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.

Notice to Shareholders
("Notice")

16 November 2020

Dear Shareholder

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

These changes will be reflected in the revised prospectus (and where applicable and for Hong Kong shareholders only, the revised Hong Kong Covering Document) of the Company (the "**Revised Prospectus**") to be dated 17 December 2020 (the "**Effective Date**"). This Notice, which summarizes the changes for your ease of reference, should be read in conjunction with the current Prospectus of the Company (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 in order to optimize the management of the Company and its sub-funds (each a "**Sub-Fund**", collectively, the "**Sub-Funds**") and to better meet the needs of investors:-

1. Addition of Manulife Investment Management (Europe) Limited as Co-Investment Manager of Asia Total Return Fund and Asian High Yield Fund[1]

Currently Asia Total Return Fund and Asian High Yield Fund are managed by Manulife Investment Management (Hong Kong) Limited.

Due to the relocation of investment team personnel, as of the Effective Date, Asia Total Return Fund and Asian High Yield Fund will be jointly managed by Manulife Investment Management (Hong Kong) Limited and Manulife Investment Management (Europe) Limited as Co-Investment Managers. Manulife Investment Management (Europe) Limited is regulated by the Financial Conduct Authority (FCA) in the United Kingdom.

2. Addition of Manulife Investment Management (Europe) Limited as Co-Sub-Investment Manager of Global Multi-Asset Diversified Income Fund

Currently Global Multi-Asset Diversified Income Fund is managed by Manulife Investment Management (US) LLC, which has partially sub-delegated investment management functions to Manulife Investment Management (Hong Kong) Limited.

Due to the relocation of investment team personnel, as of the Effective Date, Global Multi-Asset Diversified Income Fund will be jointly sub-managed by Manulife Investment Management (Hong Kong) Limited and Manulife Investment Management (Europe) Limited as Co-Sub-Investment Managers. For avoidance of doubt, Manulife Investment Management (US) LLC, the current Investment Manager of Global Multi-Asset Diversified Income Fund, will continue to be the primary Investment Manager and will continue to partially sub-delegate investment management functions to both Co-Sub-Investment Managers.

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[1] Asian High Yield Fund is not authorised by the Securities and Futures Commission of Hong Kong ("SFC"), and no offer is made to the public of Hong Kong in respect of this Sub-Fund.

3. Use of Financial Derivative Instruments ("FDIs") for Investment Purposes

Currently, with the exception of Sustainable Asia Bond Fund, each Sub-Fund's use of FDIs will generally not form part of its investment strategy, and each Sub-Fund does not use FDIs extensively to achieve its investment objective or for investment purposes, but may from time to time, under normal circumstances, use FDIs for efficient portfolio management and hedging purposes.

As of the Effective Date, each Sub-Fund of the Company may use FDIs for investment, efficient portfolio management and hedging purposes, and will therefore be subject to a greater extent to risks associated with investments in financial derivative instruments.

For avoidance of doubt, the net derivative exposure of each Sub-Fund will remain at up to 50% of its Net Asset Value.

4. Amendments to the Global REIT Fund

Currently, Global REIT Fund may invest up to 30% of its net assets in corporate bonds of any maturity and of any credit quality, which includes bonds that are rated below investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch) and are rated as low as Ba2 by Moody's or BB by Standard and Poor's or Fitch, or if unrated, their equivalent.

As of the Effective Date, the Sub-Fund's investment strategy in respect of investments in such corporate bonds of any credit quality shall be clarified to also include bonds that are rated below investment grade and as low as Ba3 by Moody's or BB- by Standard and Poor's or Fitch, or if unrated, their equivalent, which are of lower credit quality than the corporate bonds currently invested in by the Sub-Fund. This means that as of the Effective Date, the Sub-Fund's investment in corporate bonds will include bonds that are rated as low as Ba3 by Moody's or BB- by Standard and Poor's or Fitch, or if unrated, their equivalent.

5. Introduction of Swing Pricing Policy

Currently, the Company does not employ any swing pricing policy within its valuation policy to adjust the calculation of the Net Asset Value of any Sub-Fund.

