

Product Highlights Sheet dated 15 May 2023

Manulife Preferred Securities Income 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, that 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 authorised the issuance of *Manulife Preferred Securities Income Fund* (“the Fund”) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation 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 U.S. (“United States of America”) person. If you are a non-Malaysian, your subscription may be restricted by your local law or regulation. Please observe and comply with such local 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 provide income and potential capital appreciation by investing in one collective investment scheme with investment focus in preferred securities.

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:

- seek regular income and potential capital appreciation;
- have long-term investment horizon (at least 5 years); and
- wish to seek investment exposure in preferred securities globally.

Key Product Features

3. What am I investing in?

Fund Category	Feeder Fund
Investment Strategy and Policy	<p>The Fund will invest at least 85% of the Fund’s net asset value (“NAV”) in share class R (USD) MDIST (G) of Manulife Global Fund – Preferred Securities Income Fund (the “Target Fund”), and the remaining NAV of the Fund will be in liquid assets such as money market instruments (including fixed income securities which have remaining maturity period of less than 365 days), placement of deposits with financial institutions for liquidity purposes and/or derivative for hedging purposes.</p> <p>The Fund’s portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund’s asset is allocated in accordance with its prescribed asset allocation.</p> <p>The Fund will not be adopting any temporary defensive strategies during adverse market condition as the Fund adopts a passive strategy of investing a minimum of 85% of the Fund’s NAV into the Target Fund at all times. This strategy is to allow the Fund to mirror the performance of the Target Fund and may result in the Fund being exposed to the risk of its NAV declining when the Target Fund’s net asset value declines.</p>

Asset Allocation	<p><u>Asset Class</u></p> <p>Target Fund</p> <p>Liquid assets such as money market instruments, placement of deposits with financial institutions for liquidity purposes and/or derivative for hedging purposes</p>	<p><u>Allocation (% of the Fund's NAV)</u></p> <p>Minimum 85%</p> <p>Remaining NAV of the Fund</p>
Performance Benchmark	<p>BofA/Merrill Lynch All Capital Securities Index.</p> <p>Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not same as the risk profile of this performance benchmark. The performance benchmark information is available at www.manulifeim.com.my.</p>	
Base Currency	U.S. Dollar ("USD")	
Currency Class(es)	A (RM-Hedged) Class	A (USD) Class
Launch Date	7 October 2020	
Financial Year End	30 June	
Distribution Policy	<p>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. The payment of distributions, if any, from the Fund will vary from period to period depending on the market conditions, performance of the Fund and the Target Fund.</p> <p>The Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the unit holders as the total cost to be incurred in any such distribution may be higher than the amount for distribution. The Manager has the discretion to decide on the amount to be distributed to the unit holders.</p> <p>Distribution of income by the Target Fund comprises of investment income and realized capital gains and/or capital (at the fixed rate of between 2% and 5% of the net asset value per share per annum). Please refer to the definition of share class R (USD) MDIST (G) in the prospectus of the Fund for details.</p> <p>Class A (e.g. A (RM-Hedged Class and A (USD) Class) aims to distribute, after deduction of fees, charges and expenses of the Fund, the investment income of the distribution paid by the Target Fund and retain the portion from realized capital gains and/or capital by reinvesting back to the Target Fund.</p>	

