Manulife Global Fund
Société d'investissement à capital variable
Registered office: 31, Z.A. Bourmicht, L-8070 Bertrange
Grand Duchy of Luxembourg

This document is important and requires your immediate attention. If in doubt, you should seek independent professional advice. The Directors of the Company accept full responsibility for the accuracy of the information contained in this 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.

Notice to Shareholders
("Notice")

2 June 2022

Dear Shareholder,

We are writing to inform you of certain changes to the Manulife Global Fund (the "**Company**").

Unless otherwise specified below, these changes will be reflected in the revised Prospectus of the Company (and where applicable and for Hong Kong shareholders only, the revised Hong Kong Covering Document) (collectively, the "**Revised Prospectus**") to be dated July 2022. This Notice, which summarizes the changes for your ease of reference, should be read in conjunction with the current Prospectus of the Company dated January 2022 (and where applicable and for Hong Kong Shareholders only, the current Hong Kong Covering Document dated January 2022) (collectively, the "**Prospectus**") and, when available, the full text of the Revised Prospectus (which contains full and complete information about these changes).

Words and phrases used in this Notice shall, unless otherwise provided, have the same meanings as are ascribed to them in the Prospectus.

The board of directors of the Company (the "**Directors**" or the "**Board**") has decided that it is appropriate to implement the following changes with respect to the Company with effect from 18 July 2022 (the "**Effective Date**") (unless otherwise specified below):

1. Updates in the Prospectus

Pursuant to the Prospectus dated January 2022 (in which the First Addendum dated September 2021 and the Second Addendum dated October 2021 were consolidated), the Prospectus (and where applicable and for Hong Kong Shareholders only, the Hong Kong Covering Document) of the Company has been updated to reflect certain regulatory updates in the European Union in relation to the EU Regulation 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending EU Regulation 2019/2088 (Taxonomy Regulation), as well as other miscellaneous and administrative amendments.

2. Re-positioning of Asian Equity Fund as "Sustainable Asia Equity Fund"

With increased attention on environmental, social and governance ("**ESG**") attributes, the objective and investment strategy of the Asian Equity Fund will be re-positioned such that the Sub-Fund will invest at least 80% of its net assets in equity and equity-related securities of companies incorporated, located, listed or with significant business interests in Asia, including Australia and New Zealand, that have been identified as demonstrating strong or improving sustainability attributes (the "**Re-positioning**"). Following the Re-positioning, the Sub-Fund will be re-named "**Sustainable Asia Equity Fund**".

Please refer to Appendix 1 to this Notice for a comparison of the objectives and investment strategies of the Sub-Fund prior to and upon the Re-positioning.

As a result of the Re-positioning, the Sub-Fund may be subject to the following additional and/or increased risks:

(a) *Sustainable investing risk*: Investing primarily in investments of issuers demonstrating sustainability characteristics ("**sustainable investment**") carries the risk that, under certain market conditions, the Sub-Fund may underperform funds that do not utilize a sustainable investment strategy. The Sub-Fund focuses on sustainable investment. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The securities held by the Sub-Fund may be subject to the risk that they no longer meet the Sub-Fund's sustainability and ESG criteria after investment. The Investment Manager may need to dispose of such securities when it may be disadvantageous to do so. This may lead to a fall in the net asset value of the Sub-Fund.

In evaluating an issuer, the Investment Manager is reliant on information and data from external research providers that may be incomplete, inaccurate or unavailable, which could cause the Investment Manager to incorrectly assess an issuer's sustainability characteristics. In addition, there is a lack of standardized taxonomy of ESG investments.

Successful application of the Sub-Fund's sustainable investment strategy will depend on the Investment Manager's skill in properly identifying and analyzing material sustainability issues. Sustainability factors may be evaluated differently by different managers, and may mean different things to different people.

(b) *Sustainability policy risk*: The Sub-Fund's sustainable investment policy could cause it to perform differently compared to similar funds that do not have such a policy. The exclusionary criteria related to this policy may result in the Sub-Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, or selling securities for sustainability reasons when it might be otherwise disadvantageous for it to do so. The Sub-Fund will vote proxies in a manner that is consistent with its sustainability criteria, which may not always be consistent with maximizing short-term performance of the issuer.

