

**MANULIFE  
ADVANCED  
FUND SPC**

**PRODUCT KEY FACTS**

**宏利盈進基金SPC**

**產品資料概要**

APRIL 2015

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# PRODUCT KEY FACTS

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

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

**April 2015**

- *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 International Limited, 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% ** Class AA (AUD) Inc Hedged: 4.19% ** 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>) Class AA (AUD) Inc Hedged: AUD2,500<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>) 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% from 1 March 2015 to 29 February 2016 (both dates inclusive).
<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 International Limited, 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 in the South China Morning Post and Hong Kong Economic Journal.

**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.

# PRODUCT KEY FACTS

## Manulife Advanced Fund SPC - China A Segregated Portfolio (the “Fund”)

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

**April 2015**

- *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.*
  - *You should not invest in this product based on this statement alone.*
- ***The Fund uses a United States Dollar (“USD”) QFII quota to invest primarily in the Mainland China A Shares market.***
  - ***Because the QFII quota is denominated in USD, the Fund has to remit USD into Mainland China and then convert into Renminbi (“RMB”) to invest.***
  - ***The Fund therefore is not denominated in RMB. All subscriptions and redemptions are in Hong Kong Dollars (“HKD”) or other Major Currencies<sup>1</sup>. The Fund involves multi-currency conversions and is therefore subject to higher costs and multi-currency conversion risk.***

### Quick facts

<b>Investment Manager/QFII Holder:</b>	<b>Manulife Asset Management (Hong Kong) Limited</b>
<b>Custodian and Paying Agent:</b>	<b>Citibank International Limited, Luxembourg Branch</b>
<b>QFII Local Custodian:</b>	<b>Industrial and Commercial Bank of China Limited</b>
<b>Dealing Frequency:</b>	<b>Daily (Please refer to Prospectus for details)</b>
<b>Base Currency:</b>	<b>USD</b>
<b>Ongoing Charges over a Year:</b>	<b>Class AA Shares: 2.14%**</b>
<b>Dividend Policy:</b>	<b>Currently no intention to distribute</b>
<b>Financial Year End of the Fund:</b>	<b>30 June</b>
<b>Minimum Initial Investment:</b>	<b>HKD20,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares</b>
<b>Minimum Holding:</b>	<b>Same as above<sup>3</sup></b>
<b>Minimum Subsequent Investment:</b>	<b>HKD1,000 (or the equivalent in any other Major Currencies) for Class AA Shares</b>
<b>Minimum Redemption Amount:</b>	<b>HKD1,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares</b>

<sup>1</sup> “Major Currencies” being United States Dollars, Pound Sterling, Swiss Francs, Euro, Japanese Yen, Hong Kong Dollars and Canadian Dollars.

<sup>2</sup> or such lower amount as the Directors may (at their discretion) accept.

<sup>3</sup> unless otherwise specified by the Directors at their discretion.

\*\* The ongoing charges figure is based on expenses 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.



## What is this product?

- The Fund is 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.
- The Fund is denominated in USD and not RMB.
- The Fund will primarily invest (i.e. not less than 70% of its net assets) directly in RMB-denominated A-Shares in Mainland China via a USD denominated QFII foreign exchange quota under the name of the QFII holder for the account of the Fund.

## Objective and Investment Strategy

### Objective

To achieve long term capital appreciation by investing primarily in Mainland China capital markets.

### Strategy

The Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its net assets) in companies listed on the A-Share markets of the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange.

The Fund may invest up to 30% of its net assets in (i) RMB-denominated bonds issued and listed in Mainland China; (ii) companies listed in the B-share market; (iii) companies/entities listed in stock markets outside Mainland China and which have significant interests in Mainland China; (iv) money market instruments, deposits and short-term paper; and (v) other securities (including listed fixed income securities) which may be approved from time to time by the China Securities Regulatory Commission for direct investment by a QFII holder.

The Fund currently does not invest in any index futures in the A-Share markets, although QFII holders are permitted to invest in stock index futures (subject to prevailing regulations in Mainland China). Not less than one month's prior written notice will be given to shareholders should the Fund wish to make such investment.

The Fund may also use options, futures and warrants for hedging purposes, and any such hedging is currently expected to take place primarily, if not entirely, in Hong Kong. At present, the Investment Manager has no intention to engage in any hedging in the A-Share markets, and in the event that the Investment Manager intends to engage in such hedging activity, shareholders will be given one month's prior written notice of such intention.

For the avoidance of doubt, the Investment Manager has no intention of investing in any urban investment bonds (城投債) or any asset backed securities (including asset backed commercial papers) or bonds which are rated below investment grade or unrated bonds.

## 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. There is no guarantee of the repayment of principal. The instruments invested by the Fund may fall in value.
- The Fund does not intend to pay any dividend or distribution.