Target Fund's Information

Name of Target Fund	Manulife Global Fund – Preferred Securities Income Fund
Management Company of Target Fund	Manulife Investment Management (Ireland) Limited
Investment Manager of Target Fund ("Investment Manager")	Manulife Investment Management (US) LLC.
Domicile Country	Luxembourg
Regulatory Authority of the Target Fund	Commission de Surveillance du Secteur Financier
Date of Establishment	11 September 2018
Name of Share Class	Share class R (USD) MDIST (G)
Investment Objective of the Target Fund	The Target Fund aims to provide income generation with potential long term capital appreciation by investing primarily in preferred securities.
Investment Policy and Strategy of Target Fund	<p>The Target Fund will invest at least 70% of its net assets in preferred securities* listed or traded on any regulated market in the world, which include preferred stocks (including convertible preferred stocks)** and subordinated debt securities. Such preferred securities may pay fixed rate or adjustable rate dividends or interests and generally have preference over the issuer's common stocks with respect to the payment of dividends and liquidation distributions, but are junior to the issuer's senior debt in the event of the issuer's liquidation and related distributions. The Target Fund may invest its remaining assets in other debt securities and cash and cash-equivalents.</p> <p>Debt securities include but are not limited to bonds, commercial paper, short-term bills, certificate of deposits and negotiated term deposits, and may be issued by governments, agencies, supra-nationals and corporate issuers.</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 capitalisation. Hence, the Target Fund may invest more than 30% of its net assets in issuers located in the U.S. The Target Fund's investments may be denominated in any currency.</p>

	<p>The Target Fund may invest up to 50% of its net assets in higher-yielding debt securities rated lower than investment grade (i.e. below Baa3 by Moody's Investors Services or BBB- by Standard & Poor's or Fitch Ratings).</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 Investors Service or BBB- by Standard & Poor's or Fitch Ratings). Neither does the Target Fund currently intend to enter into securities lending, repurchase, reverse repurchase, and similar over-the-counter transactions.</p> <p>The Target Fund does not compare its performance against nor is it managed in reference to any benchmark. It may freely select the securities in which it will invest.</p> <p><i>*A preferred security entitles the holder to receive a preferred dividend that is paid or accrued on the preferred security until it matures or is redeemed, or, where applicable, is converted or exchanged. Preferred securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable debt securities; (ii) are less subject to fluctuation in value than common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of common stock of the issuer increases.</i></p> <p><i>**Preferred securities are therefore subject to factors affecting debt and/or equity, including, without limitation, market risk, interest rate risk, credit risk, liquidity and volatility risk.</i></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.

Loan or Financing Risk

This risk occurs when investors take a loan/ financing to finance their investment. The inherent risk of investing with borrowed/ financed money includes investors being unable to service the loan repayments/ financing payments. In the event units are used as collateral, an investor may be required to top-up the investors' existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase, towards settling the loan/ financing.

Please note that loan/ financing is discouraged.

Suspension/Deferment of Redemption Risk

The Manager may, in consultation with the Trustee and having considered the interests of investors, suspend the dealings in units of the Fund due to exceptional circumstances such as when the market value or fair value of a material portion of the Fund's assets cannot be determined. No application will be dealt with when suspension of dealing in units are triggered and this will limit the unit holder's right to freely redeem their units in the Fund.

For the purpose of liquidity risk management, the Fund may defer redemption to the next business day if the total net redemption received is more than 10% of the NAV of the Fund on a particular business day. When such redemption limit is triggered, it may jeopardise the Fund's ability to meet unit holders' redemption request and may lead to a delay in repayment of redemption proceeds to investors. Unit holders who are impacted by deferment of redemption are subject to the risks inherent to the Fund which unit holders invested in until the redemption request is processed.

Liquidity Risk

Liquidity risk refers to a security which could not be transacted in a timely manner. In the context of the Fund (which invests in the Target Fund), liquidity risk is associated with the Target Fund's ability to meet the Fund's redemption request in a timely manner. If the Target Fund fails to meet the Fund's redemption request, it may jeopardize the Fund's ability to meet its own unit holders' redemption request.

Target Fund Manager Risk

The Target Fund (which the Fund invests in) is managed by the Investment Manager of the Target Fund. It is important to note that the Manager has no control over the investment management techniques and operational controls of the Target Fund. Thus, mismanagement of the Target Fund (i.e. breach of its prescribed investment restriction due to human error) may negatively affect the Fund (as an investor of the Target Fund). Should such a situation arise, the Manager may

propose to invest in other alternative collective investment scheme (“CIS”) that is consistent with the investment objective of the Fund provided always that the approval of the unit holders has been obtained.