In order to manage the liquidity risks of the Sub-Funds and with the aim of protecting existing Shareholders of the Sub-Funds in the event of significant net cash inflows or outflows, as of 18 January 2021, the Company may make adjustments to the calculation of the Net Asset Value of any Sub-Fund on each Business Day in accordance with its swing pricing policy, which shall be set out in the Revised Prospectus as follows:

"The Company may need to accommodate significant net cash inflows or outflows resulting from large subscription, redemption and/or switching activity by investors which result in high transaction costs associated with a Sub-Fund's portfolio trades. As a result, the Sub-Fund may suffer reduction of the NAV per Share ("**dilution**"). In order to reduce this dilution impact and to protect existing Shareholders' interests, a swing pricing policy ("**Swing Pricing Policy**") shall be adopted by the Company as part of its daily valuation policy. The Swing Pricing Policy shall be applicable to all Sub-Funds.

If on any Business Day, the aggregate net investor(s) transactions in Shares of a Sub-Fund exceed a pre-determined threshold as calculated as a percentage of the relevant Sub-Fund's Net Asset Value or as a fixed amount expressed in the base currency of the relevant Sub-Fund (as determined and reviewed by the Board or any duly authorised delegate of the Board from time to time), the NAV per Share of the Sub-Fund may be adjusted upwards or downwards to reflect the costs (including dealing costs and estimated bid/offer spreads) attributable to net inflows and net outflows respectively ("**Adjustment**") if the Board considers it is in the best interest of the investors. Particularly:

a) The aggregate net investor(s) transactions in Shares of the relevant Sub-Fund will be determined by the Company based on the latest available information at the time of calculation of the NAV.

b) The value of the Adjustment is dependent on historical trading costs and market conditions in respect of the assets held by the relevant Sub-Fund.

c) The value of the Adjustment for each Sub-Fund will be reviewed at least twice a year to reflect the estimated costs of trading assets held by the relevant Sub-Fund and prevailing market conditions.

The estimation procedure for the value of the Adjustment captures the main factors causing dealing cost (e.g. bid/ask spreads, transaction related taxes or duties, brokerage fees etc.). Such Adjustment may vary from Sub-Fund to Sub-Fund and will not exceed **2.00%** of the original NAV per Share (the "**Maximum Adjustment**"). Under exceptional circumstances, the Directors may, in the interest of Shareholders, decide to temporarily increase the Maximum Adjustment indicated above, subject to prior notification thereof to Shareholders and investors.The value of the Adjustment is determined by the Board or any duly authorised delegate of the Board.

d) The NAV per Share of each Share Class in a Sub-Fund will be calculated separately but any Adjustment will, in percentage terms, affect the NAV per Share of each Share Class in a Sub-Fund identically.

e) Performance fees and other NAV-based fees are to be calculated based on the NAV per Share prior to any Adjustment."

As a result of the introduction of the Swing Pricing Policy, the Sub-Funds shall be subject to Swing Pricing Risk, which can be summarized as follows:

- The size of the adjustment impact is determined by the estimated costs of trading assets of the type held by the relevant Sub-Fund and prevailing market conditions. The value of the adjustment reflects the estimated dealing cost of a Sub-Fund determined by historical trading costs and market conditions, which may not necessarily be representative of the actual trading costs.

- The movement of the NAV in respect of a Sub-Fund might not reflect the true portfolio performance as a consequence of the application of the Swing Pricing Policy. Typically, the adjustment resulting from the Swing Pricing Policy will increase the NAV per Share when there are large net inflows into the Sub-Fund and decrease the NAV per Share when there are large net outflows. The same adjustment will be applied to all Classes of the Sub-Fund and therefore all transacting investors in the Sub-Fund, whether subscribing or redeeming, will be affected by the adjustment.

- As the adjustment from the Swing Pricing Policy is connected to the inflows and outflows of money from the Sub-Fund it is not possible to accurately predict whether dilution will occur at any future point in time. Consequently it is also not possible to accurately predict how frequently the Company will need to make use of the Swing Pricing Policy.

6. Use of debt instruments with loss absorption features (including contingent convertible debt securities) in respect of U.S. Bond Fund and U.S. Special Opportunities Fund

Currently the U.S. Bond Fund's primary investment strategy is to invest at least 75% of its net assets in U.S. Dollars denominated fixed-income securities with an intended average credit rating of A and above, and the U.S. Special Opportunities Fund's primary investment strategy is to invest at least 70% of its net assets and up to 100% of its net assets in U.S. and non-U.S. fixed-income securities rated BB+ by Standard & Poor's or Fitch or Ba1 by Moody's or lower (i.e. below investment grade) and their unrated equivalents. As required by the SFC, it is clarified that as part of these primary investment strategies, the Sub-Funds currently have a minimal investment exposure (i.e. not more than 10% of Net Asset Value of each Sub-Fund) to debt instruments with loss-absorption features. Going forward, the Company will ensure timely disclosures in its offering documents in accordance with SFC requirements.