## **2. Mainland China/Single Country Risk**

- Investing in Mainland China markets involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risk.

## **3. RMB/Currency Risk**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- There is no guarantee that RMB will not depreciate.

## **4. Multi-Currency Conversion Risk**

- Subscriptions and redemptions in Hong Kong are normally paid in HKD or USD and will not be conducted in RMB. The Fund will convert subscription proceeds to USD (where subscriptions are made in HKD) and then to RMB in order to invest. To meet redemption requests, the Fund will convert the RMB sale proceeds to USD and then to HKD (where redemption proceeds are paid in HKD). Investors may be subject to risks of exchange rate fluctuations as a result of such currency conversion transactions. The Fund may incur higher costs as a result of the multiple conversions between RMB, USD and HKD upon:
  - the conversion of HKD subscription monies to USD (where necessary), followed by the conversion of USD into RMB for the Fund to acquire RMB denominated securities; and
  - the conversion of RMB sale proceeds from the selling of RMB denominated securities to USD, followed by the conversion of USD into HKD (where necessary), to meet redemption requests. For redemptions paid in HKD, the Fund may be subject to higher costs as a result of the time lag between the relevant dealing day and the day of settlement of redemption payments.

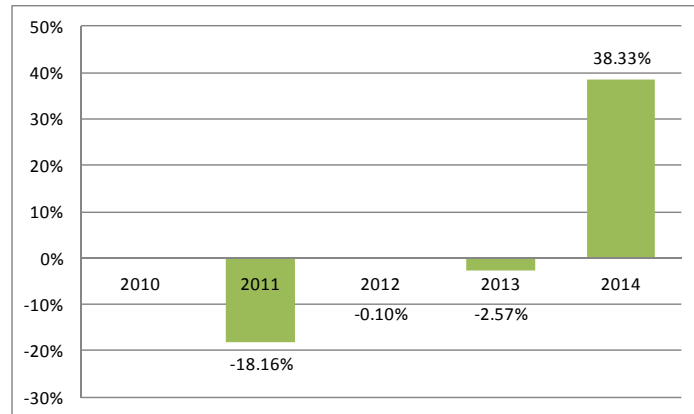
## **5. Risk associated with QFII Regime**

- The Fund is subject to restrictions and limitations applicable to QFII investment, including repatriation limits.
- The net monthly amount to be repatriated by the QFII holder for the account of the Fund cannot exceed 20% of the Fund's Mainland China onshore assets as at the end of the preceding year, and this may have an adverse impact on the Fund's ability to meet the redemption requests. In this case, payment of the redemption proceeds may be delayed and paid to investors within seven (7) business days after completion of the repatriation process.
- The uncertainty and change of the laws and regulations in Mainland China may adversely impact the Fund. The QFII policy and rules are also subject to change with potential retrospective effect.
- Cash assets held by the QFII Local Custodian will not be segregated in practice but will be a debt owing from the QFII Local Custodian to the Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the QFII Local Custodian. In the event of bankruptcy or liquidation of the QFII Local Custodian, the Fund will not have any proprietary rights to the cash deposited in the cash account opened with the QFII Local Custodian, and the Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the QFII Local Custodian. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will suffer losses.

**6. Mainland China Tax Risk**

- The Investment Manager may consider making provision for taxation in respect of Mainland China tax liabilities. If there is a shortfall in the tax provision amount, the Net Asset Value of the Fund may be affected as the Fund will have to bear the additional tax liabilities.
- With effect from November 17, 2014, the Investment Manager is no longer making a provision for withholding tax of 10% on realised gains derived from the trading of A-Shares on or after 17 November 2014.

**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 Shares 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: 8 November 2010
- Class AA Shares launch date: 8 November 2010

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 the Class AA Shares of the Fund.

Fee	What you pay
Subscription fee (initial charge)	Up to 5% <sup>##</sup> of the NAV
Switching charge	No switching is allowed
Redemption charge	0.30%* of redemption proceeds

### 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.

	Annual rate (as a % p.a. of the NAV)
Management fee	1.75% <sup>##</sup> for Class AA Shares
Custodian and Paying Agent fee	Up to 0.50% (excluding transaction fees)
Performance fee	None
Administrator, Registrar and Transfer Agent fee	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 the Class AA Participating Shares of the Fund.

<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 and charges 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 6.6 and Section 7 of Part 1 of the Prospectus.

