

Important Notes:

1. Manulife Advanced Fund SPC – US Bank Equity Segregated Portfolio ("Manulife US Bank Equity Fund" or the "Fund") invests primarily in equities and equity-related investments of U.S. banks, which exposes investors to concentration and equity market risk.
2. The Fund may invest in equities of small- and mid-capitalisation companies, which can involve liquidity and volatility risks, and is subject to greater risk than is customarily associated with investments in larger capitalisation companies.
3. Investment involves risk. The Fund may expose its investors to capital loss. Investors should not make decisions based on this material alone and should read the offering document for details, including the risk factors, charges and features of the Fund and its share classes.

The only fund*
focused on the
US banking
industry

Manulife US Bank Equity Fund



6 powerful investment themes

in one portfolio to help you tap the enormous potential

Managed by a leading manager

based in US with past experience with the US Federal Reserve

10+ years of experience

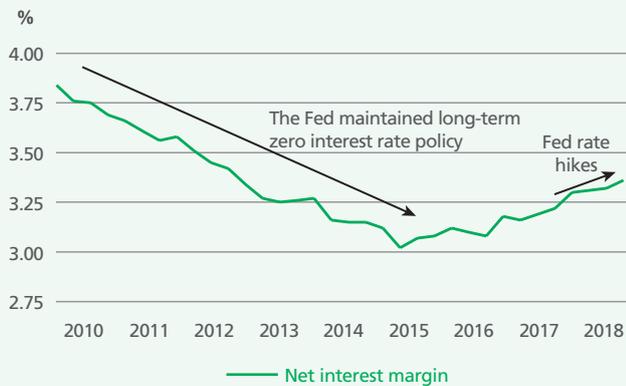
backed by the expertise of a cohesive investment team

Source: Morningstar. Fund category: Under Morningstar category of "Sector Funds - Financial Services" and is authorised by the Securities and Futures Commission (SFC). The Fund is the only one within the category that invests more than 80% of NAV in US bank equities and relevant equity investments (as of 30 November 2018). SFC authorisation is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

+ US rate hikes benefitting interest income

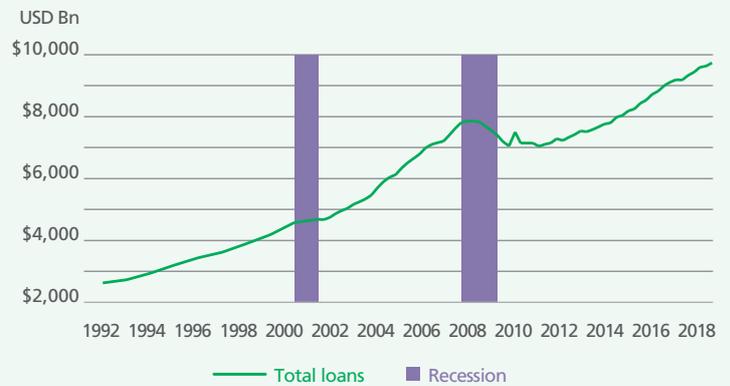
The rate hikes by the US Federal Reserve since 2015 signify the beginning of interest rate normalisation. As net interest margins widen correspondingly (Chart 1), bank earnings are likely to improve. Meanwhile, as the economy continues to recover, interest rates are at historically low levels which is in turn supporting loan growth, and helping to narrow the gap between loan and deposit growth (Chart 2).

Chart 1: Earnings growth boosted by rising net interest margins



Source: US FDIC, 30 June 2018, in USD.

Chart 2: Loan growth has accelerated



Source: US FDIC, 30 June 2018, in USD.

— Tax cuts boosting profits of US banks

The US banking sector has seen year-on-year growth over the first quarter of

127.5%

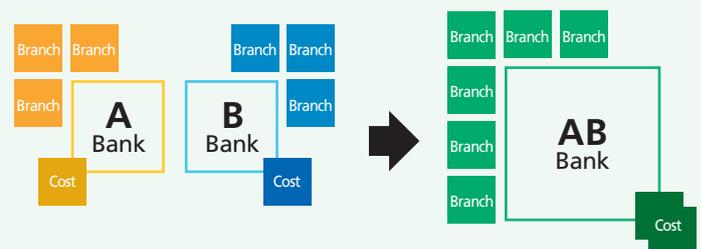
Had the tax cuts not be in place, we believe growth would have only reached 12.6%.



Source: FDIC banking quarterly report, as of 22 May 2018.

X Consolidation driving operating efficiency and boosting industry growth

Over the past 30 years, the total number of US banks has declined by an average of about 300 banks each year, mainly driven by mergers and acquisitions (M&As). These consolidations release values of the acquired banks, with a direct impact of boosting stock prices. M&As also bring about synergies to the acquiring bank and reduce costs in duplicating functions.



