

2 June 2022

Notice to Unitholders of Manulife Global Asset Allocation – Growth Fund

Dear Valued Unitholder

Thank you for investing in Manulife Global Asset Allocation – Growth Fund (the "**Sub-Fund**"), a sub-fund of Manulife Funds. As Manager of the Sub-Fund, we would like to inform you of some upcoming changes which are relevant to the Sub-Fund.

As you may be aware, the Sub-Fund may, amongst other things, invest 30% or more of its asset value into the relevant share class of any of the following sub-funds of the Luxembourg-domiciled Manulife Global Fund:

- Manulife Global Fund – U.S. Equity Fund
- Manulife Global Fund – European Growth Fund
- Manulife Global Fund – Asian Equity Fund
- Manulife Global Fund – U.S. Special Opportunities Fund
- Manulife Global Fund – Asia Total Return Fund
- Manulife Global Fund – U.S. Bond Fund

We wish to inform you that there will be certain changes taking place which affect the (i) Manulife Global Fund – Asia Total Return Fund and (ii) Manulife Global Fund – Asian Equity Fund (the "**Underlying MGF Sub-Funds**") with effect from 18 July 2022 (the "**Effective Date**"). Please refer to Annex 1 of this notice for information on these changes.

Save as otherwise described below, the changes will not result in (i) any other changes in the operation and/or manner in which the Underlying MGF Sub-Funds are being managed, (ii) any other change to the features and risk profiles of the Underlying MGF Sub-Funds, (iii) any change in the fee level or cost in managing the Underlying MGF Sub-Funds, and (iv) material prejudice of any rights or interests of the existing investors of the Underlying MGF Sub-Funds.

The current prospectus of Manulife Funds will be updated in due course to reflect the above changes (where necessary). Copies of the updated prospectus may be obtained from our appointed distributors once available.

In view of the changes in the Underlying MGF Sub-Funds, the following options are available to you:

Option 1 – Continue to hold your Units

You may choose to continue holding your units in the Sub-Fund ("**Units**"), in which case, no action is required on your part.

Option 2 – Switch your Units into units of another sub-fund of Manulife Funds

Subject to paragraph 11 of the prospectus of Manulife Funds (“**Prospectus**”) and Clause 12 of the deed of trust dated 22 June 2009 constituting the Manulife Funds, as amended (the “**Deed**”), you may switch all or any of your units in a class of the Sub-Fund to units in a class of any other authorised sub-fund of the Manulife Funds offered by the distributor through whom you purchased your units (“**Distributor**”).

Please refer to the Prospectus (in particular, paragraph 11 and Schedule 4 therein) and the applicable provisions of the Deed, a copy of which will be available from your Distributor, for more information on the conditions applicable to switching (such as minimum switching amount and minimum holding requirements for the sub-fund which you are switching into) and full details of the sub-funds available for switching.

Please complete and return the switching form which may be obtained from your Distributor, **no later than 4.00 pm, or such other time as imposed by your Distributor (the “Dealing Deadline”), on or before 30 June 2022.** We will waive the switching fee which would normally apply.

You should note that the investment objective, focus and approach of the other sub-funds of the Manulife Funds, as well as the fees and charges payable may not be the same as that of the Sub-Fund.

Option 3 – Realisation of your Units

Should you wish to realise all or any of your holdings of units prior to the Effective Date, please submit your realisation request to the Distributor through whom you purchased your units **by the Dealing Deadline on or before 30 June 2022.** Realisation requests received and accepted by the Dealing Deadline on or before 30 June 2022 shall be realised at that dealing day's prevailing realisation price calculated in accordance with paragraph 10 of the Prospectus and the applicable provisions of the Deed. There will be no realisation charge levied in this case.

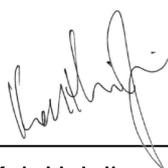
Realisation proceeds will normally be paid in Singapore dollars by cheque or credited into your account or Supplementary Retirement Scheme account, as applicable, within seven business days in Singapore.

Important: You may wish to obtain independent professional or legal advice in the event that you have any doubt relating to the contents of this notice.