3. Changes to investment strategy of Sustainable Asia Bond Fund

The following changes will be made to the investment policy of Sustainable Asia Bond Fund:-

(a) Changes to the exclusion framework applicable to the Sustainable Asia Bond Fund

Currently, with regard to the exclusion framework to which the Sustainable Asia Bond Fund adheres:-

(i) the Sub-Fund screens out issuers which are considered to be in violation of the Ten Principles of the United Nations Global Compact (the "**UNGC Ten Principles**") from its permissible investment universe. The Investment Manager implements such exclusion based on the exclusion lists issued by third party data providers (which assess and determine whether a particular issuer is in violation of the UNGC Ten Principles or not) from time to time, but the Investment Manager does not conduct such assessment itself; and

(ii) issuers deriving more than 5% of revenue from alcohol, tobacco, controversial weapons and/or thermal coal manufacturing or sales or gambling operations are automatically eliminated from investment consideration.

To enhance the sustainability outlook of the Sub-Fund's portfolio and to increase transparency around the use of third party data providers in the assessment of issuers considered to be in violation of the UNGC Ten Principles, the investment policy of the Sustainable Asia Bond Fund will be amended to reflect:-

(i) the consideration for violation of the UNGC Ten Principles is conducted by third party data providers, and issuers which have not been assessed by such third party data providers against the UNGC Ten Principles will not be excluded from the Sub-Fund's permissible investment universe provided that they are also not issuers with products or within industries that are considered by the Investment Manager to be unsustainable or associated with significant environmental or social risks. The Sub-Fund screens out issuers who are considered by third party data providers to be in violation of the UNGC Ten Principles where possible.

(ii) in addition to the existing categories of products and industries which are subject to exclusion, issuers deriving more than 5% of revenue from adult entertainment, conventional weapons and thermal coal production (formerly "thermal coal manufacturing or sales") will also now be automatically eliminated from the Sub-Fund's investment consideration; and

(iii) the change in the threshold of revenue deriving from controversial weapons from "more than 5% of revenue" to "any revenue" in order for the relevant issuers to be automatically eliminated from the Sub-Fund's investment consideration.

(b) Other changes

The investment strategy of Sustainable Asia Bond Fund will also be updated to provide that:-

(i) the Sub-Fund may invest up to 10% of its net assets in RMB-denominated debt securities that are circulated in the China interbank bond market via Bond Connect; and

(ii) the Sub-Fund's minimum investment in ESG themed bonds[1] issued by companies domiciled in, traded in and/or with substantial business interests in Asia and/or governments and government-related issuers located in Asia will be increased from 10% of net assets to 15% of net assets.

4. Change to investment policy of (a) Asia Total Return Fund and (b) China Total Return Bond Fund (collectively, the "Relevant Sub-Funds")

Currently, each of the Relevant Sub-Funds does not make any investment in debt instruments with loss-absorption features ("**LAP**").

To allow greater flexibility in the investment selection to better achieve its investment objective and manage the risk and return profiles of the Relevant Sub-Funds, the investment strategy of each of the Relevant Sub-Funds will be amended to provide that the Sub-Fund may invest up to 20% of net assets in LAP including, but not limited to, total loss-absorbing capacity eligible instruments, contingent convertible debt securities, certain types of senior non-preferred debt, and other similar instruments with write-down or bail-in features related to the issuers' regulatory capital ratio (the "**LAP Change**").

Following the LAP Change, the Relevant Sub-Funds will be subject to additional risks associated with investment in LAP, but there will be no material change or increase in the overall risk profile of each of the Relevant Sub-Funds.