**Additional information**

- This Fund was initially allocated a QFII quota of USD140 million. An additional USD50 million QFII quota has been allocated to the Fund. The total amount of QFII quota allocated by the Investment Manager will be shared in aggregate in respect of all share classes of the Fund. The directors of the Fund may close or re-open subscriptions to the Fund without prior notice.
- Only Class AA Participating Shares will be available to retail investors in Hong Kong.
- The Fund offers daily dealing. Please refer to the Prospectus for details.
- 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 International Limited, 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 is calculated and published daily in the South China Morning Post and Hong Kong Economic Journal.

**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.

# PRODUCT KEY FACTS

## Manulife Advanced Fund SPC - Global RMB Income Strategy Segregated Portfolio (the "Fund")

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

**April 2015**

- *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 International Limited, Luxembourg Branch</b>
<b>Dealing Frequency:</b>	<b>Daily (Please refer to the Prospectus for details)</b>
<b>Base Currency:</b>	<b>RMB</b>
<b>Ongoing Charges over a Year:</b>	<b>Class AA (RMB) Shares: 1.76%** Class AA (USD) Shares: 1.76%**</b>
<b>Dividend Policy:</b>	<b>Currently on a quarterly basis, subject to the Investment Manager's discretion</b>
<b>Financial Year End of the Fund:</b>	<b>30 June</b>
<b>Minimum Initial Investment:</b>	<b>Class AA (RMB) Shares: RMB20,000# Class AA (USD) Shares: HKD20,000# (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b>
<b>Minimum Holding:</b>	<b>Same as above</b>
<b>Minimum Subsequent Investment:</b>	<b>Class AA (RMB) Shares: RMB1,000# Class AA (USD) Shares: HKD1,000# (or the equivalent in any other Major Currencies<sup>Δ</sup>)</b>
<b>Minimum Redemption Amount:</b>	<b>Class AA (RMB) Shares: RMB1,000# Class AA (USD) Shares: HKD1,000# (or the equivalent in any other Major Currencies<sup>Δ</sup>)</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.

\*\* 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.

- Although the Fund and its Class AA (RMB) Shares are denominated in RMB, its Class AA (USD) Shares are denominated in USD and therefore involve multi-currency conversions and are potentially subject to multi-currency conversion risk and higher costs.
- The Fund seeks to invest primarily in RMB denominated debt securities.

## Objective and Investment Strategy

### Objective

The investment objective of the Fund is to maximize total returns by investing primarily in a diversified portfolio of RMB denominated debt securities that are issued or distributed outside Mainland China (i.e. Mainland China “offshore” RMB denominated debt securities), which may include listed and/or unlisted debt securities, which may or may not be of investment grade or rated (“**RMB Debt Securities**”).

### Strategy

These RMB Debt Securities include but are not limited to 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 established or incorporated in or outside Mainland China.

The assets of the Fund will maintain a Renminbi exposure of at least 90%, of which, (i) at least 70% of the assets of the Fund will be invested in RMB Debt Securities; and (ii) up to 30% of the investments of the Fund will be in other assets denominated and settled in Renminbi including but not limited to yield-oriented equity securities and/or other collective investment schemes. If the right of conversion is exercised in respect of any convertible securities, the Fund may continue to hold the corresponding equity interests.

Notwithstanding the above, if prevailing or expected market circumstances require and/or in the best interest of Shareholders, the Investment Manager may invest a significant portion of the Fund’s net assets in RMB denominated deposits, money market instruments, short-term paper and/or similar lower-yielding instruments or in cash or cash equivalents.

Likewise, 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.

The Investment Manager believes that attractive risk adjusted investment returns can be generated in RMB fixed income markets by using a risk-controlled investment approach leveraging on extensive proprietary research. The primary drivers of investment returns are expected to come not only from currency appreciation but also from asset allocation decisions, term structure positioning and credit name selection:

**Asset allocation decisions** - the allocation among government debt, quasi-government debt and private sector debt will aim to build the optimal mix of assets. Using a top-down investment approach, the allocation between asset types will be adjusted and balanced in line with the Investment Manager’s views. Within private sector debt, the Investment Manager will orient the portfolio towards the most attractive industry sectors and decide which credit rating quality to favor based on the Investment Manager’s views and in-house research team’s recommendations.

**Term structure positioning** - the Investment Manager will construct the portfolio of the Fund based on expectation of future interest rate movements, and adjust the positioning of yield curve and interest rate duration based on the Investment Manager's expectations on the macroeconomic cycle and monetary policy of Mainland China.

**Credit name selection** - once the most attractive sectors are selected, the Investment Manager will use a bottom-up investment approach leveraging on the Investment Manager's extensive research capabilities to pick the best-in-class credit issuers. Given the under-researched nature of the RMB credit universe, the Investment Manager will rely on a stringent and independent credit selection process in order to focus on the names offering optimal risk reward profiles.

The Investment Manager will utilize the above strategies when the Fund invests in RMB Debt Securities available in the primary and secondary markets.

