

PRODUCT KEY FACTS

Manulife Global Fund

Strategic Income Fund
March 2013

- *This statement provides you with key information about Manulife Global Fund – Strategic Income Fund.*
- *This statement is a part of the Hong Kong Offering Document.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Investment Manager:	Manulife Asset Management (US) LLC
Custodian:	Citibank International plc (Luxembourg branch)
Dealing frequency:	Daily
Base currency:	USD
Dividend policy: (Distribution policy)	Dividend (if any) will be paid annually (Dividends will automatically be reinvested unless indicated otherwise. Cash dividend is only available if the payable amount with respect to each account of the Sub-Fund is US\$50 or more.)
Financial year end:	30 June
Minimum investment:	Class AA Initial – HK\$20,000 (or the equivalent) Subsequent – HK\$1,000 (or the equivalent)

What is this product?

Strategic Income Fund is a Sub-Fund of Manulife Global Fund, which is an umbrella fund constituted as an open-ended investment company. It is domiciled in Luxembourg. The home regulator is Commission de Surveillance du Secteur Financier (“CSSF”).

The Sub-Fund is a “sophisticated fund” which intends to utilize the expanded investment powers and range of permissible investments permitted, including the use of financial derivative instruments (“FDIs”) for investment purposes.

Objective and Investment Strategy

Strategic Income Fund seeks a high level of current income. In pursuing this goal, the Sub-Fund invests primarily in the following types of securities:

- foreign government and corporate debt securities from developed and emerging markets;
- U.S. government and agency securities; and
- U.S. high yield bonds.

The Sub-Fund may also invest in preferred stock and other types of debt securities.

Although the Sub-Fund may invest up to 10% of its total assets in securities rated in default by Standard & Poor’s or Moody’s rating agencies (the expression “in default” in this context refers to securities that have missed one or more scheduled payments of interest or principal or have a rating of “D” by the rating agencies), it generally intends to keep its average credit quality in the investment grade range (AAA to BBB). There is no limit on the Sub-Fund’s average maturity.

In managing the Strategic Income Fund, the Investment Manager allocates assets among the three major sectors referred to above based on analysis of economic factors, such as projected international interest rate movements, industry cycles and political trends. However, the Investment Manager may invest up to 100% of assets in any one sector.

Within each sector, the Investment Manager looks for securities that are appropriate for the overall portfolio in terms of yield, credit quality, structure and industry distribution. In selecting securities, relative yields and risk/reward ratios are the primary considerations.

In accordance with its investment restrictions, the Sub-Fund may use certain higher-risk investments, including FDIs (investments whose value is based on indexes, securities or currencies) and, for up to 10% of its net assets, restricted or illiquid securities. In addition, the Sub-Fund may invest up to 10% of net assets in U.S. or foreign stocks.

In certain circumstances where the markets suffer significant volatility, offer limited liquidity or while searching or waiting for suitable investment opportunities, the Sub-Fund may temporarily invest or hold large positions in investment-grade short-term securities or cash and cash-based instruments. In these and other cases, this may have an unfavourable effect on the Sub-Fund's performance and ability to achieve its investment objectives.

The Sub-Fund may trade securities actively, which could increase its transaction costs (thus lowering performance) and increase the investor's taxable distributions.

The Sub-Fund may use FDIs extensively or primarily for investment purposes and not merely for efficient portfolio management and hedging purposes. The major FDIs which may be used by the Sub-Fund for such purposes include, but are not limited to, warrants, futures, options, forwards and other derivative instruments or contracts. The expected level of leverage as a result of the use of FDIs is 75% of the Sub-Fund's total net asset value based on the sum of notionals of open FDIs in the investment portfolio, including those held for risk reduction purposes. There is no particular investment strategy employed by the Sub-Fund in use of FDIs. Instead, the Sub-Fund may, as the Investment Manager considers appropriate, use FDIs to achieve its investment objective as is set out in the proceeding paragraphs of this section.

What are the key risks?

Investment involves risks. Please refer to the Prospectus which forms part of the Hong Kong Offering Document for details including the risk factors.