5. Use of LAP (including contingent convertible debt securities) in respect of Global Multi-Asset Diversified Income Fund

Currently the Global Multi-Asset Diversified Income Fund's primary investment strategy is to invest at least 70% of its net assets in equity and equity-related securities (which are listed on any Regulated Market), fixed income and fixed income-related securities of companies and/or governments (which include agencies and supra-nationals in respect of fixed income and fixed income-related securities) located across the globe. Such fixed income and fixed income-related

[1] "ESG themed bonds" are bonds which align with a combination of one or more of the International Capital Market Association (ICMA) Green Bond Principles, ICMA Social Bond Principles and/or the ICMA Sustainability Bond Guidelines, amongst others.

securities include bonds (including inflation-linked and convertible bonds), floating rate securities, commercial paper, short-term bills, certificate of deposits and negotiated term deposits, and may be issued by governments, agencies, supra-nationals and companies. As required by the CSSF and the SFC, it is clarified that as part of such primary investment strategy, the Sub-Fund currently has a minimal investment exposure (i.e. not more than 1.5% of Net Asset Value of the Sub-Fund) to LAP and in particular, contingent convertible bonds.

As of the Effective Date, the investment policy of the Sub-Fund shall be elaborated to state that the Sub-Fund may invest up to 5% of its net assets in LAP, including, but not limited to, total loss-absorbing capacity eligible instruments, contingent convertible bonds, certain types of senior non-preferred debt and other similar instruments with write-down or bail-in features related to the issuers' regulatory capital ratio. Investors should note that such instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s). As a consequence of investing in LAP, the Sub-Fund is subject to risks associated with investments in LAP, but there is no material change or increase in the overall risk profile of the Sub-Fund.

6. Enhancement to the investment policies of the Asian Short Duration Bond Fund and Asia Dynamic Income Fund[2]

In connection with the Sub-Fund's authorization* by the Securities and Futures Commission of Hong Kong ("**SFC**"), as of the Effective Date, the investment objectives, policies and the specific risk factors of the Asian Short Duration Bond Fund and Asia Dynamic Income Fund shall be enhanced to comply with the SFC's disclosure requirements as set out in the Code on Unit Trusts and Mutual Funds and Annex I to the Guide on Practices and Procedures for Application for Authorisation of Unit Trusts and Mutual Funds.

Please refer to Appendix 2 to this Notice for particulars of the changes.

*** SFC authorization is not a recommendation or endorsement of a product nor does it guarantee the commercial merits of a product or its performance. It does not mean the product is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.**

7. General and Administrative Updates

The Prospectus (and where applicable, the Hong Kong Covering Document) will also be updated to reflect general and administrative updates including the following:-

(a) update of disclosure on PRC taxation and addition of disclosure on India taxation;

(b) simplification of disclosures on initial subscription price of Share Classes;

(c) simplification of disclosures regarding performance fees (which are not currently levied in respect of any of the Classes of any Sub-Funds);

(d) update of additional information for investors in the United Kingdom;

(e) enhancement of disclosures on "Small-Cap / Mid-Cap Risks" and risks associated with bond funds;

(f) amendments to disclosures to reflect regulatory updates and requirements under the Sustainable Finance Disclosure Regulation in the European Union; and

(g) other miscellaneous, administrative, editorial and/or clarificatory updates and enhancement of disclosures, including updates to disclosures relating to Sub-Funds which are not authorized by the SFC.

[2] Investors should note that the Shares of the Asian Short Duration Bond Fund and Asia Dynamic Income Fund are not offered to the public of Hong Kong as of the date of this Notice.

Please note that, except for item 2 above, the above changes do not amount to a material change to the relevant Sub-Fund(s). Save as otherwise described above, the above changes (i) will not result in any other changes in the operation and/or manner in which the Company and the Sub-Funds are being managed, (ii) will not result in any other change to the features and risk profiles of the Sub-Funds, (iii) will not result in any change in the fee level or cost in managing the Sub-Funds, and (iv) will not materially prejudice any of the rights or interests of the existing investors of the Sub-Funds.

The legal and administrative expenses that will be incurred in connection with the changes in item 2 above are approximately USD 50,000 which will be borne by the Asian Equity Fund.

The costs and expenses relating to the changes except for item 2 above will be borne by the relevant Sub-Fund(s). In the event that the changes are related to more than one Sub-Fund, such costs and expenses will be allocated to the relevant Sub-Fund(s) by reference to each of their Net Asset Values.

