

## Manulife Global Fund — Asia Total Return Fund



Enjoy Asian potential  
with monthly dividends

**Important:**

- Manulife Global Fund is an umbrella fund comprising a number of funds investing primarily in equity and bond securities, each of which has a different investment objective and risk profile.
- Manulife Global Fund — Asia Total Return Fund (the “Fund”) is an investment fund which has no guaranteed dividend payment and no guarantee of the repayment of principal.
- The Fund invests in debt securities and therefore is subject to credit risk and interest rate risk.
- The Fund has exposure to the relevant currency risk, therefore, the Fund’s price movement may go down or up sharply over a short time span.
- The Fund may invest in emerging markets which are exposed to higher risks of economic, political and regulatory changes.
- Investors may suffer substantial loss of their investments in the Fund.
- Investors should not only base on this material alone to make investment decisions and should further read the prospectus (including potential risks involved) for details.

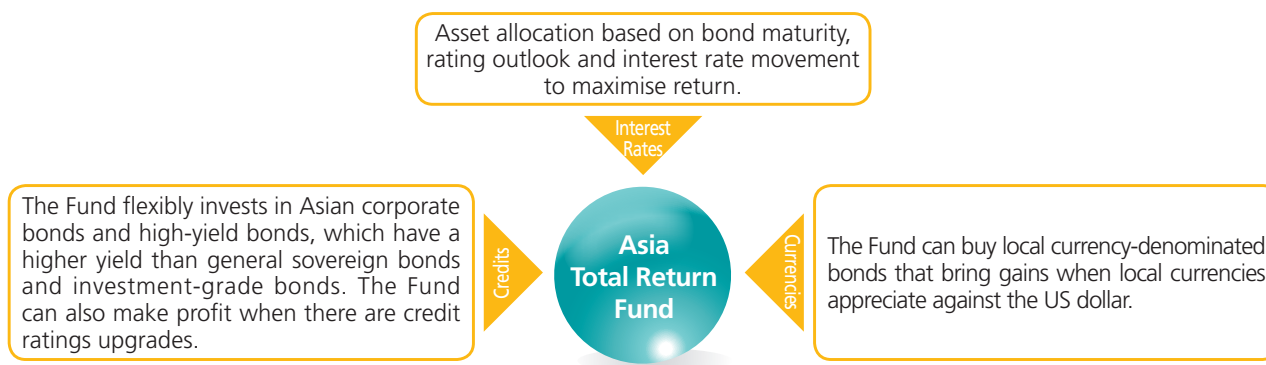
## Features of Manulife Global Fund — Asia Total Return Fund

### 1. Monthly dividend distribution\*

The Fund intends to pay an interim dividend per month to offer investors cash income during the investment period.

### 2. Diversified sources of return

Apart from interest income\*, the Fund also aims to maximise total return through interest rates, credits and currencies channels, creating three sources of return.



### 3. Well-balanced return and bond quality

The fund manager Manulife Asset Management (Hong Kong) Limited considers return and risk management of equal importance. Although Asia Total Return Fund (Share Class AA) may invest up to 40% in non-investment grade bonds, the portfolio still maintains an average credit rating of A-/BBB+\*\* and a weighted average current yield of 5.22%\*\*\*, balancing the overall return and quality of bonds.

\* Under normal circumstances, the Asia Total Return Fund (Share Class AA) intends to declare interim dividends at least once every calendar month after the end of the relevant calendar month, or at other time(s) to be determined by the Directors. The amount of dividends (if any) is not guaranteed. The dividends declared (if any) will be paid within three weeks of such declaration. If the amount of dividend payable is less than US\$50.00, the dividend will also be reinvested in further shares of the sub-fund in question notwithstanding any earlier indication to receive cash dividends.

\*\* The rating here is graded according to rating agency Standard and Poor's and the data is updated as of July 31, 2011. Average credit rating is equal to the summation of the weighted average rating of rating agencies Standard and Poor's, Moody's Investors Service and Fitch for each individual issue.