As of the Effective Date, the investment policy of both Sub-Funds shall be elaborated to state that both Sub-Funds 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. 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 debt instruments with loss-absorption features, the Sub-Funds are subject to risks associated with investments in debt instruments with loss-absorption features (including contingent convertible debt securities). In connection with this, the risk disclosures in the Prospectus shall be enhanced in connection with investments in debt instruments with loss-absorption features (please see Appendix I for a summary).

7. *Amendment to the definition of Valuation Point*

Currently, the Prospectus discloses that the Net Asset Value of the Sub-Funds are determined as at the Valuation Point, wherein Valuation Point means 4:00 p.m. (Luxembourg time) on each Business Day (or such other time as may be otherwise determined by the Directors). However, due to occasions where markets in which securities in the portfolios of certain Sub-Funds are traded have not yet closed at 4:00 p.m. (Luxembourg time), and in recent times, due to global market volatility, there have been a number of circumstances that have prevented the Net Asset Value of certain Sub-Funds from being determined at 4:00 p.m. (Luxembourg time), and instead, valuation has occurred at such time on the same Business Day when more reliable prices of underlying securities are available.

Therefore, to better reflect the range of times on which the Company may determine the Net Asset Value of the Sub-Funds on each Business Day (i.e. when reliable prices of underlying securities are available), taking into consideration factors such as, but not limited to, when the relevant market of the Sub-Fund closes, as of the Effective Date, the Prospectus shall amend the definition of Valuation Point to mean such time on each Business Day as may be determined by the Directors at which Net Asset Value per Share of a respective Sub-Fund may be determined.

For avoidance of doubt, such amendment does not result in any material change to the operation of the Company, as the Company will generally continue to aim to value the Net Asset Value of each Sub-Fund at 4:00p.m. (Luxembourg time) in the absence of the above-mentioned factors.

Please note that, except as otherwise described above, the above changes (i) will have no effect on the investment objective, strategy, risk profiles and features of the Sub-Funds, (ii) will not result in any change in the operations and/or manner in which the Company and the Sub-Funds are being managed, (iii) will not lead to an increase in the fees to be borne by any of the Sub-Funds or their investors, and (iv) will not materially prejudice any of the rights or interests of the existing investors of the Sub-Funds.

The costs and expenses relating to the changes 1 and 2 above will be borne by Manulife Investment Management.

The costs and expenses relating to changes 3 through 7 above are estimated to be approximately HK$310,000 and will be borne by will be borne by the Sub-Funds. Such costs and expenses will be allocated to the Sub-Funds by reference to each of their Net Asset Values.

If you do not agree with the changes indicated above, you may apply to redeem or to switch your holding in Shares of the relevant Sub-Fund to Shares of the same Class or category in any other Sub-Fund(s) free of any switching or redemption charges until 16 December 2020.

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**") and Shares of P 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 and P 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 Company's Prospectus, the Hong Kong Covering Document and the Product Key Facts Statement of each Sub-Fund are available from the office of the Hong Kong Representative and are also available at www.manulifefunds.com.hk[2].

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.

To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Notice is in accordance with the facts and does not omit anything likely to affect the import of such information as at the date of this Notice. The Directors accept responsibility for the accuracy of the contents of this Notice accordingly.

For and on behalf of the Board

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

Appendix I

Summary of risks associated with investments in debt instruments with loss-absorption features (including Contingent Convertible Debt Securities)

Debt instruments with loss-absorption features present more significant risks relative to traditional debt securities particularly given that instruments of this type can be written down or converted to equity as the result of the triggering of predetermined criteria relating to solvency and/or regulatory required capital levels (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), that may be beyond the control of the issuer. Such trigger events are complex and difficult to predict, and can result in a partial or total reduction in the value of the associated securities.

Upon the occurrence of a triggering event, there is potential for price and/or volatility contagion across the asset class. Investments in securities with loss-absorption features may also expose investors to liquidity, valuation and sector concentration risks.

To the extent it is within the scope of its investment strategy, a Sub-Fund may invest in senior non-preferred debt securities, certain types of which may be subject to loss-absorption mechanisms, and can potentially be at risk of write-downs which will compromise their standing within the issuer's creditor hierarchy structure and result in a substantial loss in value (including total loss of principal invested).

To the extent it is within the scope of its investment strategy, a Sub-Fund may invest in contingent convertible debt securities (commonly known as CoCos), which should be considered high risk and highly complex. Upon the occurrence of a trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be permanently written down to zero.