If you do not agree with the changes in items 2, 3, 4 and 5 above, you may apply to redeem or to switch your holding in the relevant Sub-Fund(s) to Shares of the same Class or category in any other Sub-Fund(s) free of any switching or redemption charges until 15 July 2022.

You can only switch your holding into Shares of the same Class or category, provided that Shares of AA Classes and R Classes (collectively, "**AA/R Classes**"), Shares of P Classes and Shares of S Classes in any Sub-Fund shall, for the purposes of switching, be deemed to be within the same category and may be switched to Shares of any of the AA/R Classes, P Classes and S Classes, respectively, whether in the same Sub-Fund or another Sub-Fund, which is offered or sold in your jurisdiction pursuant to the provisions of the relevant offering documents, and such switch is subject to all applicable minimum initial investment amount and minimum holding requirements as well as investor eligibility criteria being complied with.

In the case of redemption, the redemption proceeds will be paid to you in accordance with the provisions of the Prospectus. In the case of a switch, the conversion proceeds will be utilised to purchase Shares of Sub-Fund(s) specified by you at the share price(s) applicable in accordance with the provisions of the Prospectus (and for Hong Kong Shareholders only, the Hong Kong Covering Document). A switch or redemption of your Shares may affect your tax position. You should therefore seek independent professional advice on any applicable tax in the country of your respective citizenship, domicile or residence.

General

For Hong Kong Shareholders Only: The Prospectus, the Hong Kong Covering Document and the product key fact statements of each Sub-Fund (the "**Hong Kong Offering Documents**") are available during usual business hours on any weekday (Saturdays and public holidays excepted) at the office of the Hong Kong Representative free of charge and are also available at www.manulifefunds.com.hk[3].

Shareholders requiring further information about any of the matters set out in this Notice may contact the Administrator of the Company, Citibank Europe plc, Luxembourg Branch, at telephone number (352) 45 14 14 316 or fax number (352) 45 14 14 850 or the Hong Kong Distributor, Manulife Investment Management (Hong Kong) Limited, at telephone number (852) 2108 1110 or fax number (852) 2810 9510 at any time during normal business hours.

[3] This website has not been reviewed by the SFC.

Appendix 1 – Comparison of Objectives and Investment Strategies of Asian Equity Fund prior to and upon the Re-positioning

	Prior to the Effective Date	From the Effective Date
Name of the Sub-Fund	Asian Equity Fund	Sustainable Asia Equity Fund
Objective	Asian Equity Fund aims to achieve capital growth by investing at least 70% of its net assets in a diversified portfolio of equity and equity related securities of companies listed on stock markets throughout Asia, including those in Australia, Hong Kong, Indonesia, Malaysia, New Zealand, the PRC, the Philippines, Singapore, South Korea, Taiwan and Thailand, but not any of the stock exchanges in Japan. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts.	The Sustainable Asia Equity Fund aims to achieve capital growth by investing at least 80% of its net assets in a diversified portfolio of equity and equity related securities of companies in Asia.
Investment Strategy	While the Sub-Fund will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the Sub-Fund is not otherwise subject to any limitation on the portion of its net assets that may be invested in any one country or sector and in issuers of any market capitalisation. Hence, the Sub-Fund may invest more than 30% of its net assets in issuers located in any of the PRC, South Korea and Taiwan. The Sub-Fund's investments may be denominated in any currency. The Sub-Fund may invest directly in certain China A shares listed on the SSE or the SZSE via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect respectively (collectively, "**Stock Connect**"). In any event where the Sub-Fund invests in China A shares, it is expected that the Sub-Fund will not hold more than 30% of its net assets in China A shares. It is not the intention of the Sub-Fund to invest more than 10% of its net assets in securities issued, or guaranteed, by any single sovereign (including the relevant government, public or local authority) which has a credit rating that is below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch). Neither does the Sub-Fund currently intend to enter into securities lending, repurchase, reverse repurchase, and similar over-the-counter transactions.	To meet its objective, the Sub-Fund will invest at least 80% of its net assets in equity and equity-related securities of companies incorporated, located, listed or with significant business interests in Asia, including Australia and New Zealand, that have been identified as demonstrating strong or improving sustainability attributes. Such equity and equity related securities include common stocks, preferred stocks, REITs and depositary receipts. The Sub-Fund will invest less than 30% of its net assets in REITs. Sustainability attributes may include, or be defined or characterized by the Investment Manager as, but are not limited to, an issuer's performance on and management of certain environmental factors, such as climate change and natural resource use; social factors, such as labor standards and diversity considerations; and governance factors, such as board composition and business ethics ("**ESG**"). Issuers with improving sustainability attributes are those that the Investment Manager considers demonstrate awareness and commitment to ESG issues, while issuers with strong sustainability attributes are those that the Investment Manager considers demonstrate stronger performance on and management of ESG issues compared to their peers. In order to select securities of companies with strong or improving sustainability attributes, the Investment Manager will adhere to a process of ESG integration, an exclusion framework, applying ESG rankings and active stewardship. The Sub-Fund shall adhere to an exclusion framework where certain companies are not