- 1. Use of FDIs:** The Sub-Fund is a "sophisticated fund" which intends to utilise the expanded investment powers and range of permissible investments permitted, including the use of FDIs for investment purposes. FDIs involve risks which differ from, and are, possibly, greater than the risks associated with traditional securities investments, including: (i) volatility risk - FDIs may be highly volatile; (ii) leverage risk - the use of leverage for active investment purposes may cause loss; (iii) management risk - the results are reliant upon the success of the Investment Manager in making investment decisions in the prevailing market conditions; (iv) market risk - there is a risk from exposure to changes in market value of FDIs; (v) counterparty risk - the Sub-Fund is exposed to the risk of loss resulting from a counterparty's failure to meet its financial obligations; and (vi) liquidity risk - which exists when particular investments are difficult to be purchased or sold quickly. The eventuation of any of the above risks could have an adverse effect on the net asset value of the Sub-Fund. Extensive use of FDIs for investment purposes may expose the Sub-Fund to the risk of significant or total loss. In adverse situations, the Sub-Fund's use of FDIs may become ineffective in investment, efficient portfolio management or hedging and the Sub-Fund may suffer significant losses.
- 2. Currency Risk:** The Sub-Fund's assets may be invested primarily in securities denominated in currencies other than U.S. Dollars and the Sub-Fund may receive income or realization proceeds from these investments in those currencies, some of which may fall in value against U.S. Dollars.
- 3. Liquidity Risk:** The Sub-Fund may maintain up to 10% of its net assets in illiquid securities. Securities that have legal or contractual restrictions on resale but have a readily available market are not deemed illiquid. If the Sub-Fund invests in illiquid securities, it may not be able to sell such securities and may not be able to realise their full value upon sale.
- 4. 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.
- 5. High-Yield Bonds Risk:** The Sub-Fund can invest in higher-yielding debt securities rated lower than investment grade, or if unrated, their equivalent. As such, an investment in this Sub-Fund is accompanied by greater risk.
- 6. Structured Products Risk:** The Sub-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.
- 7. Performance Fee Risk:** A shareholder redeeming shares may still be subject to the performance fee charge in respect of such shares, even though he/she suffered a loss in investment capital.

Is there any guarantee?

This Sub-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 Shares of the Sub-Fund.

Fee	What you pay
Subscription fee (Initial charge)	Up to 5% of subscription amount
Switching fee (Switching charge)	Up to 1% of the total redemption amount
Redemption fee (Redemption charge)	N/A

Ongoing fees payable by the Sub-Fund

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

	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee	1.25%*
Custodian fee	Ranges from 0.003% to 0.40% (excluding transaction charges and disbursements)
Performance fee	8%** of the Excess Return with a 10% Hurdle Return where "Excess Return" means, as at the end of the relevant performance period, the excess of (a) the net asset value per share over (b) the Target Net Asset Value per share; "performance period" means the financial year of Manulife Global Fund; "Target Net Asset Value per share" means (a) in relation to the first performance period, 110% (adjusted proportionally for any period of less than 12 months) of its initial public offering price per share; and (b) in relation to subsequent performance periods, 110% of the Low Tide Mark ("10% Hurdle Return"); "Low Tide Mark" means the higher of (a) the Target Net Asset Value per share for the immediately preceding performance period; and (b) the net asset value per share as at the close of business on the last business day in the immediately preceding performance period.
Administration fee	Up to 0.5%

* This fee may be increased up to a maximum of 6% by giving the affected shareholders not less than three months' prior notice. Please see section 9.4 of the Prospectus for details.

** This fee may be increased up to a maximum of 20% by giving the affected shareholders not less than one month's prior notice. Please see section 9.4 of the Prospectus for details.

Other fees

You may have to pay other fees when dealing in Class AA Shares of the Sub-Fund.

Additional Information

- You generally subscribe and redeem Class AA Shares at the Sub-Fund's next-determined net asset value after Manulife Asset Management (Hong Kong) Limited receives your request in good order on or before 4:00 p.m. (Hong Kong time) of a Dealing Day, being the dealing cut-off time of Manulife Global Fund. Before placing your orders (subscription, switching or redemption), please check with your distributor for the distributor's internal dealing cut-off time (which may be different from Manulife Global Fund's dealing cut-off time).
- The net asset value of Class AA Shares of this Sub-Fund is published daily in the Asian Wall Street Journal, the Financial Times, the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times. Net asset values are also available online at www.manulife.com.hk.
- The summary of the risk management process is made available to Hong Kong investors upon written request.

Important

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

The Securities and Futures Commission in Hong Kong takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.