Investors should note that although the Fund does not currently intend to invest directly, via any qualified foreign institutional investor and/or RMB qualified foreign institutional investor arrangements, in RMB denominated debt securities issued and/or listed in Mainland China (i.e. Mainland China "onshore" RMB denominated debt securities), it may do so in the future, in which case (unless otherwise agreed with the SFC) at least one month's prior notice will be given to affected Shareholders and the Prospectus will be updated accordingly.

The Fund will not invest in any financial derivatives instruments (either for hedging or non-hedging purposes), or structured deposits, or structured products. The Investment Manager does not currently intend to enter into any securities lending, repurchase or reverse repurchase transactions in respect of the Fund. Unless otherwise agreed with the SFC, at least one month's prior notice will be given to affected Shareholders in the event of any change to this policy and the Prospectus will be updated accordingly.

### **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. China Markets Risk / Single Country Risk**

- Investing in the China market (both onshore and offshore) is subject to the risks of investing in emerging markets generally and the risks specific to the China market and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks.

#### **3. RMB Currency Risk / Liquidity Risk**

##### RMB Currency Risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Investors may suffer a loss (i) in case of depreciation of RMB where such investors convert another currency into RMB so as to invest in the RMB denominated classes and subsequently convert the RMB redemption proceeds back into such other currency or (ii) where they invest in non-RMB denominated Classes and the RMB depreciates against the relevant class currency, as it is envisaged that the majority of the Fund's investments will be held in RMB denominated instruments and/or assets.



- There is no guarantee that RMB will not depreciate.
- In calculating the value of non-RMB denominated or settled assets and the prices of non-RMB Classes, the Investment Manager will normally apply the exchange rate for offshore RMB market in Hong Kong (the “**CNH rate**”). The CNH rate may be at a premium or discount to the exchange rate for onshore RMB market in Mainland China (also known as the “**CNY rate**”) and there may be significant bid and offer spreads. The value of the Fund thus calculated will be subject to fluctuation.

### RMB Liquidity Risk

- The RMB denominated instruments in which the Fund may invest may not be currently listed on a stock exchange or a securities market where trading is conducted on a regular basis. There is no assurance that any market making arrangements will be in place or the presence of an active secondary market. This may result in the Fund having to liquidate its investments at a substantial discount in order to satisfy any redemption requests at such time and may suffer losses in trading such instruments. Furthermore, the bid and offer spread of the price of RMB denominated instruments may be high, and the Fund may therefore incur significant trading costs / suffer losses when selling such investments.

### 4. Credit Risk

- The Fund is exposed to the credit/insolvency risk of issuers of RMB instruments and assets in which it invests in.
- RMB instruments and assets that the Fund invests in are typically unrated, unsecured debt obligations and are not supported by any collateral. The Fund will be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.
- The financial market of mainland China is at an early stage of development, and most of the RMB instruments may be unrated.
- For debt instruments issued by issuers that are not rated, they assume greater risks because of generally lower creditworthiness and liquidity, and greater fluctuation in value and higher chance of default than investment grade debt instruments.
- Credit rating of the issuers of the debt instruments may be downgraded, thus adversely affecting the value and performance of the Fund.

### 5. Limited Pool of Investments

- The quantity of RMB instruments issued or distributed outside mainland China is currently limited. The Fund may hold a significant portion of assets in deposits if there are not sufficient RMB instruments for the Fund to invest in. This may adversely affect the Fund’s return and performance.

### 6. Multi-Currency Conversion Risk

- The Fund may incur higher costs as a result of the multiple conversions (whether at the level of the scheme or at the level of affected investors) between the RMB and USD (as necessary, depending on the currency in which subscriptions and redemptions are normally settled) upon, for instance:
  - the conversion of USD into RMB for the Fund to acquire RMB denominated securities; and
  - the conversion of RMB sale proceeds from the selling of RMB denominated securities to USD, to meet redemption requests.

**7. Counterparty Risk**

- Although the Fund shall endeavour to deal with counterparties who have reasonable financial soundness at the time of entering into the relevant transaction (based on an assessment of risk management policies, diversification and minimization of counterparties' default risk and impact on affected shareholders) and only counterparties which professional reputations are of high calibre and who are members in good standing with their respective industry associations and regulatory bodies would be approved, in the event of bankruptcy or insolvency of any of its counterparties, the Fund may experience delays in liquidating its positions and may, thereby, incur significant losses (including declines in the value of its investment) or the inability to redeem any gains on investment during the period in which the Fund seeks to enforce its rights, and fees and expenses incurred in enforcing its rights. Such transactions may also be terminated (e.g. due to counterparty bankruptcy, supervening illegality or a retrospective change in the tax or accounting laws relative to those applicable at the time the transaction was entered into).