\*\*\* As of July 31, 2011, the weighted average current yield of the bonds holding in the existing Asia Total Return Fund (Share Class AA) is 5.22% while yield to maturity is 4.81%. The calculation method of weighted average current yield is equal to the summation of the weighted current yield of individual issue; yield to maturity is the summation of the weighted yield to maturity for each individual issue. The information about the portfolio's holdings, asset allocation, or country diversification is as of July 31, 2011. The information is historical and is not an indication of future portfolio composition, which will vary. The current yield and yield to maturity quoted do not represent the dividend yield or performance of the Asia Total Return Fund (Share Class AA). A positive dividend yield does not imply a positive return.

## Asian Bond vs Equity

### Lower volatility, better risk-adjusted return

The annualised return of Asian bond over the past decade was 8.76%, comparable to that of Asian equity. Yet its volatility was only one-fourth that of equities, reflecting the lower risks and stable prices of Asian bond. If an investor invests in both Asian bond and Asian equity by 50% each (50/50 Bond Equity Blend), he can enjoy a slightly less return as with Asian equity but volatility can be reduced by nearly 40%.

Asia Bond and Equity return and volatility analysis over the past decade		
	Annualised Return	Volatility
Asia Bond <sup>1</sup>	8.76%	5.85%
Asia Equity <sup>2</sup>	10.36%	23.60%
50/50 Bond Equity Blend	9.56%	14.73%
US Aggregate Bond	5.85%	3.80%
Dow Jones Industrial Average (DJIA)	0.98%	15.65%

Annualised return and volatility using monthly figures.

<sup>1</sup> 50% HSBC Asian US Dollar Bond Index and 50% HSBC Asia Local Bond Index.

<sup>2</sup> MSCI Asia Ex Japan Index.

Return Period: December 2000 to January 2011.

Source: Bloomberg and Manulife Asset Management (Asia); Manulife Asset Management (Asia) is a division of Manulife Asset Management (Hong Kong) Limited.

# Asia Bond Market Potential

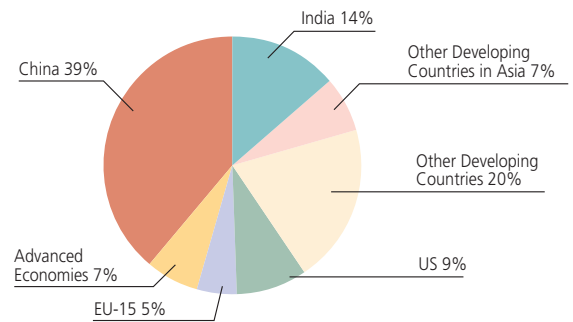
## 1. Near 60% global economic growth come from Asia in 2015-2020

Asia is now the key engine of global economic growth. In 2015-2020, Asian countries will anticipate to contribute to almost 60% of the global economic growth, over 10 percentage points higher than the 49% level in the period from 2000 to 2010, with China and India the two largest sources of momentum.

Source: IMF, The Conference Board, March 2011.

# Due to rounding, the total may not be equal to 100%.

World GDP growth contribution during 2015-2020<sup>#</sup>

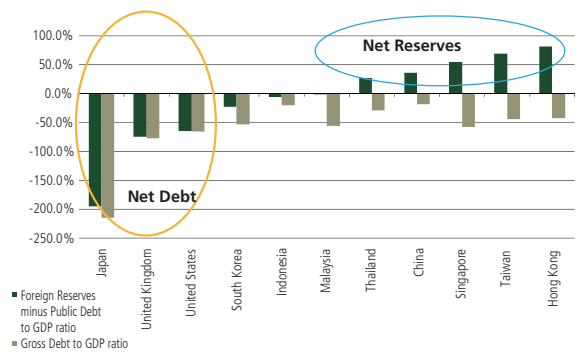


## 2. Sufficient foreign reserve

Asian countries have huge foreign reserves, and the net foreign reserves to Gross Domestic Product (GDP) ratios of such countries as China, Taiwan and Singapore are still positive, even after the public debt. On the contrary, developed countries have a higher debt ratio. With their apparently healthier financial position, Asian countries can effectively cushion investment risks in their markets.