The above chart is for illustration purposes only.

• Deregulation reducing costs and driving profits

The passing of the amended Dodd-Frank Act for financial reforms has formally relaxed the oversight of small- and mid-sized banks, and exempted them from annual stress testing¹ going forward. The US Federal Reserve has also relaxed restrictions on the proprietary trading businesses of small- and mid-sized banks, which will help boost their returns on assets².



1. Source: Bloomberg, Trump signs Biggest Rollback of Bank Rules Since Dodd-Frank Act, as of 25 May 2018.

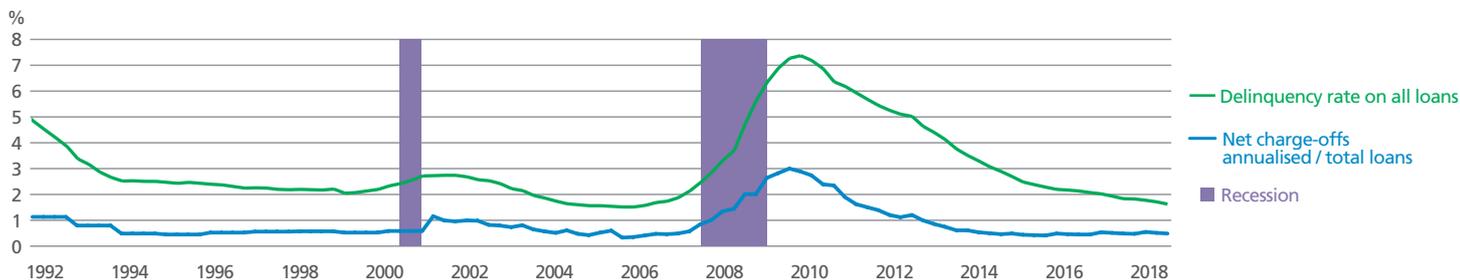
2. Source: Federal Reserve, as of 30 May 2018.

6 powerful themes driving the US banking sector

Improved credit environment driving recovery

Loan defaults in the US banking has continued to decline, and the credit environment is now at healthy levels. This is due to deleveraging by the US government, which has resulted in a significant decline in Non-Performing Loans (Chart 3).

Chart 3: Banking loan defaults continue to decline

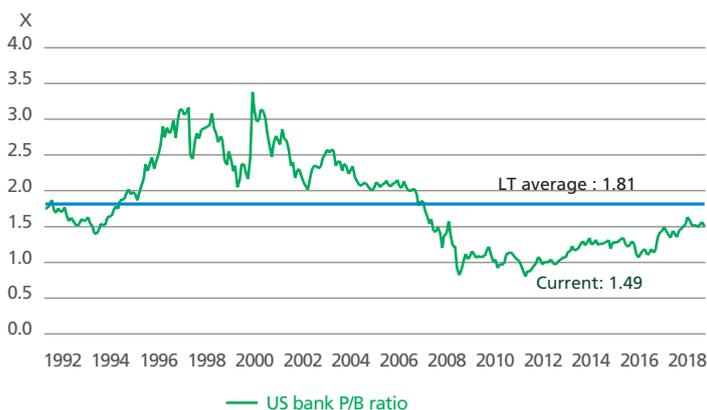


Source: FDIC-Statistics on Depository Institutions Report, as of 30 June 2018, in USD. Delinquency rate is seasonally adjusted.

Valuations are still attractive

The current Price-to-Book (P/B) ratio of US bank equities is still below the 26-year long-term average (Chart 4). Since the second half of 2017, bank equities have outperformed the broader US Market due to favourable market conditions and attractive valuations. (Chart 5).

Chart 4: US bank P/B ratios lower than long-term (LT) average



Source: SNL Finance, in USD, as of 30 September 2018. SNL US Bank and Thrift Index. The above chart is for illustration purpose only.

Chart 5: US bank equities outperforming the broader market



Source: Bloomberg / Morningstar, total return performance, as of 30 November 2018. Rebased at 100 on 30 November 2013.

Manulife US Bank Equity Fund

25 years+

investment experience
in average

80% of assets¹

substantially invested
in regional banks

100-150 stocks

of mid- to long-term
holdings¹

**Managed by a
leading manager**

based in US with past experience
with the US Federal Reserve

Unique **CAMELS** analysis framework
which is similar to the federal banking regulatory assessment framework.



C Capital Assessment:
monitors the bank's capital adequacy



A Asset Quality:
conducts credit due diligence



M Management:
assesses the bank's culture



E Earnings:
forecasts future profitability



L Liquidity:
reviews the bank's liquidity position



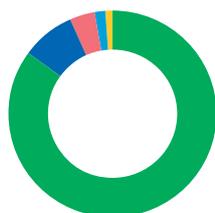
S Sensitivity to Interest Rate:
reviews the bank's asset/liability management

1. This is illustrative guideline. Portfolio holdings and characteristics are subject to change at any time. Information about the asset allocation is historical and is not an indication of the future composition.

