

Manulife Global Fund — Global Contrarian Fund

A strategy to invest against the opinion of the crowd for higher returns opportunities



Important:

- Manulife Global Fund is an umbrella fund comprising a number of funds investing primarily in equity and bond securities with different investment objective and risk profile.
- The investment objectives of the Manulife Global Fund — Global Contrarian Fund (the “Fund”) include emerging markets and thus may be less liquid or more volatile than funds which invest in established markets. Additionally, these investments may encounter risks including legal, regulatory, political, expropriation, repatriation and foreign exchange risks. Where a fund focuses on a specific geographic region, or market or industry sector, it may be subject to greater concentration risks than funds which have broadly diversified investments.
- Investors may suffer substantial loss of their investments in the Fund which value is affected by the relevant risk factors as stated in the Manulife Global Fund’s prospectus.
- Past performance is not indicative of future results and the funds should be regarded as medium to long-term investments.
- The investment decision is yours but you should not invest in a fund unless the intermediary who sells it to you has advised you that it is suitable for you and has explained why, including how buying it would be consistent with your investment objectives.
- Investors should not only base on this material alone to make investment decisions.

Most investors are not contrarian. When a stock plunges on bad news, most investors sell, or avoid the investment altogether. But that is just when the contrarian becomes interested and sees a potential investment opportunity. Global Contrarian is a unique investment strategy that seeks to maximise returns by buying amid pessimism while selling amid optimism. Investment guru Warren Buffett has said: "We simply attempt to be fearful when others are greedy and to be greedy only when others are fearful." Manulife Global Fund ("MGF") Global Contrarian Fund (the "Fund") follows the same investment philosophy, aiming to achieve opportunities for higher returns.

Beauty of MGF Global Contrarian Fund

- **Stocks at a discount to intrinsic values** — The Fund invests in companies facing short-term setbacks and selling at a discount to their intrinsic values
- **Research-biased** — Research to establish intrinsic value, i.e. the expected worth of each stock, base on fundamentals, such as an evaluation of the company itself, management team, and its inherent earnings power.
- **Identify catalyst** — Investing in these companies could generate long-term return opportunities if they possess an identified catalyst to unlock that value
- **Capture opportunities globally** — The Fund could invest in a universe that ranges from small-caps to blue-chips in various sectors and countries. It could also serve as a portfolio diversifier.

MGF Global Contrarian Fund Performance

MGF Global Contrarian Fund, which achieved a return of 83.08% in 2009, ranked the first place based on one year's performance in 2009 among 98 funds under the same category**.

Source: MorningStar, as of December 31, 2009

** Hong Kong SFC Authorised Global Category – Global Large Cap Equity peer group by primary share class, January 1 - December 31, 2009

Past Performance

	6 Month	2009	2008 [^]	Since Inception [*]
MGF Global Contrarian Fund	29.43%	83.08%	-51.76%	-11.68%
S&P Global BMI Index	24.14%	37.76%	-35.61%	-11.29%

Source: MorningStar, as of December 31, 2009

[^] Since inception (June 27, 2008) to year end

^{*} Inception date: June 27, 2008

Investment Process

1

Idea Generation

Stocks sold off in special situations, such as restructuring and spin-offs, are placed on the Fund manager's watch-list.

2

Research to Establish Intrinsic Value

Research on fundamentals, including the business model, earnings power and company management team, to establish the intrinsic value of each stock.

3

Identify Catalyst to Unlock Value

Identify events that will unlock intrinsic value, i.e. catalyst. A target price is established.

4

Portfolio Construction

A portfolio, comprising 35 - 65 stocks, is constructed. It will contain at least eight sectors.