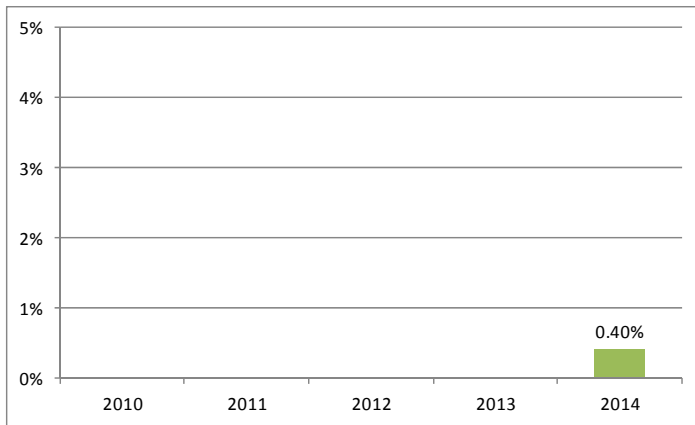
**8. Interest Rates Risk**

- Changes in interest rates may affect the value of a security as well as the financial markets in general. Debt instruments (such as bonds) are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. An increase in interest rates may adversely impact the value of the debt instruments held by the Fund, causing the Fund to suffer a loss in its investments.

**9. Equity 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 Fund'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.

## 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 (RMB) Shares<sup>^</sup> increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB 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: 6 February 2013
- Class AA (RMB) Shares<sup>^</sup> launch date: 6 February 2013

<sup>^</sup>This share class has been designated, for the purposes of this statement, as the representative share class of the Fund as RMB 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 (RMB) and Class AA (USD) Shares of the Fund. Only these 2 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.

**Annual rate (as a % p.a. of the NAV)**

<b>Management fee</b>	Currently 1% <sup>##</sup> *
<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 (RMB) and Class AA (USD) Shares of the Fund.

**Additional information**

- 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 International Limited, 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 (RMB) and Class AA (USD) Shares of the Fund is calculated and published daily in the South China Morning Post and Hong Kong Economic Journal.

**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.

# PRODUCT KEY FACTS

## Manulife Advanced Fund SPC - Renminbi Bond Segregated Portfolio (the “Fund”)

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

**April 2015**

- *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.*
  - *You should not invest in this product based on this statement alone.*
- ***The Fund uses a United States Dollar (“USD”) QFII quota to invest primarily in debt instruments issued in Mainland China.***
  - ***Because the QFII quota is denominated in USD, the Fund has to remit USD into Mainland China and then convert into Renminbi (“RMB”) to invest.***
  - ***The Fund therefore is not denominated in RMB. All subscriptions and redemptions are in Hong Kong Dollars (“HKD”) or other Major Currencies<sup>1</sup>. The Fund involves multi currency conversions and therefore is subject to higher costs and multi-currency conversion risk.***

### Quick facts

<b>Investment Manager/ QFII Holder:</b>	<b>Manulife Asset Management (Hong Kong) Limited</b>
<b>Custodian and Paying Agent:</b>	<b>Citibank International Limited, Luxembourg Branch</b>
<b>QFII Local Custodian:</b>	<b>Industrial and Commercial Bank of China Limited</b>
<b>Dealing Frequency:</b>	<b>Monthly (dealing day is the last business day of each month) 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 Shares: 1.65%**</b>
<b>Dividend Policy:</b>	<b>Currently no intention to distribute</b>
<b>Financial Year End of the Fund:</b>	<b>30 June</b>
<b>Minimum Initial Investment:</b>	<b>HKD20,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares</b>
<b>Minimum Holding:</b>	<b>Same as above<sup>3</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.*

<sup>1</sup> *“Major Currencies” being United States Dollars, Pound Sterling, Swiss Francs, Euro, Japanese Yen, Hong Kong Dollars and Canadian Dollars.*

<sup>2</sup> *or such lower amount as the Directors may (at their discretion) accept.*

<sup>3</sup> *unless otherwise specified by the Directors at their discretion.*

**Minimum Subsequent Investment:** HKD1,000 (or the equivalent in any other Major Currencies) for Class AA Shares

**Minimum Redemption Amount:** HKD1,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares

## What is this product?

- The Fund is 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.
- The Fund is denominated in USD and not RMB.
- The Fund will primarily invest (i.e. not less than 70% of its net assets) directly in RMB-denominated debt instruments issued and listed in Mainland China or traded in the Mainland China interbank bond market, subject to applicable QFII regulations, via a USD-denominated QFII foreign exchange quota under the name of the QFII holder for the account of the Fund.

