAV per unit of the Fund |
| | *The sales charge is non-negotiable. However, the Manager may at its discretion charge a lower sales charge from time to time. Note: The Fund is currently a fund qualified under EPF - Members Investment Scheme ("EPF-MIS"). | |
| 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 1.75% per annum of NAV of the Fund |
| Trustee fee | 0.06% per annum of NAV of the Fund (excluding foreign custodian fees and charges). |

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.

| | |
|-------------------------------|---|
| Minimum initial investment | RM1,000.00 |
| Minimum additional investment | RM100.00 |
| Cut-off time | <ul style="list-style-type: none">3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and4.00 p.m. for online transactions*. |

*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.

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. The redemption proceeds will be paid within ten (10) calendar days from the date on which the request to redeem is received by the Manager. There is no redemption charge levied on the redemption of units.

| | |
|---------------------------|---|
| Minimum redemption amount | 500 units |
| Minimum holding/ balance | 1,000 units |
| Cut-off time | <ul style="list-style-type: none">3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and |

- 4.00 p.m. for online switching.

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. In the case of an investment via EPF-MIS, the cooling-off period is subject to EPF's terms and conditions.

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 31 August 2021

Basis of calculation

Average Total Return = Annualised Total Return

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

| Returns in RM (%) | 1-Year | 3-Year | 5-Year | 10-Year |
|--|--------|--------|--------|---------|
| Manulife Investment Asia-Pacific REIT Fund | 10.34 | 4.87 | 5.53 | 9.45 |
| Benchmark | 4.37 | 0.09 | 2.06 | 3.87 |

10. Annual Total Return for Financial Year Ended 31 August

Basis of calculation

Annual Total Return = $\frac{(\text{NAV}_t - \text{NAV}_{t-1})}{\text{NAV}_{t-1}}$ NAV_t denotes NAV at the end of the period.
 NAV_{t-1} denotes NAV at the beginning of the period.

| Returns in RM (%) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|-------|---------|-------|-------|-------|-------|------|-------|---------|-------|
| Manulife Investment Asia-Pacific REIT Fund | 18.77 | 1.46 | 11.32 | 18.06 | 18.97 | 10.45 | 2.74 | 16.39 | (10.19) | 10.34 |
| Benchmark | 12.46 | (16.74) | 4.22 | 12.95 | 13.31 | 9.98 | 0.44 | 13.58 | (15.43) | 4.37 |

For the financial year ended 31 August 2021, the Fund's return increased by 10.34%, compared with its benchmark return which increased by 4.37%.

Note: The benchmark was changed from Bloomberg Asia REIT Index to Manulife Asia REIT Ex Japan Index effective 1 July 2013 to provide a more representative investment universe and more suitable performance measure as the Fund does not invest in REITs listed in Japan.

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 | 2021 |
|--|------|------|------|
| Portfolio Turnover Ratio ("PTR") | 0.52 | 0.32 | 0.30 |
| The PTR for FYE2021 is 0.30 times and was lower than FYE2020 mainly due to the decrease in trading activities. | | | |
| Gross distribution per unit (sen) | 3.60 | 2.58 | 3.13 |
| Net distribution per unit (sen) | 3.60 | 2.58 | 3.13 |
| 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
General Line : 03-2719 9228
Fax : 03-2094 7654
Email : MY_CustomerService@manulife.com
Website : 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

- 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
Online complaint form available at 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
Online complaint form available at www.fimm.com.my