Source: Bloomberg, August 2011.

Financial positions of some developed and Asian countries



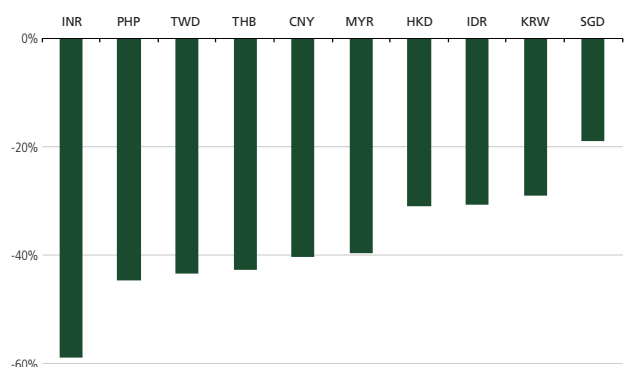
## 3. Currency appreciation expected to catalyze capital inflow

Asian currencies against the US Dollar generally appreciated 0.10% to 6.62%<sup>▲</sup> in the first 8 months in 2011. However, in terms of Purchasing Power Parity (as of June 2011), Asian currencies remain undervalued by 20% to 60%. The strong appreciation potential of Asian currencies will attract the interest of foreign investors and draw capital inflow to Asia.

<sup>▲</sup> According to Bloomberg, the appreciations of Asian currencies against US Dollar are as follows: Singapore Dollar (SGD) appreciated 6.62%, Indonesian Rupiah (IDR) gained 5.20%, South Korea Won (KRW) and Chinese Renminbi (CNY) rose 5.16% and 3.48% respectively, Philippine Peso (PHP), appreciated 3.21%, Malaysian Ringgit (MYR), Taiwanese Dollar (TWD) and Thai Baht (THB) appreciated 3.09%, 0.51% and 0.10% respectively.

Source: Asian Fx Focus, HSBC Global Research, June 2011

Asian currencies are undervalued relative to Purchasing Power Parity (PPP)



## 4. Asian bond market has immense growth potential, its investment value will be much better reflected when trading volume grows with bigger market size in the region

## 5. Offshore RMB bond market develop rapidly and it is drawing the attention of worldwide investors, hence increasing investment opportunities

## 6. The low correlation between Asian bond market and other bond/stock markets helps diversify investment

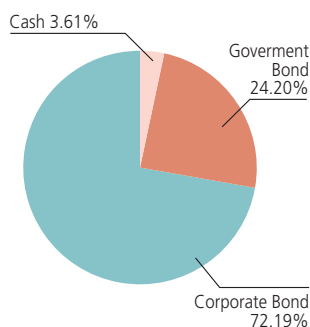
## Current Portfolio Highlight

Weighted Average Current Yield: 5.22%\*\*\*

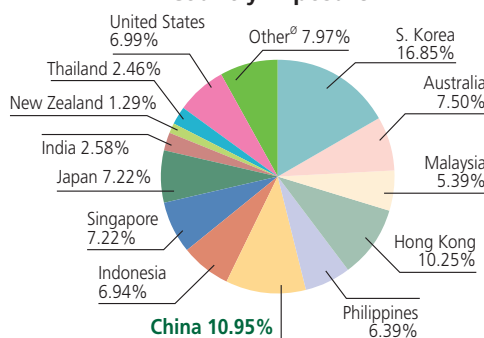
Average Credit Quality: A-/ BBB+

Average Duration: 3.08 Years

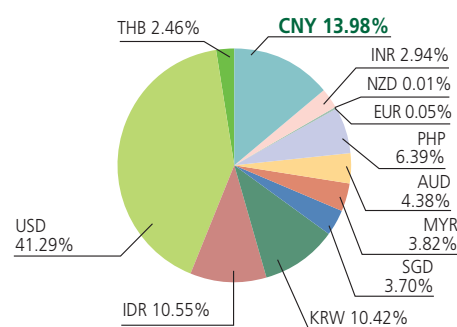
### Asset Allocation\*\*\*



### Country Exposure\*\*\*



### Currency Exposure\*\*\*\*



<sup>o</sup> Others include Europe and Supra-nationals.