	In times of extreme market volatility or during severe adverse market conditions, the Sub-Fund may temporarily hold a substantial portion (up to 30%) of the Sub-Fund's net 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 Sub-Fund. The Sub-Fund pursues an actively managed investment strategy and uses the MSCI AC Asia ex-Japan NR USD index as a benchmark for performance comparison purposes only. The Investment Manager will invest in an unconstrained manner, relative to the benchmark, under normal market conditions and has the discretion to invest in securities not included in the benchmark. From time to time, depending on market conditions and the Investment Manager's forward-looking expectations, the Sub-Fund's investment strategy may invest in a universe of securities that are similar to that of the constituents of and, as a result, have characteristics similar to the benchmark.	considered permissible for investment. This includes screening out companies, where possible, which are considered by third party data providers to be in violation of the Ten Principles of the United Nations Global Compact. This also includes companies with products or within industries that are considered by the Investment Manager to be unsustainable or associated with significant environmental or social risks. These may be updated from time to time depending on the assessment of each product or industry against the abovementioned principles, but currently companies deriving more than 5% of revenue from alcohol, tobacco, gambling operations, adult entertainment, thermal coal production, conventional weapons and any revenue from controversial weapons are automatically eliminated from investment consideration (exclusion framework). For the avoidance of doubt, issuers which have not been assessed by third party data providers regarding their compliance with the Ten Principles of the United Nations Global Compact will not be excluded provided that they are also not issuers with the abovementioned categories of products or within the abovementioned categories of industries. The Investment Manager will assign each potential company with one of seven ESG rankings ranging from "Laggard" to "Leader" based on the Investment Manager's assessment of the company's performance on and management of ESG issues, in consideration of and/or in reference to a number of industry principles and standards including the principles of financial materiality as outlined by the Sustainability Accounting Standards Board (SASB). The ESG rankings will be determined and assigned by the Investment Manager using a proprietary method which aims to incorporate all relevant ESG factors, considering and processing third party ratings and scores (such as MSCI, Sustainalytics, Bloomberg, S&P Trucost, MSCI Carbon Delta, CDP, and SPOTT) together with the Investment Manager's own analysis of raw industry data (such as publicly available ESG reports, assessment reports or case studies) and potential contribution to positive sustainable outcomes. Companies with the two lowest rankings (i.e. "Laggard" or "Very Risky") are not eligible for investment in the portfolio, while companies with higher rankings will likely have a larger exposure within the portfolio. This allows the Investment Manager to build on the exclusion framework

