

# PRODUCT KEY FACTS

## Manulife Advanced Fund SPC - Asia-Pacific Equity Income Segregated Portfolio (the "Fund")

**Investment Manager:**  
**Manulife Asset Management (Hong Kong) Limited**

**March 2016**

- *This statement provides you with key information about the Fund.*
- *This statement is a part of the Prospectus and must be read in conjunction with the Prospectus of the Fund, as amended and supplemented from time to time.*
- *You should not invest in this product based on this statement alone.*

### Quick facts

<b>Investment Manager:</b>	<b>Manulife Asset Management (Hong Kong) Limited</b>
<b>Custodian and Paying Agent:</b>	<b>Citibank Europe Plc, Luxembourg Branch</b>
<b>Dealing Frequency:</b>	<b>Daily (Please refer to the Prospectus for details)</b>
<b>Base Currency:</b>	<b>USD</b>
<b>Ongoing Charges over a Year:</b>	<b>Class AA (USD) Inc: 4.48% **</b> <b>Class AA (AUD) Inc Hedged: 4.19% **</b> <b>Class AA (HKD) Inc: 4.25%**</b>
<b>Dividend Policy:</b>	<b>Currently on a monthly basis, subject to the Investment Manager's discretion. The Fund may at its discretion pay dividend out of capital or gross income of the relevant Class of the Fund while charging/paying all or part of the Classes fees and expenses to/out of the capital of the relevant Class of the Fund, effectively resulting in an increase in net distributable income for the payment of dividends by the Fund. In such cases, the Fund effectively pays dividend out of capital which may reduce the NAV per Share of the relevant Class immediately after the distribution date.</b>
<b>Financial Year End of the Fund:</b>	<b>30 June</b>
<b>Minimum Initial Investment:</b>	<b>Class AA (USD) Inc: HKD20,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b> <b>Class AA (AUD) Inc Hedged: AUD2,500<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b> <b>Class AA (HKD) Inc: HKD20,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b>

\*\* *The ongoing charges figure is based on expenses for the period from 1 January 2014 to 31 December 2014. This figure is expressed as a percentage of the sum of expenses over the average net asset value for the above 12 month period. This figure may vary from year to year.*

# *Or such other minimum amount as may be determined by the Directors at their sole discretion.*

Δ *Major Currencies means any of USD, Pound Sterling, Swiss Francs, Euro, Japanese Yen, HKD and Canadian Dollars.*

<b>Minimum Holding:</b>	<b>Same as above</b>
<b>Minimum Subsequent Investment:</b>	<b>Class AA (USD) Inc: HKD1,000<sup>#</sup>(or the equivalent in any other Major Currencies<sup>Δ</sup>)</b> <b>Class AA (AUD) Inc Hedged: AUD125<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b> <b>Class AA (HKD) Inc: HKD1,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b>
<b>Minimum Redemption Amount:</b>	<b>Same as above</b>

## What is this product?

- The Fund is constituted as a segregated portfolio of the Manulife Advanced Fund SPC, which is a mutual fund incorporated as an exempted segregated portfolio company with limited liability in the Cayman Islands.

## Objective and Investment Strategy

### Objective

The investment objective of the Fund is to provide investors with a total return primarily through investing in equities and equity-related investments of companies that are listed, domiciled or have significant exposure to the Asia Pacific (excluding Japan) region or derive a significant proportion of their income from that region (“**Asia-Pacific focused equities and equity-related investments**”). The Fund seeks to identify and hold companies with potential growing and sustainable dividend yields that also offer long-term sustainable growth potential, leading to growth in such dividend yields over time.

### Strategy

The Fund will invest primarily in stocks listed on the Asia-Pacific (excluding Japan) markets using an active management approach.

The Fund may invest (i) up to 100% of its net assets in (a) Asia-Pacific focused equities and equity-related investments, such as publicly traded common and preferred stocks, securities convertible into common or preferred stocks, including convertible bonds and debentures, exchange traded funds and real estate investment trusts (including real estate investment trust like companies and other real estate operating companies) and (b) other Asia-Pacific focused equities and equity-related investments such as American depository receipts, global depository receipts, warrants and rights issues and private placements; and (ii) up to 30% of its net assets in debt instruments (which may be of investment grade, below investment grade and / or unrated) such as bonds, notes, commercial paper, short-term bills, certificates of deposits, negotiated term deposits and convertible securities that are issued or distributed by governments, government agencies, quasi-government organizations, supra-national organizations, multinational organizations, financial institutions and other corporations, in units / shares of undertakings for collective investments schemes and/or other unregulated collective investment schemes and in cash, deposits, transferrable securities and money markets instruments.

In times of extreme market volatility or during severe adverse market conditions, the Investment Manager may temporarily hold a substantial portion of the Fund’s assets in cash or cash equivalents, or invest in short-term money market instruments to preserve the value of the assets in the investment portfolio of the Fund.

<sup>#</sup> Or such other minimum amount as may be determined by the Directors at their sole discretion.

<sup>Δ</sup> Major Currencies means any of USD, Pound Sterling, Swiss Francs, Euro, Japanese Yen, HKD and Canadian Dollars.