Country Risk

Investments of the Fund (i.e. the Target Fund, which is domiciled in Luxembourg) may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of Luxembourg. For example, the deteriorating economic condition of that country may adversely affect the value of the investments undertaken by the Fund. This in turn may cause the NAV of the Fund or prices of units to fall.

Currency Risk

You should be aware that currency risk is applicable to class(es) which is in a different currency than the base currency (i.e. USD). The impact of the exchange rate movement between the base currency and the currency denomination of the respective class(es) may result in a depreciation of the value of your holdings.

As for a hedged class, the class itself provides mitigation to the currency risk arising from the difference between the currency denomination of the class and the base currency. For this purpose, the Manager engages the Trustee to perform currency hedging for hedged class of the Fund, using currency forward contracts on a monthly rollover basis to passively hedge against currency risk. While we aim to fully hedge the currency risk for a hedged class, you should note that it may not entirely eliminate currency risk.

In addition, you should note that as a result of hedging, a hedged class will not be able to enjoy the full benefits of the currency movement in the event a favourable movement of the currency denomination of the hedged class against the base currency. You should also note that hedging incurs costs, in which will impact the NAV of a hedged class.

Risk Considerations for Investing in Derivatives

The Manager may use derivatives such as forwards, futures and options, to hedge against certain risks such as adverse movements in currency exchange rates or interest rate. 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.

The Manager will only enter into hedging transactions where the counterparty is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories) rated by any domestic or global rating agency. In the event where the counterparty's 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.

To mitigate these risks, all investment in financial derivatives will be closely monitored or efforts will be taken to unwind such positions if there is material adverse change to the counterparty or issuer.

Taxation Risk/ Withholding Tax Risk

Certain income of the Target Fund may be subject to withholding and/or income tax, and any such taxes will reduce the return on the investments held by the Target Fund. The Fund may make tax provisions in respect of income received from its foreign investments. The tax laws, regulations and practice are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities may not be consistent and transparent. In this connection, the Fund may be subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. Such taxes will reduce the return on the investments of the Fund.

In addition, the Target Fund (through the Management Company of the Target Fund or its agents) may need to receive certain information from an investor for it to avoid certain withholding taxes. In particular, the Foreign Account Tax Compliance Act (“FATCA”) enforced by the U.S. will require the Target Fund (or the Management Company of the Target Fund) to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Subject to certain transition rules, investors that fail to provide the Target Fund, the Management Company or their agents with the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition or caused the entire Fund to subject to a 30% withholding tax on income receivable from the Target fund or on proceeds from any sales or disposition of the Fund. In addition, units held by such investors may be subject to compulsory redemption. Any withholding taxes imposed on the Target Fund could affect the return of investments held by the Fund.

Investors should seek their own tax advice on their tax position with regard to their investment in the relevant Fund.

Specific Risks associated with the Target Fund

- Currency Risks
- Financial Derivative Instruments Other Than For Investment Purpose
- Liquidity and Volatility Risks
- Taxation Risks
- Political and Regulatory Risks
- Rating of Investment Risk
- Swing Pricing Risk
- Credit and Counterparty Risk
- Interest Rate Risk
- High-Yield Bonds Risk / Debt Securities Rated Below Investment Grade or Unrated Risk
- Sovereign Debt Risk
- Valuation Risk
- Collateralised/Securitised Products Risk
- Inflation Indexed Bonds Risk
- Bank Obligations 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*	
		A (RM-Hedged) Class	A (USD) Class
	Unit Trust Consultant	Up to 3.00% of NAV per unit of the Class	
	Manager		
Institutional Unit Trust Scheme 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 (applicable to all Classes of Units)		

Fees incurred when investing in the Fund

Management fee	Up to 1.50% per annum of NAV of the Fund
Trustee fee	0.04% per annum of NAV of the Fund (including local custodian fees, but excluding foreign custodian fees and charges).