## Objective and Investment Strategy

### Objective

To provide capital appreciation and income generation by investing primarily in RMB-denominated debt instruments issued and listed in Mainland China or traded in the Mainland China interbank bond market, subject to applicable QFII regulations.

### Strategy

The Fund will invest primarily (i.e. not less than 70% of its net assets) in RMB-denominated debt instruments that are listed or transferred on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or interbank bonds, and which are issued by Mainland China Government as well as corporations in Mainland China ("**Mainland China RMB Debt Instruments**").

The Fund may invest up to 30% of its net assets in debt instruments which are not Mainland China RMB Debt Instruments. These may include: (i) debt instruments issued or listed outside Mainland China; and (ii) money market instruments, deposits, short-term paper and other fixed income instruments.

At least 85% of the bond holdings in the Fund must consist of bonds issued by Mainland China Government or by international or Mainland China corporations and such issue shall carry a rating of at least BBB-/Baa3 assigned by one of the three international rating agencies, Moody's Investors Service, Standard & Poor's or Fitch. Issuer rating may be applied in case issue specific rating is not available.

Investment in the Mainland interbank bond markets is subject to applicable QFII regulations.

The Fund may also invest up to 15% of net assets in debt instruments which may not be of investment grade or are not rated. Issuer rating may be applied in case issue specific rating is not available. The Fund may not invest more than 10% of its net assets in urban investments bonds (城投債), and not more than 10% of its net assets in asset backed securities (including asset backed commercial papers).

<sup>2</sup> or such lower amount as the Directors may (at their discretion) accept.

## 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. There is no guarantee of the repayment of principal. The instruments invested by the Fund may fall in value.
- The Fund does not intend to pay any dividend or distribution.

### 2. Debt Instruments Risk / Credit Risk

- The Fund is exposed to the credit/insolvency risk of issuers of debt instruments, fixed income instruments and deposits that the Fund may invest in.
- The debt instruments and deposits that the Fund invests in are typically unrated, unsecured debt obligations and are not supported by any collateral. The Fund will be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.
- An increase in interest rates may adversely impact the value of the debt instruments held by the Fund, causing the Fund to suffer a loss in its investments.
- Credit ratings given to debt instruments or their issuers by credit rating agencies are a generally accepted barometer of credit risk. They are, however, subject to certain limitations. For example, the rating of an issuer is heavily weighted by past developments and does not necessarily reflect probable future conditions. There is often a time lag in updating the credit ratings in response to recent credit events.
- Credit rating of the debt instruments or their issuers may be downgraded, thus adversely affecting the value and performance of the Fund.
- For debt instruments issued by issuers that are not rated, they assume greater risks because of generally lower creditworthiness and liquidity, and greater fluctuation in value and higher chance of default than investment grade debt instruments.

### 3. Mainland China/Single Country Risk

- Investing in Mainland China markets involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risk.

### 4. RMB/Currency Risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- There is no guarantee that RMB will not depreciate.

## 5. Multi-Currency Conversion Risk

- Subscriptions and redemptions in Hong Kong are normally paid in HKD or USD and will not be conducted in RMB. The Fund will convert subscription proceeds to USD (where subscriptions are made in HKD) and then to RMB in order to invest. To meet redemption requests, the Fund will convert the RMB sale proceeds to USD and then to HKD (where redemption proceeds are paid in HKD). Investors may be subject to risks of exchange rate fluctuations as a result of such currency conversion transactions. The Fund may incur higher costs as a result of the multiple conversions between RMB, USD and HKD upon:
  - the conversion of HKD subscription monies to USD (where necessary), followed by the conversion of USD into RMB for the Fund to acquire RMB-denominated instruments; and
  - the conversion of RMB sale proceeds from the selling of RMB-denominated instruments to USD, followed by the conversion of USD into HKD (where necessary), to meet redemption requests.

## 6. Risks associated with QFII Regime

- The Fund is subject to restrictions and limitations applicable to QFII investment, including repatriation limits.
- The net monthly amount to be repatriated by the QFII holder for the account of the Fund cannot exceed 20% of the Fund's Mainland China onshore assets as at the end of the preceding year, and this may have an adverse impact on the Fund's ability to meet the redemption requests. In this case, payment of the redemption proceeds may be delayed and paid to investors within seven (7) business days after completion of the repatriation process.
- The uncertainty and change of the laws and regulations in Mainland China may adversely impact the Fund. The QFII policy and rules are also subject to change with potential retrospective effect.
- Cash assets held by the QFII Local Custodian will not be segregated in practice but will be a debt owing from the QFII Local Custodian to the Bond Fund as a depositor. Such cash will be co-mingled with cash belonging to other clients of the QFII Local Custodian. In the event of bankruptcy or liquidation of the QFII Local Custodian, the Fund will not have any proprietary rights to the cash deposited in the cash account opened with the QFII Local Custodian, and the Fund will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the QFII Local Custodian. The Fund may face difficulties and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Fund will suffer losses.

