

# Manulife Asia Total Return Bond Fund

Capture the diversity of Asian bonds

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# Asia bond: a unique market

A blooming and diverse asset class backed by strong local investor base – Asian bonds offer compelling yields and sustainable income opportunities with high quality issuers.

## Compelling yields opportunities

Asian credits offers relatively attractive credit spread and yield opportunities for income investors. Historically, the asset class offer higher yields than US and some of the developed market peers.

## High quality issuers

Around 35% of the J.P. Morgan Asia Credit Index (JACI) are government or state owned enterprises<sup>1</sup> which typically benefit from government support, especially sectors considered systematically important to the economy (e.g. railway operators and utility providers).

## Strong local investor base

Asian issuers with deep local history typically enjoy a strong and loyal investor base. The strengthened regional investor base is also a supportive factor to Asian dollar bonds to be more resilient to external shocks and capital outflows than in the past.

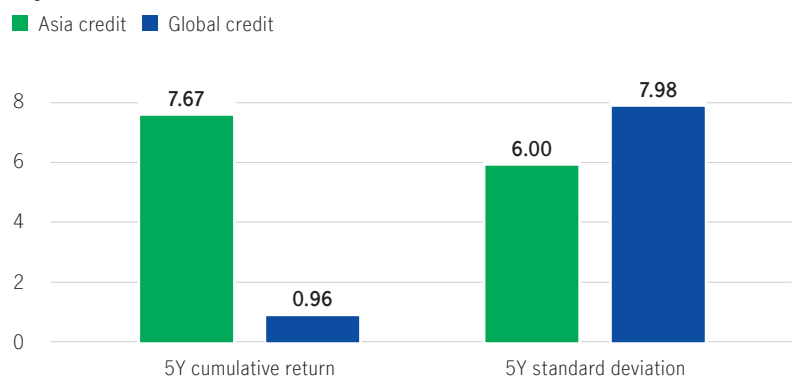
# Capture Asian bond market opportunities

## Asian credit can offer compelling risk-return profile versus global credit

Asian credit delivered higher returns of 7.67% and a lower volatility profile versus global credit over the past five years, supported by Asia's sound fundamentals and relatively higher yields.

Past performance is not indicative of future performance.

## Return and risk profile of Asian and Global credit over the past 5 years

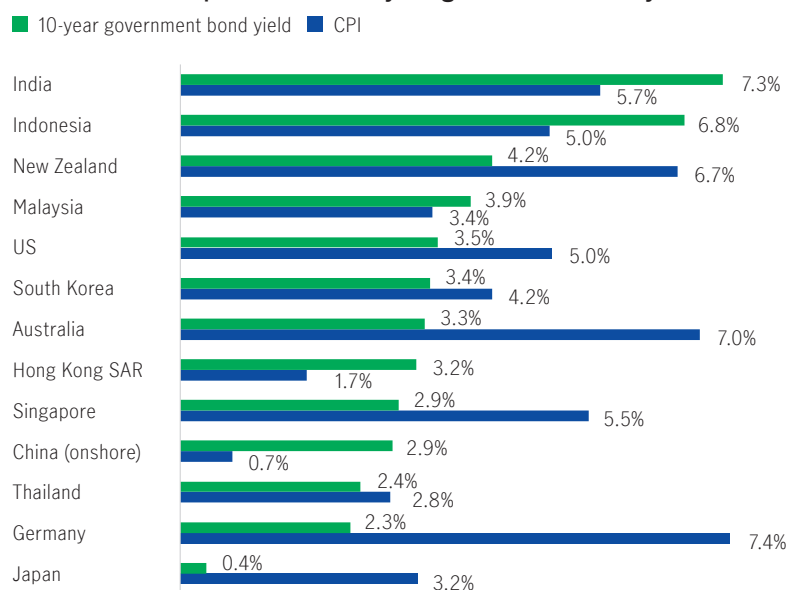


Source: Morningstar, 30 April 2018 to 30 April 2023. Asia Credit represented by JACI Composite Total Return Index. Global Credit represented by Bloomberg Global Aggregate Credit Total Return Index. Past performance is not indicative of future performance.

## Asian bonds stand out in global context

Most Asian local government bonds offer higher yields than developed markets. China and South Asia government bonds offer relatively attractive nominal and real yields, whilst inflation is relatively benign in the Asian region.

