

Manulife Preferred Securities Income Fund¹



Benchmark Fund of the Year Awards 2023
Best-in-Class in Global Fixed Income category
(House Awards Singapore)

Benchmark Fund of the Year Awards 2022
Outstanding Achiever in Global Fixed Income category
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¹ The full name of the Fund is Manulife Global Fund – Preferred Securities Income Fund.

What are preferred securities (or “preferreds”)

Preferred securities are a **hybrid of bonds and equities**, with features from both asset classes. Issuers are usually large and highly regulated institutions and companies with stable cash flows, such as banks, utility companies, or REITs etc.



Bond-like features

Preferreds have stated par values, fixed interest payments, and credit ratings.



Equity-like features

Preferreds are perpetual or long-dated, and have lower priority in the capital structure than senior debt.

	Capital structure	Asset class	Payment format	Typical term
	Senior debt	Debt	Non-deferable interest	Short to long-term
	Subordinated debt	Debt	Non-deferable interest	Medium to long-term
Priority of claim ↓	Preferreds Hybrid preferreds	Hybrid	Deferable interest	Long-term (typically over 30 years)
	Traditional preferreds	Equity	Dividend	Perpetual
	Common equity	Equity	Dividend	Perpetual

Why do companies issue preferreds



Regulation changes

Some financial institutions issue preferreds to meet additional tier-1 (AT1) capital requirements by regulators.



Lower cost of capital

Preferreds may serve as a lower-cost financing option, as they avoid common equity dilution, and investors' required return is also lower.



Financing flexibility

Any deferred interest payment does not create a default event, while embedded call options provide issuers with more financing flexibility.

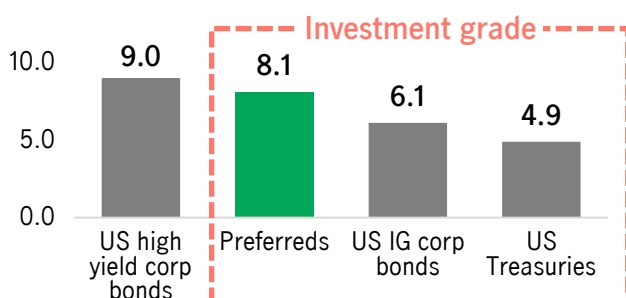
Why invest in preferreds



Attractive yields

Preferreds offer investors relatively higher yields compared to other US fixed income sectors.

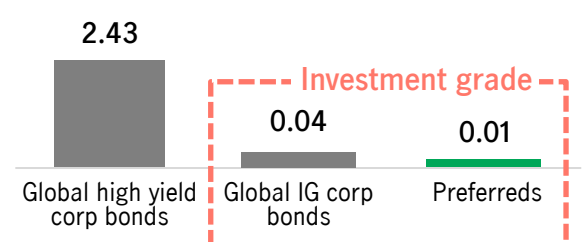
Yield of fixed income sectors (%)²



High credit quality with low default rates

Preferreds have an average credit rating of investment grade and have low default rates historically.

10-year average default rate (%)³



Why Manulife Preferred Securities Income Fund



Income-focused solution with consistent pay-outs and an annualized distribution yield of 7.8%⁴



High quality portfolio with an average IG credit rating of BBB-⁴



Actively managed by a lead manager with more than 30 years of investment experience



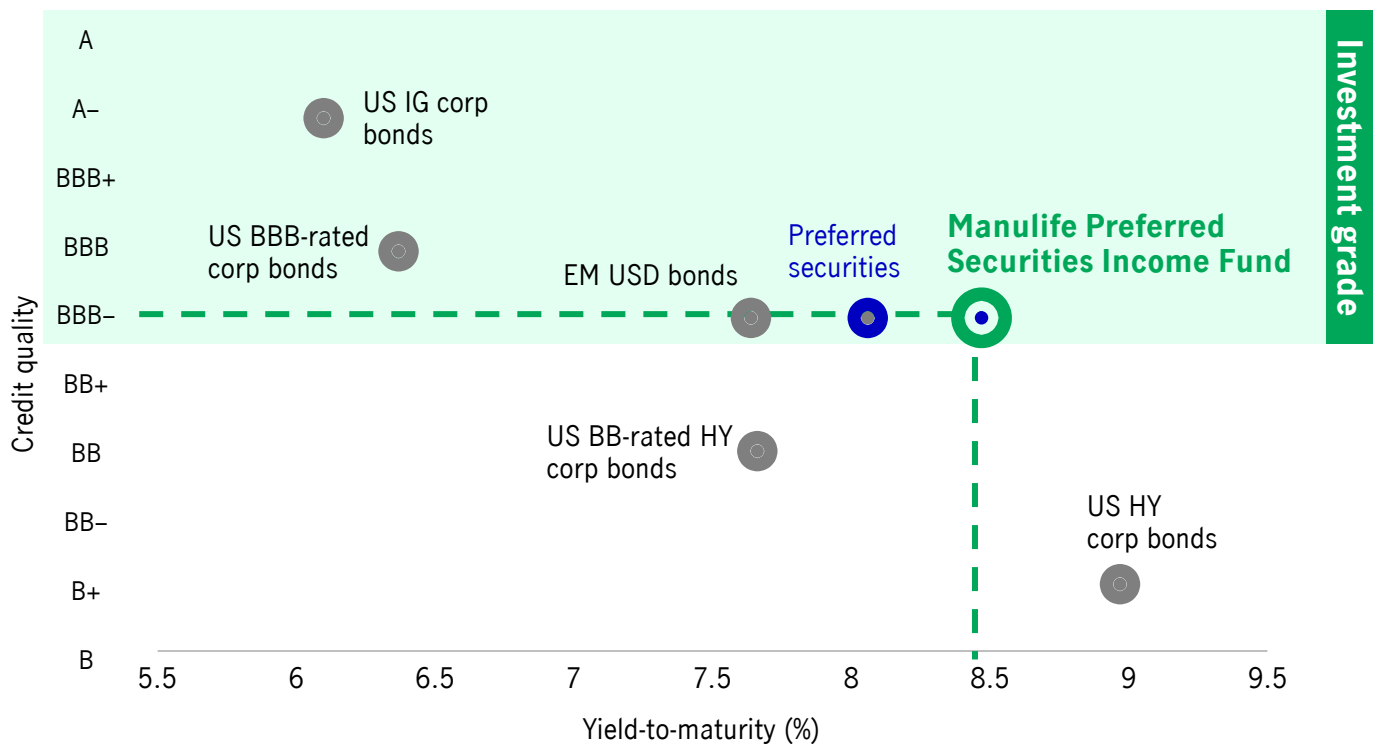
Only preferred securities fund available for retail investors in Singapore