## 7. Liquidity Risk

- The debt securities in which the Fund invests may not be listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange or a securities market where trading is conducted on a regular basis. Further, there may not be a liquid or active market for the trading of RMB denominated bonds in the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the interbank bond market. Therefore, the Fund may be subject to the risk of not being able to sell its bonds in a timely basis, or will have to sell at a deep discount to their face values. The Fund's value and liquidity will be adversely affected.



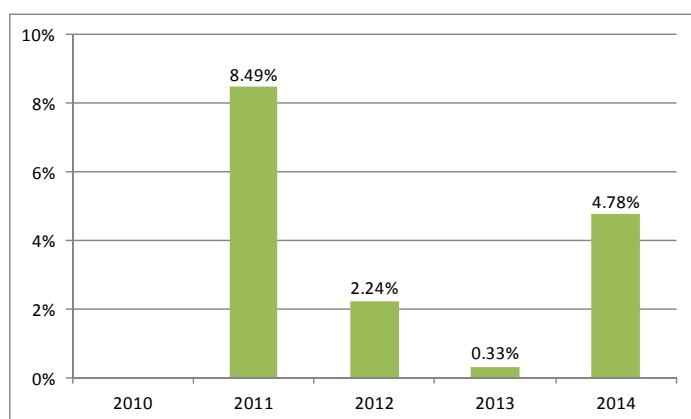
## 8. Counterparty and Settlement Risks

- For exchange traded debt securities, as securities transactions are not settled on a delivery versus payment basis, the Fund may have exposure to the insolvency of the China Securities Depository and Clearing Corporation Limited. On the other hand, the degree of counterparty risk may be higher in the interbank bond market (a quote-driven over-the-counter (OTC) market), where deals are negotiated between two counterparties through a trading system.
- The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

## 9. Mainland China Tax Risk

- The Investment Manager may consider making provision for taxation in respect of Mainland China tax liabilities. If there is a shortfall in the tax provision amount, the Net Asset Value of the Fund may be affected as the Fund will have to bear the additional tax liabilities.

## 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 Shares 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: 22 November 2010
- Class AA Shares launch date: 22 November 2010

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 the Class AA Shares of the Fund.

Fee	What you pay
<b>Subscription fee (initial charge)</b>	Up to 5% <sup>##</sup> of the NAV
<b>Switching charge</b>	No switching is allowed
<b>Redemption charge</b>	0.30%* of redemption proceeds

### 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.

	Annual rate (as a % p.a. of the NAV)
<b>Management fee</b>	1.25% <sup>##</sup> for Class AA Shares
<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 the Class AA Participating Shares of the Fund.

<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 and charges 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 6.6 and Section 7 of Part I of the Prospectus.

**Additional information**

- This Fund was initially allocated a QFII quota of USD60 million. An additional USD50 million QFII quota has been allocated to the Fund. The total amount of QFII quota allocated by the Investment Manager will be shared in aggregate in respect of all share classes of the Fund. The directors of the Fund may close or re-open subscriptions to the Fund without prior notice.
- Only Class AA Participating Shares will be available to retail investors in Hong Kong.
- The Fund offers only monthly dealing on the last business day of each month. Please refer to the Prospectus for details.
- 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 International Limited, Luxembourg Branch on or before 1:00 p.m. (Luxembourg time), five business days before 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 is calculated and published monthly in the South China Morning Post and Hong Kong Economic Journal.

**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.

# PRODUCT KEY FACTS

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

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

**April 2015**

- *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 International Limited, 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: 2.48%** Class AA (AUD) Inc Hedged: 2.61%** Class AA (CAD) Inc Hedged: 2.62%** Class AA (HKD) Inc: 2.47%**</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>

\*\* The ongoing charges figure is an annualized figure and is expressed as a percentage of the sum of expenses over the average net asset value for the period from 14 April 2014 to 31 December 2014. This figure may vary from year to year.

<b>Minimum Initial Investment:</b>	<p>Class AA (USD) Inc: HKD20,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (AUD) Inc Hedged: AUD2,500<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (CAD) Inc Hedged: CAD2,500<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (HKD) Inc: HKD20,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p>
<b>Minimum Holding:</b>	Same as above
<b>Minimum Subsequent Investment:</b>	<p>Class AA (USD) Inc: HKD1,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (AUD) Inc Hedged: AUD125<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (CAD) Inc Hedged: CAD125<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p> <p>Class AA (HKD) Inc: HKD1,000<sup>#</sup> (or the equivalent in any other Major Currencies<sup>Δ</sup>)</p>
<b>Minimum Redemption Amount:</b>	Same as above

## 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 income and capital appreciation over the medium to longer term by investing primarily in equity and fixed income-related securities in the Asia Pacific ex-Japan region (the "Region").