		and ESG integration to provide a positive tilt to the portfolio, thus enabling the Investment Manager to enhance exposure to companies with stronger sustainability attributes in addition to minimizing exposure to those companies with weaker sustainability attributes. Using the exclusion framework and the ESG rankings, the Investment Manager will (i) screen out companies and remove the issuers in the two lowest ranking categories (which comprise at least 20% of the investment universe); (ii) select issuers which are determined by the Investment Manager to indicate strong or improving sustainability attributes; and (iii) construct a portfolio with ESG rankings that are better than the ESG rankings of the investment universe after applying (i) above. As part of the investment process of the Sub-Fund, the Investment Manager will then apply active stewardship to the selected securities through engagement and proxy voting to encourage improvement of sustainability attributes. While the Sub-Fund will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the Sub-Fund is not otherwise subject to any limitation on the portion of its net assets that may be invested in any one country or sector and in issuers of any market capitalisation. Hence, the Sub-Fund may invest more than 30% of its net assets in issuers located in any of the PRC, South Korea and Taiwan. The Sub-Fund's investments may be denominated in any currency. The remaining assets of the Sub-Fund may be invested in equity and equity-related securities of companies outside of Asia that have been identified as demonstrating strong or improving sustainability attributes, and/or cash and cash equivalents. The Sub-Fund may invest directly in certain China A shares listed on the SSE or the SZSE via the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect respectively (collectively, "**Stock Connect**"). In any event where the Sub-Fund invests in China A shares, it is expected that the Sub-Fund will not hold more than 30% of its net assets in China A shares. The Sub-Fund pursues an actively managed investment strategy and uses the MSCI AC Asia ex-Japan NR USD index as a

		benchmark for performance comparison purposes only. The Investment Manager will invest in an unconstrained manner, relative to the benchmark, under normal market conditions and has the discretion to invest in securities not included in the benchmark. From time to time, depending on market conditions and the Investment Manager's forward-looking expectations, the Sub-Fund's investment strategy may invest in a universe of securities that are similar to that of the constituents of and, as a result, have characteristics similar to the benchmark.

Appendix 2 – Enhancement to the Investment Objectives, Policies and Specific Risk Factors of Asian Short Duration Bond Fund and Asia Dynamic Income Fund

1. Asian Short Duration Bond Fund

Investment Objective

Asian Short Duration Bond Fund aims to provide investors with income and/or long-term capital appreciation through investing primarily in a portfolio of ~~**fixed income**~~ **debt** securities issued **or guaranteed** by governments, agencies, supra-nationals and corporations in Asia (which, for the purpose of this Sub-Fund, shall include Australia and New Zealand).

Investment Policy

Asian Short Duration Bond Fund will invest at least 85% of its net assets in USD-denominated debt securities listed or traded in Asia and/or issued **or guaranteed** by ~~**corporations,**~~ governments, agencies**,** ~~**and**~~ supra-nationals **and corporate issuers** domiciled in or with substantial business interests in Asia **(“Asian Debt Securities”)**. Debt securities include but are not limited to bonds, commercial paper, short-term bills, certificate of deposits and negotiated term deposits~~**, and may be issued by governments, agencies, supra-nationals and corporate issuers**~~.

In addition, it is the Investment Manager’s intention to maintain the Sub-Fund’s portfolio with an aggregate average duration of less than three years.

~~**As part of the above investments, the**~~ **The** Sub-Fund may invest up to 15% of its net assets in RMB-denominated debt securities that are circulated in the CIBM via Bond Connect.

The Sub-Fund may invest up to 15% of its net assets in debt securities ~~**of issuers outside of Asia**~~**, denominated in any currency, which are not Asian Debt Securities,** and/or cash and cash equivalents.

The Sub-Fund may invest up to 5% of its net assets in debt securities rated below investment grade (i.e. below Baa3 by Moody’s or BBB- by Standard & Poor’s or Fitch) of any issuer and up to 10% of its net assets in debt securities which are unrated*, **out** of which up to 10% of the Sub-Fund’s net assets may be invested in unrated debt securities of issuers located in Singapore**,** and up to 5% of its net assets may be invested in unrated debt securities of any other issuers.

*** For the purpose of this Sub-Fund, “unrated” debt securities refer to debt securities in respect of which neither the securities nor their issuer has a credit rating.**

While the Sub-Fund will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the Sub-Fund is not otherwise subject to any limitation on the portion of its net assets that may be invested in any one country or sector. Hence, the Sub-Fund may invest more than 30% of its net assets in issuers ~~**located**~~ **domiciled in or with substantial business interests** in ~~**the**~~ Mainland China.

The Sub-Fund may invest up to 20% of its net assets in debt instruments with loss-absorption features, including, but not limited to, total loss-absorbing capacity eligible instruments, contingent convertible bonds, certain types of senior non-preferred debt and other similar instruments with write-down or bail-in features related to the issuers’ regulatory capital ratio. These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).

