

News Release

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Manulife Investment Management (M) Berhad launches Preferred Securities Income Fund to offer compelling options in response to the economic environment

Kuala Lumpur – Manulife Investment Management (M) Berhad announces the launch of the Manulife Preferred Securities Income Fund (the “Fund”), an alternative investment solution that provides equity-like capital growth features and bond-like income streams, giving investors in Malaysia an additional option to diversify their investment portfolios.

The globally oriented Fund invests in preferred securities issued by companies that are defensive in nature, such as banks, utilities, and REITs, which are usually large and highly regulated organizations with stable cash flows. This feeder fund invests at least 95% of its net asset value in the Manulife Global Fund – Preferred Securities Income Fund (the “Target Fund”), which would invest 70% of its net assets in preferred securities listed or traded on any regulated market in the world. The Target Fund may invest its remaining assets in other debt securities and cash and cash-equivalents.

Preferred securities are ranked between senior bonds and common stocks, and broadly categorized into preferred bonds and preferred stocks. Preferred bonds have similar features as traditional bonds, such as regular interest payment, maturity dates and credit ratings, while preferred stocks generally offer fixed dividends that are unaffected by the company’s profits and paid before dividends for common stocks.

“Preferred securities are one of these compelling opportunities, due to both cyclical and structural factors. Cyclically, preferred securities have experienced a sell-off disproportionate to their underlying fundamentals, creating attractive entry points for active managers. Structurally, the inherent properties of this asset class help position it well moving forward. While challenging economic conditions impact most assets, preferred securities’ dependence on more established issuers – largely investment grade companies with low historical default rates – make it well-placed to navigate the current challenges,” said Jason Chong, CEO, Manulife Investment Management (M) Berhad.

“Uncertainty is still the predominant theme and we can expect this to continue as we head into 2021. Under such circumstances, investment options that could provide relatively stable income and returns may give investors in Malaysia some comfort. What the Global Financial Crisis and the current pandemic has taught us is that diversity is key to achieving our long-term financial goals. As such, we

believe preferred securities may be a viable option for income-seeking investors,” said Ng Chze How, Head of Retail Wealth Distribution, Manulife Investment Management (M) Berhad.

Active management is the key to success

Active management is key to tapping into vast investment opportunities offered by preferred securities. While many preferred securities issuers are strong stable companies, they have a variety of different payment ranks. It takes an experienced active manager to proactively pick out the right combination of preferred securities and provide the risk-adjusted returns that income investors seek.

“Over the years, Manulife Investment Management has developed a rigorous and high-quality approach to invest in preferred securities, which has made us one of the key players in the market with US\$4.9 billion of AUM*. Our investment team has more than 25 years of preferred securities investment experience, and they are supported by 37 credit researchers located across the globe. We believe we are uniquely positioned to help investors capture opportunities in preferred securities under both good and challenging market environments,” said Chze How.

The Fund is suitable for investors who seek regular income and potential capital appreciation, wish to seek investment exposure in preferred securities globally, and have a long-term investment horizon.

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. It is available in A (RM-Hedged) Class and A (USD) Class with minimum initial investment of RM1,000 or USD1,000 and minimum additional investment of RM100 or USD100. The Fund is now available for subscription through the unit trust advisers of Manulife Investment Management (M) Berhad.

For more information about the Manulife Preferred Securities Income Fund, please visit manulifeinvestment.com.my.

*As of 30 June 2020

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About Manulife Investment Management (M) Berhad

Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Berhad) Registration No: 200801033087 (834424-U) (“Manulife IM (Malaysia)”) is a wholly owned subsidiary of Manulife Holdings Berhad (listed on Bursa Malaysia), which is majority owned by Canada-based Manulife Financial Corporation. Manulife IM (Malaysia) offers a comprehensive range of 58 unit trust and PRS funds in the asset classes of equity, fixed income and money market. Since 2010, Manulife IM (Malaysia) has bagged 47 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 Investment Management

Manulife Investment Management is the global wealth and asset management segment of Manulife Financial

Manulife Investment Management

Corporation. We draw on more than a century of financial stewardship and the full resources of our parent company to serve individuals, institutions, and retirement plan members worldwide. Headquartered in Toronto, our leading capabilities in public and private markets are strengthened by an investment footprint that spans 17 countries and territories. We complement these capabilities by providing access to a network of unaffiliated asset managers from around the world. We're committed to investing responsibly across our businesses. We develop innovative global frameworks for sustainable investing, collaboratively engage with companies in our securities portfolios, and maintain a high standard of stewardship where we own and operate assets, and we believe in supporting financial well-being through our workplace retirement plans. Today, plan sponsors around the world rely on our retirement plan administration and investment expertise to help their employees plan for, save for, and live a better retirement.

As of June 30, 2020, Manulife Investment Management had CAD\$900 billion (US\$660 billion) in assets under management and administration. Not all offerings are available in all jurisdictions. For additional information, please visit manulifeim.com.

About Manulife

Manulife Financial Corporation is a leading international financial services group that helps people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we operate as Manulife across our offices in Canada, Asia, and Europe, and primarily as John Hancock in the United States. We provide financial advice, insurance, and wealth and asset management solutions for individuals, groups and institutions. At the end of 2019, we had more than 35,000 employees, over 98,000 agents, and thousands of distribution partners, serving almost 30 million customers. As of June 30, 2020, we had \$1.2 trillion (US\$0.9 trillion) in assets under management and administration, and in the previous 12 months we made \$30.6 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 155 years. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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