

For Immediate Release

Manulife Asset Management Services Berhad Expands Shariah Offering with Launch of the First Retail Shariah Global REIT Fund in the World

KUALA LUMPUR, 15 March 2019 – Manulife Asset Management Services Berhad (MAMSB) today announced it has launched the Manulife Shariah Global REIT Fund (the ‘Fund’), the first Shariah global REIT fund in the world available to retail investors^{*}.

The Fund invests in Shariah-compliant real estate investment opportunities from across the globe, providing Malaysian investors with more diversified sources of medium to long-term returns. Apart from the traditional investments into residential, retail, office and industrial REITs, its global nature captures potentially higher growth opportunities stemming from “new economy” sectors like e-commerce, self-driving cars, Internet of Things, and other technology related sectors. The backbone of all these new technologies and businesses is the demand for infrastructure build-out including data centers, telecommunication cell towers and warehouses in which the Fund can invest. The Fund can also have exposure into the healthcare industry such as medical centers and retirement homes, which are areas of growth in face of the world’s aging population.

“Asian investors traditionally have good appetite for property investments due to the potential long-term income and capital appreciation, as well as for inheritance purposes. Investing in bricks and mortar, however, limits them to only a few physical residential or commercial assets typically in one or two jurisdictions, while global REITs can expose them to a wider universe of property investments including large-scale infrastructure projects that are typically off limits to individual investors,” said Jason Chong, CEO of Manulife Asset Management Services Berhad.

When compared to physical properties, REITs are free of worry of illiquidity. REITs are also proven a more resilient asset class throughout different stages of an economic cycle. Historically, Shariah REITs have also generated higher total return than conventional REITs, partly thanks to the Shariah screening requirements that limit the companies’ debt-to-equity ratio to 33%. Between September 2013 and end of December 2018, IdealRatings Global REITs Islamic Select Malaysia Index (the Fund’s benchmark) recorded a total return of 67%, compared to the S&P Global REIT Index return of 36%.

^{*}Based on research by Manulife Asset Management. The Fund is the world’s first global Shariah REIT fund that invests in REIT only and is made available to retail investors.

“Global REITs can withstand different market conditions largely due to its lower correlation with other asset classes. In fact, dividend yields from global REITs have been higher than 10-year government bond yields, and major REIT markets such as the US, Australia, Singapore, and Hong Kong have all performed strongly in past US interest rate hike cycles,” Chong said.

The Fund will invest a minimum of 70% to a maximum of 98% of its assets in listed Islamic REITs around the world. A minimum of 2% up to a maximum of 30% of its assets will be in Islamic liquid assets, which comprise of Islamic money market instruments and Islamic deposits with financial institutions.

On outlook for the REIT market, Ng Chze How, Head of Retail Wealth Distribution, Manulife Asset Management Services Berhad, said: “At the moment, we remain optimistic about REITs in the US, Hong Kong, and Singapore. In the US, economic growth has continued to outperform expectations, which has led to favorable real estate fundamentals, particularly for retail and IT infrastructure sectors. Hong Kong REITs are currently at attractive valuations, and we see retail property benefiting from improvements in real estate fundamentals. Singapore REITs continue to offer above average dividend income and is a good insular to global macroeconomic uncertainty.”

“However, we are cautious of the UK and some emerging markets REITs. The only certainty about Brexit is that it has and will likely continue to hamper economic growth, and the office sector is especially hard hit as companies look to relocate to within the European Union. Emerging markets such as Mexico and Thailand have risk-reward profiles that are not that compelling,” Ng concluded.

The Fund is suitable for investors who wish to have investment exposure through a diversified portfolio of REITs globally, seek regular income and potential capital appreciation over the medium to long-term, and prefer Shariah-compliant investments.

The Fund aims to distribute all or part of its distributable income on a semi-annual basis. The classes that are offered for subscription by the Fund are RM Class and USD Class at RM0.5000 and USD0.5000, respectively, during the initial offer period from March 12, 2019 to April 1, 2019. The minimum initial investment amount for the Fund is RM1,000 or USD1,000, and the minimum additional investment amount is RM100 or USD100. The Fund is distributed by unit trust consultants of Manulife Asset Management Services Berhad.

For more information about the Manulife Shariah Global REIT Fund, visit manulifeinvestment.com.my.

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About Manulife Asset Management Services Berhad

Manulife Asset Management Services Berhad (“MAMSB”) is a wholly owned subsidiary of Manulife Holdings Berhad (listed on Bursa Malaysia), which is majority owned by Canada-based Manulife Financial Corporation. MAMSB offers a comprehensive range of 50 unit trust and PRS funds in the asset classes of equity, fixed income and money market. Since 2010, MAMSB has bagged 41 awards in total; with the four most significant house awards being won in 2017 & 2018, namely the Best Overall Award Malaysia Provident for EPF-Approved Funds by The Edge | Thomson Reuters

Lipper Fund Awards 2017, the Most Outstanding Islamic Asset Management Company by KLIFF Islamic Finance Awards 2017, Top Investment House Malaysia - Rank 5 in Asian Local Currency Bonds by The Asset Benchmark Research Awards 2017 and the Best Group Over 3 Years - Mixed Assets by Thomson Reuters Lipper Global Islamic Fund Award 2018. Visit us online at manulifeinvestment.com.my

About Manulife Asset Management

Manulife Asset Management is the global asset management arm of Manulife Financial Corporation (“Manulife”). We provide comprehensive asset management solutions for investors across a broad range of public and private asset classes, as well as asset allocation solutions. We also provide portfolio management for affiliated retail Manulife and John Hancock product offerings.

Our investment expertise includes public and private equity and fixed income, real estate and infrastructure equity and debt, timberland and farmland, oil and gas, and mezzanine debt. We operate in the United States, Canada, Brazil, the United Kingdom, New Zealand, Australia, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Thailand, Vietnam, Malaysia, the Philippines, as well as through a China joint venture, Manulife TEDA. We also serve investors in select European, Middle Eastern, and Latin American markets.

As at December 31, 2018, assets under management for Manulife Asset Management were approximately US\$364billion. Additional information may be found at ManulifeAM.com.

About Manulife

Manulife Financial Corporation is a leading international financial services group that helps people make their decisions easier and lives better. We operate primarily as John Hancock in the United States and Manulife elsewhere. We provide financial advice, insurance, as well as wealth and asset management solutions for individuals, groups and institutions. At the end of 2018, we had more than 34,000 employees, over 82,000 agents, and thousands of distribution partners, serving almost 28 million customers. As of December 31, 2018, we had over \$1.1 trillion (US\$794 billion) in assets under management and administration, and in the previous 12 months we made \$29.0 billion in payments to our customers. Our principal operations in Asia, Canada and the United States are where we have served customers for more than 100 years. With our global headquarters in Toronto, Canada, we trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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