It is not the intention of the Sub-Fund to invest more than 5% of its net assets in securities issued, or guaranteed, by any single sovereign (including the relevant government, public or local authority) which has a credit rating that is below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch).

~~*** For the purpose of this Sub-Fund, “unrated” debt securities refer to debt securities in respect of which neither the securities nor their issuer has a credit rating.**~~

The Sub-Fund does not compare its performance against nor is it managed in reference to any benchmark. It may freely select the securities in which it will invest.

Specific Risk Factors

Apart from the existing specific risk factors as disclosed in the Prospectus, Asian Short Duration Bond Fund is also subject to the following specific risk factor:

Geographical Concentration Risk: The Sub-Fund concentrates its investments in securities of issuers located in Asia, and may have the flexibility to concentrate its investments in securities of issuers located in Mainland China. This may result in greater volatility than portfolios which comprise broad-based global investments. The value of the Sub-Fund may be more susceptible to adverse events in Asia (including Mainland China).

In addition to the general risk factors in Section 5, please also refer to the following specific risk factors as further set out therein:

- Emerging Markets Risks
- Political and Regulatory Risks
- Currency Risks
- Liquidity and Volatility Risks
- Rating of Investment Risk
- Taxation Risk
- FDIs Risks
- Risks associated with investments in debt instruments with loss-absorption features (including Contingent Convertible Securities)
- Bond Funds

2. Asia Dynamic Income Fund

Investment Policy

To meet its objective the Sub-Fund will invest at least 70% of its net assets in equity and equity-related securities (which are listed on any Regulated Market), fixed income and fixed income-related securities of companies and/or governments (which include agencies and supra-nationals in respect of fixed income and fixed income-related securities) located within, incorporated within and/or with significant revenues generated in Asia (including Australia and New Zealand). The remaining assets of the Sub-Fund may be invested in equities, equity-related, fixed income and/or fixed income-related securities of issuers and governments outside of Asia as well as cash and/or cash equivalents.

Equity and equity-related securities may include common stocks, preferred stocks, depositary receipts and real estate investment trusts (“**REITs**”). The Sub-Fund may also invest up to 10% of its net assets in UCITS (undertaking for collective investment in transferable securities) and UCIs (undertaking for collective investment) in accordance with article 41 (1) (e) of the 2010 Law. Fixed income and fixed income-related securities include but are not limited to bonds (including inflation-linked and conventional convertible bonds), floating rate securities, commercial paper, short-term bills, certificates of deposit and negotiated term deposits, and may be issued **or guaranteed** by governments, agencies, supra-nationals and companies.

As part of the above investments, the Sub-Fund may invest up to 70% of its net assets in RMB-denominated debt securities that are listed or traded outside of Mainland China (typically, dim sum bonds) and may also invest less than 20% of its net assets in RMB-denominated debt securities that are circulated in the CIBM via Bond Connect, **including** and up to 10% of its net assets in urban investment bonds, which are debt instruments issued by local government financial vehicles ("**LGFVs**") and circulated in the CIBM. LGFVs are separate legal entities established by local governments and / or their affiliates to raise financing for public welfare investment or infrastructure projects. The Sub-Fund may invest directly in certain China A-Shares listed on the SSE or the SZSE via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect"). In any event where the Sub-Fund invests in China A-Shares, it is expected that the Sub-Fund will not hold more than 20% of its net assets in China A-Shares.

The Sub-Fund will actively allocate investment between equities and equity-related securities, fixed income and fixed income-related securities and cash and/or cash equivalents to achieve its objective. The asset allocation of the Sub-Fund will change according to the Investment Manager’s views of fundamental economic and market conditions and investment trends across Asia and the world, taking into consideration factors such as liquidity, costs, timing of execution, relative attractiveness **(considering factors such as valuation and earnings potential)** of individual securities and issuers available in the market. The Sub-Fund's expected asset allocation ranges for each asset class is expected to be the following (as percentage of the Sub-Fund's net assets):