<sup>#</sup> Due to rounding, the total of currency exposure may not be equal to 100%.

Source: Manulife Asset Management (Asia), July 31, 2011; Manulife Asset Management (Asia) is a division of Manulife Asset Management (Hong Kong) Limited.

## Manulife Global Fund — Asia Total Return Fund (Share Class AA) Details

Investment Manager	Manulife Asset Management (Hong Kong) Limited
Launch Date	May 4, 2011
Fund Type	Bond Fund
Launch Price	US\$1 per share
Currency	USD
Initial Sales Charge	Up to 5% of subscription amount
Switching Fee	Up to 1% of total redemption price
Redemption Charge	N/A
Management Fee (as a % p.a. of the NAV)	1.25%
Performance Fee (as a % of the Excess Return) and Target Net Asset Value per Share (see section 9.4.2 of the prospectus)	10% with Low Tide Mark, is waived until June 30, 2012
Minimum Initial Investment	HK\$20,000 (or the equivalent in any other Major Currency)
Minimum Holding	HK\$20,000
Minimum Subsequent Investment	HK\$1,000 (or the equivalent in any other Major Currency)
Reference Index	50% JP Morgan Emerging Local Markets Index Plus (Asia) and 50% JP Morgan Asia Credit Index (USD)

### Key Risks

- Investment Risk:** The Fund is an investment fund. It is subject to substantial market fluctuations and to the risks inherent in all investments. The Fund may fall in value and therefore investors may suffer losses.
- Interest Rate Risk:** When interest rates rise on certain currencies that the bonds are denominated in, the value of the bonds may reduce, resulting in a lower value for the relevant portfolio.
- Counterparty Risk:** This refers to the risk of loss in connection with the insolvency of an issuer or a counterparty and/or its failure to perform under its contractual obligations.
- Currency Risk:** The Fund's assets may be invested primarily in securities denominated in currencies other than U.S. Dollars and the Fund may receive income or realization proceeds from these investments in those currencies, some of which may fall in value against U.S. Dollars.
- High-Yield Bonds Risk:** The Fund may invest in higher-yielding debt securities rated lower than investment grade, or if unrated, their equivalent. As such, an investment in the Fund is accompanied by a higher degree of credit risk.
- Emerging Markets Risk:** In respect of certain emerging economies or markets in which the Fund may invest, it may be exposed to higher risks than in developed economies or markets, in particular for the acts or omissions of its service providers, agents, correspondents or delegates. Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some companies in the emerging economies or markets in which the Fund may invest may differ from countries with more developed financial markets. The value of the Fund's assets may also be affected by uncertainties such as changes in government policies, taxation legislation, currency repatriation restrictions and other developments in politics, law or regulations of the emerging economies or markets in which the Fund may invest. Further, certain emerging economies are exposed to the risks of high inflation and interest rates, large amount of external debt; and such factors may affect the overall economy stability.
- Structured Products Risk:** The Fund may invest in structured products, including asset-backed securities and mortgage-backed securities. These securities provide exposure to underlying assets and the risk / return profile is determined by the cash flows derived from such assets. In a volatile market, these securities may display heightened price sensitivity to market fluctuations and have higher liquidity and credit downgrading risks.
- Non-Investment Use of Financial Derivative Instruments (FDIs):** Although the use of FDIs does not form part of the investment strategy of the Fund, the Investment Manager may from time to time utilize FDIs for efficient portfolio management and hedging purposes. The use of derivatives exposes the Fund to additional risks, including: (i) volatility risk; (ii) liquidity risk; (iii) correlation risk; (iv) counterparty risk; and (v) settlement risk, the eventuation of any of the above risks could have an adverse effect on the net asset value of the Fund.

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Investment involves risks. Fund prices may go down as well as up. Past performance figures shown are not indicative of future performance. Please refer to the prospectus for further details including the risk factors, charges and features of the product.

This material has not been reviewed by the Securities and Futures Commission (SFC).