Source: MFC Global Investment Management (U.S.), LLC

Portfolio Characteristics

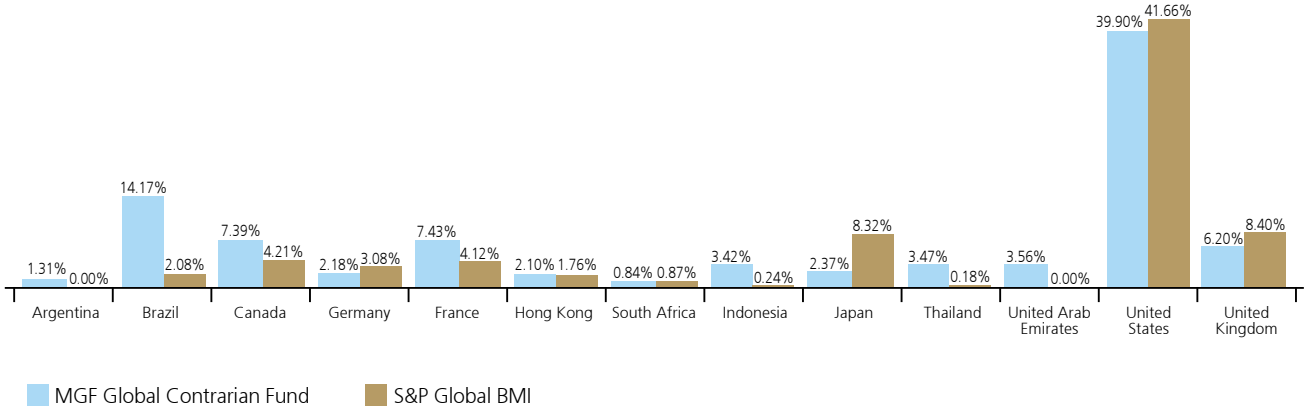
Flexible Geographical and Sector Allocations

Unlike many other peers, the Fund could deviate from its benchmark in terms of geographical and sector allocations. This flexibility allows the Fund manager to capture investment opportunities whenever and wherever they emerge. In 2009, the Fund benefited from its overweight in Brazil, energy and material sectors; and an underweight in the technology sector relative to the benchmark.

A Diversified Portfolio

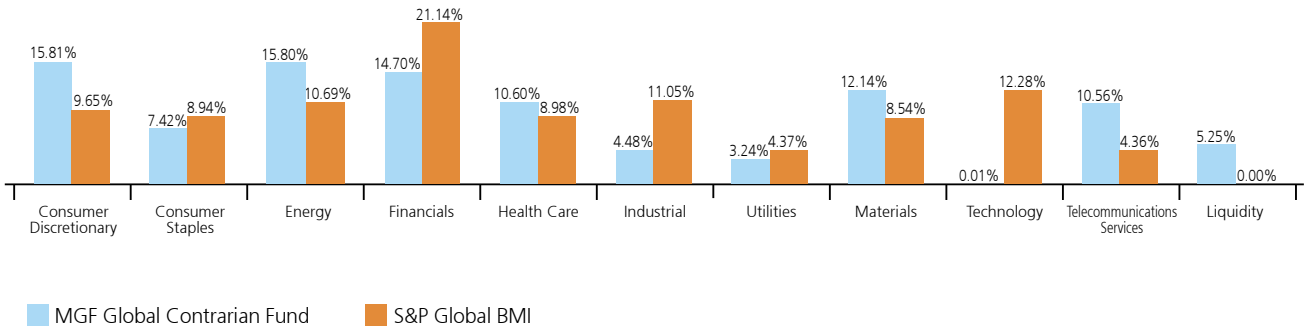
The Fund, which captures investment opportunities globally, will contain at least eight sectors, which helps achieve diversification.

Geographical Allocation



Source: MFC Global Investment Management (U.S.), LLC, December 31, 2009

Sector Allocation

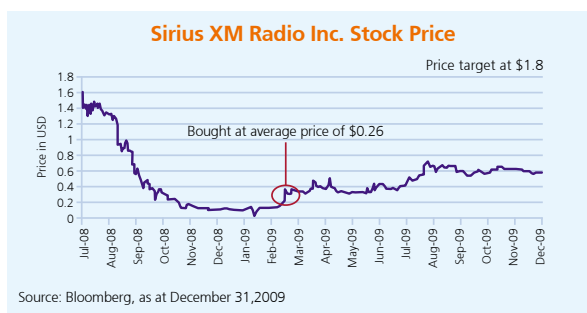


Source: MFC Global Investment Management (U.S.), LLC, December 31, 2009



Case 1: Sirius XM Radio (SIRI) — New York, USA

Sirius XM Radio (SIRI) provides satellite radio services in the United States and Canada. The company offers a programming line-up of 117 channels to subscribers, which include 63 channels of commercial-free music and 54 channels of sports, news, talk, entertainment, traffic and weather. As of March 31, 2009, the Company had more than 19 million subscribers.