## Asian and developed markets 10-year government bond yield vs CPI



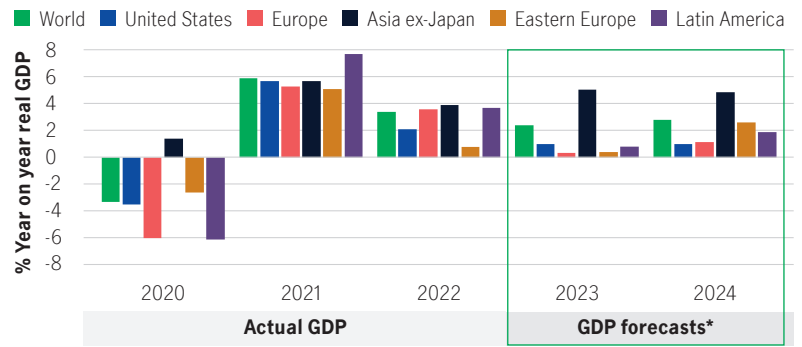
Source: Bloomberg, as of 31 March 2023. Investment involves risk. Past performance is not indicative of future performance. CPI refers to Consumer price index.

## Asia's resilient growth trajectory

Asia is expected to remain the bright spot of the global economy. The forecast growth rates for Asia is relatively higher than other parts of the world. We believe China's reopening to have a positive spillover effect to other Asian economies in a varying degree, and we see pockets of opportunities across Asia.

The above information may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations. There is no assurance that such events will occur, and the future course may be significantly different from that shown here.

### Growth forecast



\* The information in this chart may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. Past performances are not an indication of future performances. GDP refers to Gross domestic product.

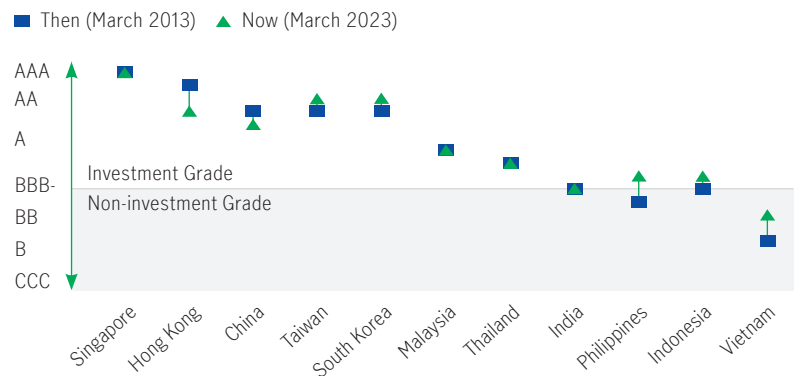
Source: Bloomberg, Economic Survey, 31 March 2023.

## Key features of Target Fund\*\*

### Primarily invest in investment grade with limited high yield exposure

An investment grade dominated portfolio with average credit rating at BBB (investment grade quality). Sovereign ratings of many Asian economies have upgraded over the past decade. Markets such as Philippines and Indonesia have transitioned from a high-yield to an investment grade issuer have upgraded over the past decade.

### Most of Asian markets are now of Investment Grade quality



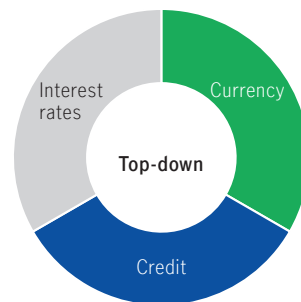
Source: Bloomberg, Foreign Currency Long-term Rating as of 31 March 2023. Past performances are not an indication of future performances.

### Go-anywhere strategy

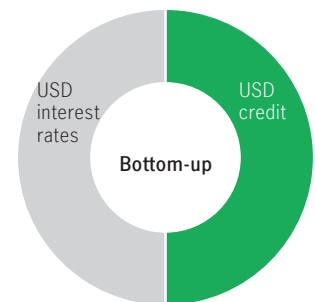
Flexible strategy allocating across USD and local currency Asian bonds to exploit investment opportunities in both markets. Local currency bonds which are predominantly issued by Asian governments offer investors top-down/macroeconomic opportunities (e.g. interest rate cut cycles). Asian USD bonds which are predominantly issued by corporations provide us with bottom-up/bond picking opportunities.

\*\* Manulife Global Fund - Asia Total Return Fund

#### Local currency



#### USD bonds



The above charts are for illustration purposes only.

