

Product Highlights Sheet dated 25 January 2022

Manulife China Equity 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 China Equity 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 feeder fund that aims to achieve long-term capital growth through investment, primarily* in under-valued companies with long-term potential and substantial business interest in the Greater China Region (which includes People's Republic of China, Hong Kong and Taiwan) which are listed or traded on stock exchanges of Shanghai, Shenzhen, Hong Kong, Taipei or other exchanges.

*Primarily means mainly 70% invested.

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 participate in the potential of the Greater China Region markets; and
- are willing to accept higher risk in their investments in order to achieve long-term (a period of at least 5 years) capital growth.

Key Product Features

3. What am I investing in?

Fund Category	Feeder Fund (Equity)
Investment Strategy and Policy	<p>The Fund will invest at least 95% of the Fund's net asset value ("NAV") in Share Class AA of the Manulife Global Fund - China Value Fund (the "Target Fund"), while the balance of the Fund's NAV will be invested 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.</p> <p>Although the Fund is passively managed, the investments of the Fund will be rebalanced from time to time to meet redemptions and to enable the proper and efficient management of the Fund. In all circumstances, the Fund will continue investing at least 95% of its NAV in the Target Fund and as such, the performance of the Target Fund will reflect on the Fund's performance.</p> <p>Notwithstanding the above, the Manager may, in consultation with the Trustee and with the unit holder's approval, replace the Target Fund with another fund of a similar objective if, in the Manager's</p>

	opinion, the Target Fund no longer meets this Fund's investment objective, or when the Target Fund no longer acts in the interest of the unit holders.						
Asset Allocation	<table border="0"> <tr> <td><u>Asset Class</u></td> <td><u>Allocation (% of the Fund's NAV)</u></td> </tr> <tr> <td>Target Fund</td> <td>Minimum 95%</td> </tr> <tr> <td>Cash, money market instruments and/or deposits</td> <td>Remaining NAV of the Fund</td> </tr> </table>	<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
<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	MSCI Golden Dragon Index, which is also the performance benchmark of the Target Fund. Prior to 17 November 2017, the performance benchmark was FTSE All World Greater China Index.						
Base Currency	Ringgit Malaysia (RM)						
Launch Date	7 January 2010						
Financial Year End	31 October						
Distribution Policy	The Fund intends to distribute income, if any, on an annual basis.						

Target Fund's Information

Name of Target Fund	Manulife Global Fund - China Value 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	1 April 1998
Name of Share Class	Share Class AA
Investment Objective	The Target 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 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.
Investment Policy and Strategy	<p>The Target Fund's investments, will generally be in equity and equity related securities of its target companies, including common stocks, preferred stocks, China A-Shares Access Products ("CAAPs") and depository receipts issued by such companies.</p> <p>Investments of the Target Fund may also include A-Shares and/or B-Shares listed on the Shanghai Stock Exchange ("SSE") and the Shenzhen Stock Exchange ("SZSE") in Mainland China. The Target Fund may invest directly in certain China A-Shares listed on the SSE or the SZSE via Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect ("Stock Connect"). The Target Fund may also invest indirectly in China A-Shares via CAAPs such as equity-linked notes, participating certificates, participatory notes, swaps and other similar instruments issued by institutions that have obtained Qualified Foreign Institutional Investor and/or Renminbi Qualified Foreign Institutional Investor licenses from the China Securities Regulatory Commission within a quota as approved by the State Administration of Foreign Exchange of China. In the event where the Target Fund invests in China A-Shares, it is expected that the Target Fund will not hold (directly or indirectly) more than 30% of its net assets in aggregate, in China A-Shares. Further, the Target Fund will not hold (directly or indirectly) more than 10% of its net assets in aggregate, in China B-Shares.</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 and in issuers of any market capitalization. Hence, the Target 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 Target Fund, securities of small and medium sized companies may represent, at times, more than 30% of the net assets of the Target Fund. The Target Fund's investments may be denominated in any currency.</p> <p>The Target 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 of Target Fund.</p> <p>MGF seeks to differentiate the Target 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 of Target Fund will use in-house financial models to arrive at a company's intrinsic value.</p> <p>Such companies, in the Investment Manager of Target Fund's opinion, either have excellent potential but are generally not recognized 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 of Target Fund'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.</p>

	<p>The Target 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 of Target Fund.</p> <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 & Poor's or Fitch).</p>
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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.

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).

Specific Risks associated with the Target Fund

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|---|--|--|
| <ul style="list-style-type: none"> ▪ Small-Cap Risks ▪ Natural Resources Sector Risk ▪ Taxation Risks ▪ Mainland China Tax Risk | <ul style="list-style-type: none"> ▪ Emerging Markets Risks ▪ Political and Regulatory Risks ▪ Credit Downgrade Risk ▪ Macroeconomic Risk Factors ▪ Global Commodity Prices | <ul style="list-style-type: none"> ▪ Geopolitical Risks ▪ Labour Market Risks ▪ Environmental Regulation Risks ▪ Mainland China Investment Risks |
|---|--|--|

- Financial Derivative Instruments other than for Investment Purpose
- Currency Risks
- Foreign Exchange Risks
- Liquidity and Volatility Risks
- Oil Price Risks
- Government Policy Risks
- Risk of Price Controls
- Risk of Stock Market Controls
- Risks Associated with Investments in CAAPs
- Risks Associated with Investments via Stock 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

Sales Charge	Distributors	Maximum Sales Charge*
	Unit Trust Consultant	Up to 6.00% of NAV per unit of the Fund
	Manager	Up to 5.50% of NAV per unit of the Fund
	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 1.80% per annum of NAV of the Fund
Trustee fee	0.08% per annum of NAV of the Fund, subject to a minimum fee of RM18,000 per annum (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, and ▪ 4.00 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	500 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.

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 October 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 China Equity Fund	2.94	16.04	9.72	9.15
Benchmark	1.74	12.12	8.17	9.22

Returns in USD (%)	1-Year	3-Year	5-Year	10-Year
Target Fund	3.60	17.32	10.70	6.60
Benchmark	4.06	15.20	11.25	9.04

10. Annual Total Return for Financial Year Ended 31 October

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 China Equity Fund	(5.44)	18.22	12.34	27.88	(6.10)	25.92	(19.18)	15.21	31.73	2.94
Benchmark	4.18	14.50	9.39	22.89	1.73	26.50	(16.93)	12.39	23.24	1.74

For the financial year ended 31 October 2021, the Fund's return increased by 2.94%, compared with its benchmark return which increased by 1.74%.

Note: The benchmark was changed from FTSE All World Greater China Index to MSCI Golden Dragon Index effective 17 November 2017 to better reflect the Fund's investment strategy.

Returns in USD (%)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Target Fund	(2.61)	15.00	8.72	(1.92)	(3.33)	26.76	(18.56)	16.09	34.25	3.60
Benchmark	8.59	13.68	8.14	(3.08)	7.74	29.14	(13.68)	15.74	26.93	4.06

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")	0.22	0.44	1.45
The PTR for FYE2021 is 1.45 times and was higher than FYE2020 mainly due to the increase in trading activities.			
Gross distribution per unit (sen)	-	-	37.00
Net distribution per unit (sen)	-	-	37.00
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