

Manulife Advanced Fund SPC (the “Company”)

P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

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

Words and phrases used in this Notice shall, unless otherwise provided, have the same meanings as ascribed to them in the Prospectus of the Company dated March 2021, as amended or supplemented from time to time (altogether the “Prospectus”).

NOTICE TO SHAREHOLDERS

10 October 2022

Dear Shareholders,

Re: Termination of Asia Pacific Income and Growth Segregated Portfolio (the “Fund”), a Segregated Portfolio of the Company

We wish to advise that, following a review of the Fund’s operations, the directors of the Company (the “Directors”) have resolved to exercise their discretion to compulsorily redeem all Participating Shares of the Fund resulting in the termination of the Fund as, due to the small fund size and taking into account the ongoing costs of maintaining the Fund described below, the Directors are of the view that it is no longer commercially viable to continue the operations of the Fund in the best interests of investors from a cost and return perspective.

As at 26 September 2022, the fund size of the Fund is US\$11,295,754. The ongoing charges figures for the period from 1 July 2021 to 30 June 2022 of the Classes of the Fund are as follows:

Class	Ongoing charges figures
Class AA (USD) Inc	1.90%
Class AA (AUD) Inc Hedged	1.91%
Class AA (CAD) Inc Hedged	1.91%
Class AA (HKD) Inc	1.90%

The ongoing charges figure is expressed as a percentage of the sum of expenses over the average net asset value of the relevant Class for the corresponding period as described above.

Background and decision

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

Pursuant to the Directors’ discretion under Clause 59.1 of the Articles and as is stated in sections 4.22 and 9.7 of Part I of the Prospectus, the Directors have further determined that the applicable minimum NAV threshold for compulsory redemption pursuant to Clause 59.1 of the Articles is currently US\$15,000,000 (or its equivalent in the Base Currency) (or such other amount as the Directors may from time to time determine) on each Valuation Point during a period of three consecutive months.

Since the NAV of the Fund has been below US\$15,000,000 on each Valuation Point during a period of three consecutive months, the Directors have in their absolute discretion by a resolution determined to compulsorily redeem all the outstanding Participating Shares of the Fund (the “**Compulsory Redemption**”). The Compulsory Redemption will occur on 11 January 2023 which will also be the effective date of termination of the Fund (the “**Termination Date**”). The Custodian has no objection to the Compulsory Redemption.

With effect from the date of this Notice, the Fund is no longer allowed to be marketed to the public in Hong Kong and shall not accept subscriptions or switches in from new investors.

The Investment Manager will apply to the Securities and Futures Commission (“**SFC**”) for the withdrawal of authorisation of the Fund following its termination.

All costs for the aforesaid Compulsory Redemption, termination and subsequent withdrawal of authorisation of the Fund will be borne by Manulife Investment Management (Hong Kong) Limited, the Investment Manager of the Fund. There are no unamortised preliminary expenses associated with the Fund.

Tax implications

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

Action to be taken

Please note that you may wish to take the opportunity to switch your holdings in the Fund, free of charge, to the Participating Shares of an equivalent Class (if any) of another Segregated Portfolio of the Company which, in the case of Hong Kong Shareholders, is currently authorised by the SFC and available for sale to the public in Hong Kong (except the China A Segregated Portfolio and the Renminbi Bond Segregated Portfolio), as permitted by and in accordance with the switching procedures as described in the Prospectus, between now and the last Dealing Day on 4 January 2023 (the “**Last Dealing Day**”) provided such request is received by the General Adviser and Distributor, Manulife Investment Management (Hong Kong) Limited, on or before 4:00 pm (Hong Kong time) or by the Sub-Administrator, Citibank Europe plc, Luxembourg Branch on or before 1.00 pm (Luxembourg time) on the Last Dealing Day. Should you wish to switch to another Segregated Portfolio of the Company, please refer to the offering documents of the alternative Segregated Portfolio of the Company before you invest as the investment objective as well as the risk and return profiles of such Segregated Portfolio may be different from that of the Fund. For Hong Kong Shareholders, full details of the Segregated Portfolios currently authorised by the SFC and available for sale to the public in Hong Kong can be found on the Investment Manager’s website at www.manulifefunds.com.hk¹, or from your usual contact at the Company. If you have any queries about the switching of Participating Shares into other Segregated Portfolio(s) of the Company, please contact the General Adviser and Distributor or the Sub-Administrator (details of their contact information are set out below).

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

¹ This website has not been reviewed by the SFC.

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

However, if your requests to switch or redeem your holdings in the Fund are not received by the applicable dealing deadlines specified above on the Last Dealing Day, your Participating Shares will be automatically redeemed on the Termination Date and the net asset value of your Participating Shares on the Termination Date will be used to calculate your redemption proceeds. Investors will receive the relevant redemption proceeds in proportion to their respective interests in the Fund normally within five Business Days from the Termination Date and in any event not more than one calendar month in accordance with the terms of the Prospectus. Please note that no switching or redemption requests from Shareholders will be accepted after the Last Dealing Day.

Preparing for the termination of the Fund

In seeking to terminate the Fund, the Investment Manager will start to realise the underlying investments of the Fund during the period from on or around 19 December 2022 to the Termination Date (the “**Winding-Up Period**”). Therefore, during the Winding-Up Period (notably on the days immediately preceding the Termination Date), although the Investment Manager intends to manage the Fund in accordance with its investment policy until the Termination Date, the Fund may not be able to fully adhere to its investment objective and policy.

Enquiries

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

The Memorandum and Articles of the Company and the offering documents of the Company (including those of the Fund) are available for inspection, free of charge, at the office of the Investment Manager at any time during normal local business hours. The offering documents of the Company are also available on the website of the Investment Manager at www.manulifefunds.com.hk¹.

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