

**Manulife Advanced Fund SPC (the “Company”)**  
P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

This document is important and requires your immediate attention. If in doubt, you should seek independent legal, financial or other professional advice. The Directors of the Company accept full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading.

Words and phrases used in this Notice shall, unless otherwise provided, have the same meanings as ascribed to them in the Prospectus of the Company dated December 2012, as amended or supplemented from time to time (altogether the “Prospectus”).

**Notice to Shareholders**

31 March 2017

Dear Shareholders,

**Re: Termination of Asia-Pacific Equity Income Segregated Portfolio (the “Asia-Pacific Equity Income Fund”) and Global RMB Income Strategy Segregated Portfolio (the “Global RMB Income Strategy Fund”) (each a “Fund”, and collectively known as the “Funds”), each a Segregated Portfolio of the Company**

We wish to advise that following a review of the Funds’ operations, the directors of the Company (the “Directors”) have resolved to exercise their discretion to compulsorily redeem all Participating Shares of the Funds resulting in the termination of the Funds as, due to their small fund size and taking into account the ongoing costs of maintaining the Funds, the Directors are of the view that it is no longer commercially viable to continue their operations in the best interests of investors from a cost and return perspective. As at 7 March 2017 the assets of the Asia-Pacific Equity Income Fund and the Global RMB Income Strategy Fund amounted to US\$5,062,618 and US\$10,884,929, respectively.

Moreover, the total expense ratio (“TER”) of the Asia-Pacific Equity Income Fund for the twelve months ending 31 December 2016 was 2.48% for Class AA (USD) Inc Shares, 2.46% for Class AA (AUD) Inc Hedged Shares, and 2.47% for Class AA (HKD) Inc Shares, and the TER of the Global RMB Income Strategy Fund for the twelve months ending 31 December 2016 was 1.78% for Class AA (RMB) Shares and 1.78% for Class AA (USD) Shares. The TER is equal to the percentage of a Segregated Portfolio’s sum of expenses over its average net asset value.

*Background*

Clause 59.1 of the Articles of Association of the Company provides that, unless as otherwise provided in the Prospectus, the Directors may in their absolute discretion by a resolution (but shall not be obliged to) resolve to compulsorily redeem all the outstanding Participating Shares of the Class or Classes relating to a Segregated Portfolio of the Company if the NAV of the Segregated Portfolio is below US\$1,000,000 (or its equivalent in the Base Currency) (or such other amount as the Directors may from time to time determine) on each Valuation Point during a period of three consecutive months.

Pursuant to the Directors’ discretion under Clause 59.1 of the Articles of Association of the Company and as is stated in Sections 4.22 and 9.7 of Part I of the Prospectus, as amended by the Ninth Supplement dated February 2017 and previously indicated in the Company’s Notice to Shareholders dated 24 February 2017, the Directors have further determined that the applicable minimum NAV threshold for compulsory redemption pursuant to Clause 59.1 of the Articles of Association of the Company is currently US\$15,000,000 (or its equivalent in the Base Currency) (or such other amount as the Directors may from time to time determine) on each Valuation Point during a period of three consecutive months.

Since the NAV of each Fund has been below US\$15,000,000 on each Valuation Point during a period of three consecutive months, pursuant to Clause 59.1 of the Articles of Association of the Company (and as disclosed in

the Prospectus) the Directors have in their absolute discretion by a resolution determined to compulsorily redeem all the outstanding Participating Shares of each Fund (the “**Compulsory Redemption**”). The Compulsory Redemption for each Fund will occur on 30 June 2017 (the “**Compulsory Redemption Date**”) which will also be the effective date of termination of each Fund. The Custodian has no objection to the Compulsory Redemption.

With immediate effect, the Funds are no longer allowed to be marketed to the public in Hong Kong and shall not accept subscriptions or switches in from new investors.

All costs for the aforesaid Compulsory Redemption and termination of the Funds will be borne by Manulife Asset Management (Hong Kong) Limited, the Investment Manager of the Funds (the “**Investment Manager**”). There are no unamortised preliminary expenses associated with the Funds,

#### *Tax implications*

Under current law and practice in Hong Kong, Shareholders will not be liable for Hong Kong tax in respect of any income or gains made on the issue, redemption, conversion or other disposal in Hong Kong of shares, save that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong. Individual Shareholders should seek independent advice on taxation and other consequences of the termination of the Funds referred hereto.

#### **Action to be taken**

Please note that you may wish to take the opportunity to switch your holdings, free of charge, to the Participating Shares of an equivalent Class (if any) of another alternative Segregated Portfolio of the Company<sup>1</sup>, as permitted by and in accordance with the switching procedures as described in the Prospectus, between now and the last Dealing Day on 30 June 2017 (the “**Last Dealing Day**”) provided such request is received by the General Adviser and Distributor, Manulife Asset Management (Hong Kong) Limited (“**General Adviser and Distributor**”) on or before 4:00 pm (Hong Kong time) or by the Sub-Administrator, Citibank Europe plc, Luxembourg Branch (the “**Sub-Administrator**”) on or before 1.00 pm (Luxembourg time) on the Last Dealing Day. Should you wish to switch to another alternative Segregated Portfolio of the Company, please refer to the offering documents of the alternative Segregated Portfolio of the Company before you invest as the investment objective as well as risk and return profiles of such Segregated Portfolio may be different from that of these Funds. Full details of the Segregated Portfolios can be found on the Investment Manager’s website at [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk)<sup>2</sup>, or from your usual contact at the Company. If you have any queries about the switching of Participating Shares into other Segregated Portfolio(s) of the Company, please contact the General Adviser and Distributor or the Sub-Administrator (details of the contact information are set out below).

Please note that you may also redeem your Participating Shares free of charge (in accordance with the normal redemption procedures set out in the Prospectus) on any Dealing Day up to 4.00 pm (Hong Kong time) on the Last Dealing Day by way of an application for redemption to the General Adviser and Distributor or up to 1:00 pm Luxembourg time by way of an application for redemption to the Sub-Administrator. Investors will receive redemption proceeds in accordance with terms of the Prospectus.

Please note that we will not impose any charges in respect of your redemption and/or switching instructions. However, your bank or financial adviser may charge you fees in respect of such instructions. You are advised to contact your bank, distributor or financial adviser should you have any questions.

However, if you do not switch or redeem your holding prior to the Compulsory Redemption Date, your Participating Shares will be automatically redeemed on the Compulsory Redemption Date and the NAV of your Participating Shares on the Compulsory Redemption Date will be used to calculate your redemption proceeds. Investors will receive the relevant redemption proceeds in proportion to their respective interests in the Funds normally within five Business Days from the Compulsory Redemption Date, i.e. on or around 7 July 2017.

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<sup>1</sup> SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance. It does not mean the fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

<sup>2</sup> Please note that the website has not been reviewed by the Securities and Futures Commission (“**SFC**”).

**Enquiries**

Shareholders requiring further information about the matters set out in this Notice may contact the Sub-Administrator, Citibank Europe plc, Luxembourg Branch on telephone number (352) 45 14 14 258 or fax number (352) 45 14 14 332, or the General Adviser and Distributor, Manulife Asset Management (Hong Kong) Limited, on telephone number (852) 2108 1110 or fax number (852) 2810 9510 (relating to Class AA Shares), or telephone number (852) 2510 3055 or fax number (852) 2907 2076 (relating to Class C, Class D, Class I and Class P Shares) at any time during normal local business hours.

The Memorandum and Articles of Association of the Company and the offering documents of the Funds are available for inspection, free of charge, at the office of the Investment Manager.

**For and on behalf of the Board  
Manulife Advanced Fund SPC**