Asian equities and equity-related securities, including REITs: 30-70%
Asian fixed income and fixed income-related securities: 30-70%
Cash and/or cash equivalents: 0-10% **(up to 40% during adverse market conditions, as further described below)**

In addition to the Investment Manager's active asset allocation strategy, the Sub-Fund will also perform active security selection **and may perform periodic rebalancing** for its investments in equities and equity-related securities and fixed income and fixed income-related securities. **For the fixed income and fixed income-related securities portfolio, the Sub-Fund intends to focus on securities that will enhance income generation.** For the equities/equity-related securities portfolio, the Sub-Fund intends to focus on companies that are able to enhance income generation as well as potentially generate capital growth over the medium to long term.

The Sub-Fund may invest (up to 70% of its net assets) in debt securities rated below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch) or unrated debt securities. For these purposes, an unrated debt security means a debt security which neither the debt security itself nor its issuer has a credit rating. The Sub-Fund may also invest less than 20% of its net assets in collateralized and/or securitized products, such as asset backed securities and mortgage backed securities.

The Sub-Fund may invest up to 20% of its net assets in debt instruments with loss-absorption features, including, but not limited to, total loss-absorbing capacity eligible instruments, contingent convertible bonds, certain types of senior non-preferred debt and other similar instruments with write-down or bail-in features related to the issuers' regulatory capital ratio. **These instruments may be subject to contingent write-down or contingent conversion to equity on the occurrence of trigger event(s).**

It is not the intention of the Sub-Fund to invest more than 10% of its net assets in securities issued, or guaranteed, by any single sovereign (including the relevant government, public or local authority) which has a credit rating that is below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch).

In times of extreme market volatility or during severe adverse market conditions, the Investment Manager may hold a substantial portion (up to 40%) of the Sub-Fund's assets in cash or cash equivalents, or invest in short-term money market instruments for the preservation of the value of the assets in the investment portfolio.

While the Sub-Fund will invest in accordance with the above investment objectives and strategies, the Sub-Fund is not subject to any limitation on the portion of its net assets that may be invested in any one country or region **or sector and in issuers of any market capitalisation**. Given the flexibility available to the Sub-Fund, the Sub-Fund may invest more than 30% of its net assets in issuers located in ~~the~~ China, Hong Kong, Singapore and Australia. The Sub-Fund's investments may be denominated in any currency.

The Sub-Fund does not compare its performance against nor is it managed in reference to any benchmark. It may freely select the securities in which it will invest.

Specific Risk Factors

Apart from the existing specific risk factors as disclosed in the Prospectus, Asia Dynamic Income Fund is also subject to the following specific risk factors:

(a) ***Risk Relating to Active Asset Allocation Strategy:*** The asset allocation strategy employed by the Sub-Fund may not achieve the desired results under all circumstances and market conditions. The investments of the Sub-Fund may be periodically rebalanced and therefore the Sub-Fund may incur greater transaction costs than a fund with static allocation strategy.

(b) ***Geographical Concentration Risk:*** The Sub-Fund concentrates its investments in securities of issuers located in Asia (including China, Hong Kong, Singapore and Australia). The concentration of the Sub-Fund's investments in securities of issuers related to Asia (including China, Hong Kong, Singapore and Australia) may result in greater volatility than portfolios which comprise broad-based global investments. The value of the Sub-Fund may be more susceptible to adverse events in those regions.

(c) ***Risks Associated with Investment in REITs***: The Sub-Fund may invest in REITs. The major risks can be attributed to a decline in real estate values, the possibility that the owners of real estate could default on mortgage payments resulting in the loss of property and environmental liability, and rise of interest rates. The value of this Sub-Fund may fluctuate in response to movements in real estate markets.

In addition to the general risk factors in Section 5, please also refer to the following specific risk factors as further set out therein:

- Emerging Markets Risks
- Political and Regulatory Risks
- Currency Risks
- Liquidity and Volatility Risks
- Rating of Investment Risk
- Taxation Risk
- FDI Risks
- Risks associated with investments in debt instruments with loss-absorption features (including Contingent Convertible Securities)
- Bond Funds
- **Small-Cap / Mid-Cap Risks**