Special situation	SIRI becomes the sole pay satellite radio company in the United States and Canada following the merger of Sirius Satellite Radio Inc. and XM Satellite Radio Holdings in 2008. Part of the merger was financed by debt. Shares in SIRI dropped in late 2008 as investors feared that the company would not be able to repay its debt.
Manager's view	<ul style="list-style-type: none"> SIRI is the satellite radio monopoly in the U.S. Pricing can better reflect the value proposition to consumers. Company can begin raising prices in 2011. Huge potential from car market. (Travelling in the U.S can take many hours) iPhone application allows SIRI to reach untapped demographic — consumers under the age of 25.
Catalyst	<ul style="list-style-type: none"> Continued announcements regarding agreements to offer trial satellite radio for cars Continued growth in subscribers Sustained positive free cash flow
Action	The portfolio accumulated SIRI's shares in December 2008. Average purchasing price was US\$0.26 per share. Target price was US\$1.8 per share.
What happened later	In February 2009, Liberty Media Corp., the cable company controlled by billionaire John Malone, agreed to buy a 40% stake in SIRI in exchange for US\$530 million in loans to help the pay-radio company avoid bankruptcy. SIRI share price rebounded strongly after the capital injection. Investors refocused on the company's fundamentals. As of December 31, 2009, share price was US\$0.6.

Case 2: Santos Brasil Participacoes — Sao Paulo, Brazil

Santos Brasil Participacoes is the largest container port operator in South America. The portfolio manager visited Santos Brasil Participacoes in April 2008, when share prices were high at 31.0 reais. The company has since then been on the manager's radar.



Special situation	When the financial crisis erupted in late 2008, Santos' shares plunged to as low as 6.0 reais on concerns of declining exports.
Manager's view	<ul style="list-style-type: none"> Strategically located, much closer to Sao Paulo than competing ports — provides pricing power, due to high cost to transport containers in Brazil. High entry barriers, due to regulatory and environmental hurdles in developing port projects. Trades well below replacement cost Major capex investments completed — free cash flow to grow significantly over the next two to three years.
Catalyst	<ul style="list-style-type: none"> Recovery in container volume in 2010 Milestones in expanding Mesquita and Tecon Imbituba ports Increase in dividend due to change in accounting Significant free cash flow growth
Action	The portfolio accumulated Santos' shares in April 2009. Average purchasing price was 9.5 reais per share. Target price was 25.0 reais per share.
What happened later	Santos' shares rebounded on anticipation that exports will benefit from global economic recovery. As of December 31, 2009, share price was 17.5 reais per share.

Source: MFC Global Investment Management (U.S.), LLC, December 31, 2009

The above information is provided to Manulife Asset Management (Hong Kong) Limited for illustrative purposes only. The security discussed may or may not be a current investment in the portfolio. Any reference or inference to a specific company listed herein does not constitute a recommendation to buy, sell, or hold securities of such company, nor does it constitute a recommendation to invest directly in any such company.

Suitability & Key Risks

Suitable Investors

The Fund is suitable for those who aims to generate long term returns which exceed those of broad market indices, such as S&P Global BMI Index and the S&P 500 Index, by investing in overlooked and misunderstood companies through investing primarily in securities of U.S. issuers, and those of issuers in countries around the world including, but not limited to, common stocks, Real Estate Investment Trusts (REITs) and similar liquid equity equivalents.

Key Risks

- In general, investors of the Fund should be aware of the Emerging Markets Risks, Custodian, Clearance and Settlement Risks, Small-Cap Risks, Currency Risks, Liquidity and Volatility Risks.
- In particular, the Fund focuses on investing in companies that are overlooked / misunderstood by the market and gains capital growth from those companies when their values are publicly recognised. Such companies may incur market capital depreciation if they are not favoured by the financial market at times under any economic situation. Investors may lose their investment amount if redemptions are made during such periods.

Fund Information

Investment Manager	MFC Global Investment Management (U.S.), LLC
Launch Date	June 27, 2008
Launch Price	US\$1.00
Fund Currency	USD
Management Fee	1.75% per annum
Initial Sales Charge	5%
Redemption Charge	Nil
Conversion Charge	Up to 1% Redemption Price
Minimum Investment	HK\$20,000
Minimum Subsequent Investment	HK\$1,000
Performance Fee	8% on the excess of performance target*

* The performance target is 110% of the higher of the NAV per share at the close of business on the last dealing day of the last financial year, and the target NAV per share for the last financial year. Please refer to the prospectus for further details (including the risk factors) and charges.

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).

Issued by

Manulife Asset Management (Hong Kong) Limited

31/F, Manulife Tower,
169 Electric Road, North Point,
Hong Kong

Customer Service Hotline: (852) 2108 1110
www.manulife.com.hk