The Fund will not invest in any financial derivatives instruments (either for hedging or non-hedging purposes), or structured deposits, or structured products.

The Fund will not invest more than 10% of its NAV in securities issued by or guaranteed by any single country with a credit rating below investment grade. For the avoidance of doubt a “single country” shall include a country, its government, a public or local authority or nationalized industry of that country.

The Fund will not invest more than 10% of its NAV in A-Shares.

## **What are the key risks?**

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

### **1. Investment Risk**

- The Fund is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal. The instruments invested by the Fund may fall in value. There is also no guarantee of dividend or distribution payments during the period you hold Shares therein.

### **2. Equity and Dividend Policy Risk**

- The value of equity and equity-related securities will be affected by economic, political, market and issuer-specific changes. Such changes may adversely affect securities, regardless of company specific performance. Additionally, different industries, financial markets, and securities can react differently to these changes. Such fluctuations of a portfolio's value are often exacerbated in the short-term. The risk that one or more companies in a portfolio will fall, or fail to rise, can adversely affect the overall portfolio performance in any given period. Moreover, the Company has discretion as to whether or not to make any distribution of dividends, the frequency of distribution, the amount of dividends, and there is no guarantee of regular distribution.

### **3. Emerging Markets Risk**

- The Fund may be invested in emerging or developing economies or markets where special risks, including higher stock price volatility, lower liquidity of stocks, political considerations and currency risks, may be substantially higher than risks normally associated with the world's developed economies or major stock markets.
- Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some companies in emerging or developing economies or markets in which the Fund may invest may differ from developed economies or markets and less information may be available to investors, which information may also be out of date.

### **4. Risks associated with Payment of Dividends, Fees and/or Expenses out of Capital**

- The Fund may at its discretion pay dividend out of capital or gross income while charging / paying all or part of the Fund's fees and expenses out of the capital of the Fund, resulting in an increase in net distributable income for the payment of dividends by the Fund. Therefore, the Fund may effectively pay dividend out of capital. Payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of dividends effectively out of the Fund's capital may result in an immediate reduction of the NAV per Share in respect of such class after the distribution date.

## How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class AA (USD) Inc<sup>^</sup> increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 26 August 2013
- Class AA (USD) Inc<sup>^</sup> launch date: 26 August 2013

<sup>^</sup>This share class has been designated, for the purposes of this statement, as the representative share class of the Fund as USD is the base currency of the Fund. For further information on the performance of other share classes, please refer to [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk). The website has not been reviewed by the SFC.

## Is there any guarantee?

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in Class AA (USD) Inc, Class AA (AUD) Inc Hedged and Class AA (HKD) Inc Shares of the Fund. Only these Classes of the Fund will be offered to the retail investors in Hong Kong.

Fee	What you pay
<b>Subscription fee (initial charge)<sup>##</sup></b>	Currently up to 5% of the NAV per Share. The Directors reserve the right to charge up to 6% of the NAV per Share
<b>Switching charge</b>	Up to 1% of the NAV of the Shares being switched
<b>Redemption charge</b>	There is currently no redemption charge

<sup>##</sup> A portion (or all in the case of the initial charge) may be paid to the General Adviser and Distributor for its services.

**Ongoing fees payable by the Fund**

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	<b>Annual rate (as a % p.a. of the NAV)</b>
<b>Management fee</b>	1.75% <sup>##**^</sup>
	^The Management fee for Class AA (USD) Inc, Class AA (AUD) Inc Hedged and Class AA (HKD) Inc shares shall be reduced to 0.50% until such further date as determined by the Directors of Manulife Advanced Fund SPC and notified to Shareholders of the Fund by Manulife Advanced Fund SPC.
<b>Custodian and Paying Agent fee</b>	Up to 0.50% (excluding transaction fees)
<b>Performance fee</b>	None
<b>Administrator, Registrar and Transfer Agent fee</b>	Annual fee of USD5,000 per segregated portfolio of the Manulife Advanced Fund SPC

**Other fees**

You may have to pay other fees when dealing in any of the Class AA (USD) Inc, Class AA (AUD) Inc Hedged and Class AA (HKD) Inc Shares of the Fund.

**Additional information**

- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months (“**Dividend Composition Information**”) are available from the General Adviser and Distributor, Manulife Asset Management (Hong Kong) Limited, on request and at [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk).
- Applications for subscription and redemption must be received by either Manulife Asset Management (Hong Kong) Ltd on or before 4:00 p.m. (Hong Kong time) or by Citibank Europe Plc, Luxembourg Branch on or before 1:00 p.m. (Luxembourg time), on each dealing day. Applications received after the relevant cut-off times will be processed on the next dealing day.
- Orders placed through distributors may be subject to different procedures from those described above. Investors should consult their distributors before placing any orders.
- The NAV of Class AA (USD) Inc, Class AA (AUD) Inc Hedged and Class AA (HKD) Inc Shares of the Fund are calculated and published daily at [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk).

**Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

<sup>##</sup> A portion (or all in the case of the initial charge) may be paid to the General Adviser and Distributor for its services.

\* You should note that such fees may be increased up to a specified permitted maximum by giving affected shareholders at least one month’s prior notice. For details please refer to Section 7 of Part I of the Prospectus.