### Strategy

The Fund targets an asset allocation of 60% in equity securities and 40% in fixed income securities in the Region. However the Fund may hold between 25% and 75% of either equity securities or fixed income securities in the Region in pursuance of its investment objective.

The Fund uses an investment process based on the fundamental analysis of individual securities and their ability to generate sustainable income. The Investment Manager will vary asset allocations over time to reflect market conditions and opportunities utilizing top-down investment views while taking into consideration bottom-up fundamental analysis.

<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 invest directly in equities and equity-related securities such as preferred stock and convertible bonds of companies that offer sustainable and growing dividend yields, and are domiciled in, or derive a significant income from, or have significant operations in the Region. The Fund may also invest in real estate investment trusts.

The Fund will also directly invest in fixed income securities available in either the primary or secondary markets, issued by governments, agencies and corporate issuers in the Region which includes fixed income and fixed income related securities issued by companies listed on stock exchanges in the Region and fixed income securities issued by supra-nationals in the Region.

The Fund may invest up to 15% of its net assets in higher-yielding debt securities rated lower than investment grade, or if unrated, their equivalent. As such, an investment in this Fund is accompanied by a higher degree of credit risk. The balance of the Fund's asset allocation to fixed income securities will be investment grade.

The Fund may also hold (up to 30% of its net assets) in cash or cash equivalents, or short-term money market instruments.

The Fund may invest (up to 10% of its net assets) in fixed income and fixed income-related securities of other issuers outside of the Region if the Investment Manager considers that such securities will achieve the goal of maximizing capital appreciation and income generation.

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 may utilise exchange-traded and OTC financial derivatives instruments including foreign exchange contracts (FX options, swaps and forwards), interest rate options and swaps and futures contracts for hedging purposes only.

The Fund does not currently intend to engage in securities lending, repurchase or reverse repurchase transactions. Should this policy change (unless otherwise agreed with the SFC) prior SFC approval will be obtained and you will be given at least one month's prior notice.

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. Political, socio-economic policies – Asia Pacific**

- Investments in the Fund may be sensitive to any significant change in political, social or economic policy in relation to countries in the Asia Pacific region, which is determined by the central government of the relevant country. Such sensitivity may adversely affect the capital growth and thus the performance of these investments.

### **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. Debt Instruments Risk**

- Debt instruments, such as notes and bonds, are subject to interest rate risk, credit risk and downgrade risks. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt instruments. Credit risk is the possibility that an issuer will be unable or unwilling to make interest payments or repay principal when due. Downgrade risk is the risk that the credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument

### **5. Non-Investment Grade Debt Instruments Risk**

- The Fund may invest in debt instruments which are rated lower than investment grade or are unrated ("non-investment grade instruments"). Such investments assume greater risks because of generally reduced credit worthiness and liquidity, and greater fluctuation in value and chance of default than investment grade debt instruments.

### **6. 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.

### **7. 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.

## 8. Counterparty Risk

- The Fund will have credit exposure to counterparties by virtue of investment positions in exchange-traded and OTC financial derivatives instruments including foreign exchange contracts (FX options, swaps and forwards), interest rate options swaps and futures contracts that may be held by the Fund for hedging purposes. To the extent that a counterparty defaults on its obligation(s), the Fund may experience a decline in the value of its position, lose income and incur additional costs.

## How has the fund performed?

As at the date of issuance of this document, the Fund has been established less than a full calendar year, therefore there is insufficient data to provide a useful indication of past performance to investors.

## 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, Class AA (CAD) 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
Subscription fee (initial charge) <sup>##</sup>	Currently up to 5% of the NAV per Share. The Directors reserve the right to charge up to 6% of the NAV per Share
Switching charge	Up to 1% of the NAV of the Shares being switched
Redemption charge	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>	Currently 1.50% <sup>##*</sup>
<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, Class AA (CAD) 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 International Limited, 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, Class AA (CAD) Inc Hedged and Class AA (HKD) Inc Shares of the Fund are calculated and published daily in the South China Morning Post and Hong Kong Economic Journal.

Business Day<sup>general</sup> (i) any day (other than Saturdays and Sundays) on which banks in Hong Kong are open for normal banking business, provided that where, as a result of adverse weather conditions, the period during which banks are open on any day is reduced, such day shall not be a Business Day<sup>general</sup> unless the Fund otherwise determine and/or (ii) on such other day(s) as the Fund may from time to time determine.

Dealing Day<sup>Asia Pacific Income and Growth Fund</sup> Each Business Day<sup>general</sup>.

<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.

**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.