

MANULIFE GLOBAL FUND

ADDENDUM TO HONG KONG OFFERING DOCUMENT

18 February 2014

No copy of the Hong Kong Offering Document dated 18 June 2012, as amended by the Addenda thereto dated 28 September 2012, 31 December 2012 and 28 June 2013 respectively of Manulife Global Fund (the "Company") (together with the latest annual report and accounts and, if later, the most recent semi-annual report of the Company) may be distributed unless it is accompanied by this Addendum. This Addendum should, therefore, be read in conjunction with the Hong Kong Offering Document and the Addenda thereto dated 28 September 2012, 31 December 2012 and 28 June 2013 respectively and together construed, as one document. Words and phrases used in this Addendum shall have the same meanings as are ascribed to them in the Hong Kong Offering Document.

The Hong Kong Offering Document shall be varied as set out below, with immediate effect:–

1. UPDATE ON DISCLOSURE ON EFFICIENT PORTFOLIO MANAGEMENT TECHNIQUES AND MANAGEMENT OF COLLATERAL

Pursuant to recent guidelines issued by the European Securities and Markets Authority in relation to, amongst other things, efficient portfolio management techniques and management of collateral applicable to UCITS, the following changes shall accordingly be made to the Prospectus:

- 1.1 Sections 5.17 and 5.18 of the Prospectus shall be renumbered as sections 5.19 and 5.20 respectively and the following shall be inserted as new sections 5.17 and 5.18:

"5.17 Securities Lending

The Sub-Funds may engage in securities lending. Sub-Funds engaging in securities lending will have a credit risk exposure to the counterparties to any securities lending contract. Sub-Fund investments may be lent to counterparties over a period of time. A default by the counterparty combined with a fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of the relevant Sub-Fund. The Company intends to ensure that all securities lending is fully collateralized but, to the extent that any securities lending is not fully collateralized (for example, due to timing issues arising from payment lags), the relevant Sub-Funds will have a credit risk exposure to counterparties to the securities lending contracts.

The Company does not currently engage in any securities lending transactions and this Prospectus will be amended in due course prior to the Company entering into such type of transactions.

5.18 Repurchase and Reverse Repurchase Agreements

The Sub-Funds may enter into repurchase and reverse repurchase agreements.

Under a repurchase agreement, a Sub-Fund sells a security to a counterparty and simultaneously agrees to repurchase the security back from the counterparty at an agreed price and date. The difference between the sale price and the repurchase price establishes the cost of the transaction. The resale price generally exceeds the purchase price by an amount which reflects an agreed-upon market interest rate for the term of the agreement.

In a reverse repurchase agreement, a Sub-Fund purchases an investment from a counterparty which undertakes to repurchase the security at an agreed resale price on an agreed future date. The Sub-Fund therefore bears the risk that if the seller defaults the Sub-Fund might suffer a loss to the extent that proceeds from the sale of the underlying securities together with any other collateral held by the Sub-Fund in connection with the relevant agreement may be less than the repurchase price because of market movements. A Sub-Fund cannot sell the securities which are the subject of a reverse repurchase agreement until the term of the agreement has expired or the counterparty has exercised its right to repurchase the securities.

The Company does not currently engage in any repurchase or reverse repurchase transactions and this Prospectus will be amended in due course prior to the Company entering into such types of transactions.”

1.2 In section 2.6 of Appendix II of the Prospectus, the third bullet point shall be deleted in its entirety and replaced by the following:

- “• exposures arising from OTC Derivative and efficient portfolio management transactions undertaken with a single entity,”

1.3 In Appendix II of the Prospectus, section 3.5 shall be renumbered as section 3.6 and the renumbered subsections 3.6.4 and 3.6.5 thereof shall be deleted in their entirety and replaced by the following:

- “3.6.4 the Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned. The Company shall disclose the global valuation of the securities lent in the annual and semi-annual reports.”

1.4 In Appendix II of the Prospectus, the following shall be inserted as new section 3.5:

“3.5 Efficient Portfolio Management – Other Techniques and Instruments

In addition to investments in financial derivative instruments, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions set out in the CSSF Circular 08/356, as amended from time to time, and the European Securities and Markets Authority (“ESMA”) Guidelines ESMA/2012/832EN, including repurchase/ reverse repurchase transactions and securities lending. To the extent a Sub-Fund undertakes efficient portfolio management techniques it may appoint an agent, which may or may not be an affiliate of the Company, and which may receive a fee in relation to its activities.

The Company does not currently engage in any securities lending, repurchase or reverse repurchase transactions and this Prospectus will be amended in due course prior to the Company entering into such types of transactions.

Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including financial derivative instruments which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfill the following criteria:

- a) they are economically appropriate in that they are realized in a cost-effective way;
- b) they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost;
 - (iii) generation of additional capital or income for the Company with a level of risk which is consistent with the risk profile of the Company and the relevant Sub-Fund(s) and the risk diversification rules applicable to them;
- c) their risks are adequately captured by the risk management process of the Company; and
- d) they cannot result in a change to the relevant Sub-Fund's declared investment objective or add significant supplementary risks in comparison to the general risk policy as described in the Prospectus and relevant KIIDs.

Techniques and instruments (other than financial derivative instruments) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below. Moreover those transactions may be carried out for 100% of the assets held by the relevant Sub-Fund, provided (i) that their volume is kept at an appropriate level or that the Company is entitled to request the return of the securities lent in a manner that enables it, at all times, to meet its redemption obligations; and (ii) that these transactions do not jeopardize the management of the Company's assets in accordance with the investment policy of the relevant Sub-Fund. Risks shall be monitored in accordance with the risk management process of the Company."

- 1.5 In Appendix II of the Prospectus, section 3.6 shall be renumbered as section 3.7 and the following shall be inserted at the end of the section:

"The Company shall disclose the total amount of the open repurchase transactions on the date of reference of its annual and semi-annual reports.

Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. Where the cash is recallable at any time on a mark-to-market basis, the mark to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.”

- 1.6 In Appendix II of the Prospectus, section 3.7 shall be renumbered as section 3.9 and the first sentence thereof shall be deleted in its entirety and replaced with the following:

“The combined counterparty risk on any transaction involving OTC derivative instruments or efficient portfolio management techniques may not exceed 10% of the assets of a Sub-Fund where the counterparty is a credit institution domiciled in the EU or in a country in respect of which the CSSF considers the relevant supervisory regulations to be equivalent to those prevailing in the EU. This limit is set at 5% in any other case.”

- 1.7 In Appendix II of the Prospectus, the following shall be inserted as new section 3.8:

“3.8 Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

- 3.8.1 Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques (“Collateral”) must be at least 125% of the value of the relevant financial derivative and shall comply with the following criteria:
- (a) Liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Article 48 of the 2010 Law;
 - (b) Valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
 - (c) Issuer credit quality: Collateral should be of high quality;
 - (d) Correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

- (e) Diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Sub-Fund's Net Asset Value. Where a Sub-Fund is exposed to different counterparties, the different baskets of Collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
 - (f) Immediately available: Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- 3.8.2 Subject to the above criteria, Collateral may consist of the following types:
- (a) liquid assets such as cash, short term bank deposits, money market instruments as defined in the Commission of the European Communities Directive 2007/16/EC of 19 March 2007, letters of credit and guarantees at first demand issued by a first class credit institution not affiliated to the counterparty;
 - (b) bonds issued or guaranteed by a Member State of the OECD or by their local authorities or supranational institutions and bodies of a community, regional or worldwide scope;
 - (c) shares or units issued by money market-type UCIs calculating a daily net asset value and having a rating of AAA or its equivalent;
 - (d) shares or units issued by UCITS investing mainly in bonds/ shares mentioned under (e) and (f) hereunder;
 - (e) bonds issued or guaranteed by first class issuers offering an adequate liquidity; or
 - (f) shares admitted to or dealt in on a regulated market of a Member State of the European Union or on a stock exchange of a Member State of the OECD, provided that these shares are included in a main index.
- 3.8.3 Where there is title transfer, the Collateral received should be held by the Custodian, or its agent. Where there is no title transfer, the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
- 3.8.4 Where the Collateral given in the form of cash exposes the Company to a credit risk vis-à-vis the trustee of this Collateral, such exposure shall be subject to the 20% limitation as laid down in section 2.6 above.
- 3.8.5 During the duration of the agreement, non-cash collateral cannot be sold, re-invested or pledged.

3.8.6 Cash received as collateral may only be:

- (a) placed on deposit with entities prescribed in Article 50(f) of the European Parliament and Council Directive 2009/65/EC;
- (b) invested in high quality government bonds;
- (c) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
- (d) invested in short term money market funds as defined in the Committee of European Securities Regulators (“CESR”) Guidelines on a common definition of European Money Market Funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral.

3.8.7 Notwithstanding the permitted types of Collateral stated above, the Company currently only receives cash as collateral and does not reinvest the cash received as collateral.

The Company has implemented a haircut policy in respect of the cash received as collateral. No haircut is applied where the exposure is in the same currency as that of the derivative. The Company may also accept cash in Major Currencies other than the currency of the derivative as collateral, in which case the applicable haircut shall be determined by the Company from time to time taking into account relevant market conditions.”

Save as varied above, the provisions of the Hong Kong Offering Document shall remain valid and in effect.

The Directors of the Company have taken all reasonable care to ensure that the information contained in this Addendum is true and accurate in all material respects and that no other material facts have been omitted which would make misleading any statement of fact or opinion contained in this Addendum and accept responsibility accordingly.

The Board

Manulife Global Fund