Should you have any queries regarding the above, please do not hesitate to contact the appointed distributors of the Sub-Fund from whom you purchased your Units.

We would like to thank you for your continued support in Manulife Funds.

Yours faithfully



Koh Hui-Jian

Director

For and on behalf of

Manulife Investment Management (Singapore) Pte. Ltd.

ANNEX 1

Changes affecting the Underlying MGF Sub-Funds

A. Re-positioning of Manulife Global Fund – Asian Equity Fund as “Manulife Global Fund – Sustainable Asia Equity Fund”

With increased attention on environmental, social and governance attributes, the investment objective and investment strategy of the Manulife Global Fund – Asian Equity Fund (“**MGF-AEF**”) will be re-positioned such that it 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 MGF-AEF will be re-named the “**Manulife Global Fund – Sustainable Asia Equity Fund**” (“**MGF-SAEF**”).

Please refer to the table below for a comparison of the investment objectives and investment strategies of the MGF-AEF prior to and upon the Re-positioning.

	Prior to the Effective Date	From the Effective Date
Name of the Sub-Fund	Manulife Global Fund – Asian Equity Fund	Manulife Global Fund – Sustainable Asia Equity Fund
Investment Objective	The investment objective of MGF-AEF is to aim 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 MGF-SAEF 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 MGF-AEF will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the MGF-AEF 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 MGF-AEF may invest more than 30% of its net assets in issuers located in any of the PRC, South Korea and Taiwan. The MGF-AEF’s investments may be denominated in any currency.	To meet its objective, the MGF-SAEF 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 MGF-SAEF will invest less than 30% of its net assets in REITs.

	<p>The MGF-AEF 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 respectively. In any event where the MGF-AEF invests in China A-Shares, it is expected that the MGF-AEF will not hold more than 30% of its net assets in China A-Shares.</p> <p>It is not the intention of MGF-AEF 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).</p> <p>In times of extreme market volatility or during severe adverse market conditions, MGF-AEF may temporarily hold a substantial portion (up to 30%) of MGF-AEF'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 MGF-AEF.</p> <p>MGF-AEF 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, MGF-AEF'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.</p>	<p>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.</p>
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		<p>The MGF-SAEF shall adhere to an exclusion framework where certain companies are not 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.</p>
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		<p>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.</p>
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		<p>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 MGF-SAEF, the investment manager will then apply active stewardship to the selected securities through engagement and proxy voting to encourage improvement of sustainability attributes.</p> <p>While the MGF-SAEF will invest in accordance with its investment objective and strategy, subject to applicable laws and regulations, the MGF-SAEF 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 MGF-SAEF may invest more than 30% of its net assets in issuers located in any of the PRC, South Korea and Taiwan. The MGFSAEF's investments may be denominated in any currency.</p> <p>The remaining assets of the MGF-SAEF 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.</p>
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		<p>The MGF-SAEF 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. In any event where the MGF-SAEF invests in China A shares, it is expected that the MGF-SAEF will not hold more than 30% of its net assets in China A shares.</p> <p>The MGF-SAEF 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 MGF-SAEF'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.</p>
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As a result of the Re-positioning, the MGF-SAEF 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 MGF-SAEF may underperform funds that do not utilize a sustainable investment strategy. The MGF-SAEF focuses on sustainable investment. The value of the MGF-SAEF may be more volatile than that of a fund having a more diverse portfolio of investments.

The securities held by the MGF-SAEF may be subject to the risk that they no longer meet the MGF-SAEF'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 MGF-SAEF.

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 MGF-SAEF'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 MGF-SAEF'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 MGF-SAEF 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 MGF-SAEF 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.

B. Change to investment policy of Manulife Global Fund – Asia Total Return Fund (“MGF-ATRF”)

Currently, the MGF-ATRF 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 MGF-ATRF, the investment strategy of the MGF-ATRF will be amended to provide that it 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 MGF-ATRF 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 the MGF-ATRF.

For the avoidance of doubt, there is no change to the investment objective of MGF-ATRF.