## Asian fixed income capabilities

**43+ billion**

USD AUM<sup>2</sup> Asian fixed income

**24+ years**

Investment experience by lead fund manager

**70+**

Fixed income professionals in Asia<sup>3</sup>

<sup>1</sup> Source: Manulife Investment Management, JP Morgan Asia Credit index (JACI), as of 31 March 2023.

<sup>2</sup> Manulife Investment Management, as of 31 March 2023. Some strategies are offered by Manulife-TEDA (a wholly-owned subsidiary of Manulife with effect from 29 November 2022). Strategies offered by Manulife-TEDA may not be available to offshore investors.

<sup>3</sup> Total is comprised of investment professionals of Manulife Investment Management, Manulife-TEDA Fund Management Co. Ltd., a wholly-owned subsidiary of Manulife with effect from 29 November 2022, and Mahindra Manulife Investment Management Private Limited, a 49% joint venture of Manulife and Mahindra AMC.

## Key fund information

<b>Name of the fund</b>	Manulife Asia Total Return Bond Fund (“the Fund”)		
<b>Manager</b>	Manulife Investment Management (M) Berhad 200801033087 (834424-U)		
<b>Fund category</b>	Feeder Fund (Bond)		
<b>Base currency</b>	USD		
<b>Currency class</b>	USD Class	RM-Hedged Class	CNH-Hedged Class
<b>Investment objective</b>	The Fund 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.		
<b>Investor profile</b>	This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>• seek a combination of income and capital appreciation;</li> <li>• have a medium- to long-term investment horizon; and</li> <li>• seek investment exposure in the Asia region</li> </ul>		
<b>Investment policy and strategy</b>	The Fund will invest at least 85% of the Fund’s 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 invested in cash, money market instruments (including fixed income securities which have a remaining maturity period of less than 365 days), placement of deposits with financial institutions for liquidity purposes and/or derivative for hedging purposes.		
<b>Performance benchmark</b>	50% JP Morgan Emerging Local Markets Index Plus (Asia) + 50% JP Morgan Asia Credit Index Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The performance benchmark chosen for the Fund follows the performance benchmark of the Target Fund. The risk profile of the Fund is not the same as the risk profile of this performance benchmark. The performance benchmark information is available at <a href="http://www.manulifeim.com.my">www.manulifeim.com.my</a> and <a href="http://www.jpmorgan.com">www.jpmorgan.com</a> .		
<b>Sales charge</b>	Distribution channels UTC Manager IUTA	Sales charge (as a % of NAV per unit of the Fund)  Up to 3.00%	
<b>Annual management fee</b>	Up to 1.25% per annum of the NAV of the Fund calculated and accrued on a daily basis. The annual management fee is applicable to the Fund and all its Classes, if any.		
<b>Annual trustee fee</b>	0.04% per annum of the NAV of the Fund which includes local custodian fees, but excluding foreign custodian fees and charges.		
<b>Minimum initial investment</b>	RM-Hedged Class RM1,000.00	USD Class USD1,000.00	CNH-Hedged Class CNH1,000.00
<b>Minimum additional investment</b>	RM-Hedged Class RM100.00	USD Class USD100.00	CNH-Hedged Class CNH100.00
<b>Distribution policy</b>	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. Note: For details, please refer to the Fund’s Master Prospectus.		
<b>Financial year end</b>	30 November		
<b>Cooling-off period</b>	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.		

### Disclaimer:

The above information has not been reviewed by the SC and is subject to the relevant warning, disclaimer, qualification or terms and conditions stated herein. Investors are advised to read and understand the contents of the Master Prospectus dated 15 May 2023 and its First Supplemental Master Prospectus dated 20 October 2023 and all the respective Product Highlights Sheet(s) (collectively, the “Offering Documents”), obtainable at our offices or website, before investing. The Offering Documents have been registered with the Securities Commission Malaysia (SC), however the registration with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. There are risks involved with investing in unit trust funds; wholesale funds and/or Private Retirement Schemes. Some of these risks associated with investments in unit trust funds; wholesale funds and/or Private Retirement Schemes are interest rate fluctuation risk, foreign exchange or currency risk, country risk, political risk, credit risk, non-compliance risk, counterparty risk, target fund manager risk, liquidity risk and interest rate risk. For further details on the risk profile of all the funds, please refer to the Risk Factors section in the Offering Documents. The price of units and income distribution may go down as well as up. Investors should compare and consider the fees, charges and costs involved. Investors are advised to conduct own risk assessment and consult the professional advisers if in doubt on the action to be taken. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from the pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in the Fund’s denominated currency will remain unchanged after the distribution of the additional units.