All fees and charges (e.g. sales 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.

	A (RM-Hedged) Class	A (USD) Class
Minimum initial investment	RM1,000.00	USD1,000.00
Minimum additional investment	RM100.00	USD100.00
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* (for A (RM-Hedged) Class only). 	

*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. Funds with exposure to foreign investments shall be valued at or before 5.00 p.m. on the next business day (or T+1) because of the time difference between Malaysia and the country(ies) where the funds invested in. The NAV per unit of the Fund/ class will be published upon valuation conducted. However, delay may occur in updating the NAV per unit of the Fund/ class. The latest prices will be available on the Manager's website at www.manulifeim.com.my or FIMM's website. Alternatively, unit holders may contact the Manager's Customer Service Hotline.

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. There is no redemption charge levied on the redemption of units. Redemption proceeds will be paid within seven (7) business days for A (RM-Hedged) Class and ten (10) business days for A (USD) Class from the date on which the redemption request is received by the Manager at or before the cut-off time.

	A (RM-Hedged) Class	A (USD) Class
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 (for A (RM-Hedged) Class only). 	

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 trust funds. 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. The money invested will be refunded to you subject to the conditions as set out in the prospectus of the Fund.

Withdrawal proceeds will only be paid to you once the Manager has received the cleared payments for the original investment.

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 30 June 2022

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 (%)		Since Inception	1-Year
Manulife Preferred Securities Income Fund	A (RM Hedged) Class	(2.40)*	(11.18)
	Benchmark	(4.53)	(13.33)
	A (USD) Class	(3.50)#	(12.15)
	Benchmark	(4.25)	(13.33)

* Since commencement 28 October 2020.

Since commencement 4 November 2020.

Returns in USD (%)	Since Inception [^]	1-Year
Target Fund - share class R (USD) MDIST (G)	(2.56)	(12.50)

[^] since date of launch from 14 January 2020 to 30 June 2020.

10. Annual Total Return for Financial Year Ended 30 June

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 (%)		2021	2022
Manulife Preferred Securities Income Fund	A (RM Hedged) Class	8.10*	(11.18)
	Benchmark	6.78	(13.33)
	A (USD) Class	7.31#	(12.15)
	Benchmark	7.38	(13.33)

For the financial year ended 30 June 2022, the Fund's A (RM-Hedged) Class return decreased by 11.18%, compared with its benchmark return which decreased by 13.33%; while the Fund's A (USD) Class return decreased by 12.15%, compared with its benchmark return which decreased by 13.33%.

* Since commencement date: 28 October 2020 to 30 June 2021

Since commencement date: 4 November 2020 to 30 June 2021

Returns in USD (%)	2020 [^]	2021	2022
Target Fund - share class R (USD) MDIST (G)	(7.70)	16.18	(12.50)

[^] since date of launch from 14 January 2020 to 30 June 2020.

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)	2021*	2022
Portfolio Turnover Ratio ("PTR")	0.91	0.58
The PTR for FYE2025 is 0.58 times and was lower than FYE2021 mainly due to the decrease in trading activities.		
Gross distribution per unit (sen) – A (RM Hedged) Class	2.11	3.49
Net distribution per unit (sen) – A (RM Hedged) Class	2.11	3.45
Gross distribution USD per unit – A (USD) Class	2.10	3.49
Net distribution USD per unit – A (USD) Class	2.10	3.45
Distribution was in the form of cash or reinvested into additional units in the respective Class at the NAV per unit on the distribution date.		

* Financial period from 7 October 2020 (date of launch) to 30 June 2021.

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
Email : MY_CustomerService@manulife.com
Website : www.manulifeim.com.my

- ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industry Dispute Resolution Center (SIDREC):

Securities Industry 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 : 03-7890 4242 (Press 3)
Fax : 03-2093 2700
Email : complaints@fimm.com.my
Online complaint form available at www.fimm.com.my