Fund Information

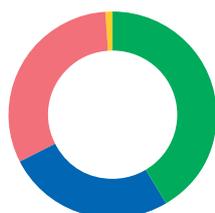
Investment Objective	The investment objective of the Fund is to achieve medium to long-term growth of capital primarily through investing in equities (such as common, preferred and convertible preferred stocks) and equity-related investments (such as depositary receipts and exchange traded funds ("ETFs")), of U.S. banks (including regional banks, commercial banks, industrial banks, savings and loan associations and bank holding companies incorporated in the United States of America and/or its territories, collectively "U.S. Banks").		
Investment Manager	Manulife Asset Management (Hong Kong) Limited		
Sub-Investment Manager	Manulife Asset Management (US) LLC (based in the United States, internally appointed)		
Launch Date	6 June 2017 (Class AA (USD) Inc)		
Net Asset Value (NAV) Per Share	Net Asset Value per unit	Currency	
	Class AA (USD) Inc	USD 9.0908	USD
	Class AA (HKD) Inc	HKD 91.3757	HKD
Fund Size	USD 62.35 million		
Benchmark	Standard & Poor's Composite 1500 Banks Index		
Initial Charge	Currently up to 5% ¹ of the NAV per Participating Share		
Management Fee	1.50% ¹ per annum		
Available Class	ISIN Code	Bloomberg Ticker	
	Class AA (USD) Inc	KYG5800M4690	MUBEAAU KY
	Class AA (HKD) Inc	KYG5800M4518	MUBEAAH KY

Sector Breakdown^{2, 3}



Regional Banks	85.01%
Diversified Banks	8.40%
Thrift & Mortgage Finance	3.97%
Consumer Finance	1.59%
Cash	1.02%

Market Valuation Breakdown^{2, 3, 4}



Large-cap Companies	41.58%
Mid-cap Companies	25.93%
Small-cap Companies	31.47%
Cash	1.02%

Cumulative Performance Since Launch



Cumulative Performance (%)

	YTD	3 months	1 yr.	3 yrs.	5 yrs.
Class AA (USD) Inc	-20.33	-20.83	-20.33	-	-
Benchmark	-16.60	-16.61	-16.60	-	-

Calendar Year Performance (%)⁵

	2018	2017	2016	2015	2014
Class AA (USD) Inc	-20.33	14.10	-	-	-
Benchmark	-16.60	23.04	-	-	-

Top 10 Holdings² (Total number of stocks: 114)

Company Name	Sector	Weighting
Bank of America Corp	Diversified Banks	3.19%
KeyCorp	Regional Banks	3.17%
SunTrust Banks, Inc.	Regional Banks	3.13%
Citizens Financial Group, Inc.	Regional Banks	3.10%
M&T Bank Corporation	Regional Banks	3.09%
Comerica Incorporated	Regional Banks	3.06%
BB&T Corporation	Regional Banks	2.98%
Regions Financial Corporation	Regional Banks	2.82%
PNC Financial Services Group, Inc.	Regional Banks	2.71%
JPMorgan Chase & Co.	Diversified Banks	2.69%

Unless otherwise stated, all information sources are from Manulife Asset Management, as of 31 December 2018. All returns are NAV to NAV, USD, net of fees, dividend reinvested. Fund performance applies only to Class AA (USD) Inc. Investment involves risk. Past performance is not indicative of future performance. The information in this material 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.

- Manulife Asset Management (Hong Kong) Limited reserves the right to increase the fees up to a specified permitted maximum by giving affected shareholders at least one month's prior notice. Please refer to the Fund prospectus for details.
- Portfolio holdings and characteristics are subject to change at any time. Information about the asset allocation is historical and is not an indication of the future composition. The securities described are for illustrative purpose only and do not constitute any investment recommendation or advice. It should not be assumed that an investment in these securities or equities was or will be profitable.
- Due to rounding, the total may not be equal to 100%. A negative percentage, if any, represents a short position in the portfolio for hedging/cash flow management purposes. Please refer to offering document of the Fund for details.
- Large-cap refers to a company with market capitalisation > USD6.8 billion; Mid-cap refers to a company with market capitalisation between USD2.1 billion and USD6.8 billion; Small-cap refers to a company with market capitalisation < 2.1 billion.
- Performance of the inception year is calculated from its launch date to the inception year end.

This material is for illustration purposes only, and is provided for your reference only. It should not be viewed as an attempt to project or reflect any investment return, and should not be relied upon/viewed as investment advice or offer to buy or sell any security. Opinions expressed in this material reflect the opinions at the time of writing and are subject to change.

Issued by Manulife Asset Management (Hong Kong) Limited.

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