Month ⁴	Ex-date	Dividend per unit
11/22	2/11/22	US\$0.00495
12/22	1/12/22	US\$0.00495
1/23	3/1/23	US\$0.00495
2/23	1/2/23	US\$0.00495
3/23	1/3/23	US\$0.00495
4/23	3/4/23	US\$0.00495
5/23	2/5/23	US\$0.00495
6/23	1/6/23	US\$0.00495
7/23	3/7/23	US\$0.00495
8/23	1/8/23	US\$0.00495
9/23	1/9/23	US\$0.00495
10/23	2/10/23	US\$0.00495

Combination of quality and yield

Manulife Preferred Securities Income Fund has an average IG credit rating of BBB- while the yield-to-maturity (YTM) is comparable to that of US high yield corporate bonds. In other words, **investors potentially benefit from higher yield without compromising on quality.**

Credit quality / YTM of the Fund vs various fixed income sectors (as of 31 Oct 2023)⁵



Fund details

Share class	AA (SGD Hedged) MDIST (G)	AA (USD) MDIST (G)	AA (AUD Hedged) MDIST (G)
Investment objective	The Fund aims to provide income generation with potential long term capital appreciation by investing primarily in preferred securities.		
Inception date	11 Sep 2018		
ISIN code	LU1850216372	LU1813986715	LU1813986806
Bloomberg ticker	MLPIASM LX	MLPIAUM LX	MLPIAAM LX
Base currency	USD		
Subscription mode	Cash and SRS	Cash	Cash
Minimum investment	USD 1,000 (or equivalent in major currencies)		
Distribution frequency	Monthly ⁶		
Management fee	1.1% of NAV per annum		
Initial sales charge	Up to 5%		
Dealing frequency	Daily		
Investment manager	Manulife Investment Management (US) LLC		
Fund size	USD 261.4 million		

² Source: Bloomberg, as of 30 Sep 2023. US HY corp bonds = ICE BofA US High Yield Index; preferred securities = ICE BofA US All Capital Securities Index; US IG corp bonds = ICE BofA US Corporate Index; US Treasuries = ICE BofA US Treasury & Agency Index. Positive distribution yield does not imply positive return.

³ Source: Moody's, Manulife Investment Management, as of 31 Dec 2022. Global HY corp bonds = ICE BofA Global High Yield Index; global IG corp bonds = ICE BofA Global Corporate Bond Index; preferred securities = ICE BofA US All Capital Securities Index.

⁴ Source: Manulife Investment Management, as of 31 Oct 2023. Distribution yield indicated applies to AA (USD) MDIST (G) share class. Dividend rate is not guaranteed. Dividends may be paid out of capital. Positive distribution yield does not imply positive return. Annualized yield = $[(1 + \text{distribution per unit/ex-dividend NAV})^{\text{distribution frequency}} - 1]$. The annualized dividend yield is calculated based on the latest relevant dividend distribution with dividends reinvested and may be higher or lower than the actual annual dividend yield. Increase in dividend yield may result in a significant drop in NAV.

⁵ Source: Bloomberg, as of 30 Sep 2023. EM USD bonds = ICE BofA Emerging Market External Sovereign Index; preferred securities = ICE BofA US All Capital Securities Index; US BB-rated HY corp bonds = ICE BofA BB US High Yield Index; US BBB-rated corp bonds = ICE BofA US corporate BBB Index; US HY corp bonds = ICE BofA US High Yield Index; US IG corp bonds = ICE BofA US Corporate Index. Yield-to-maturity does not represent distribution yield of the Fund and is not an accurate reflection of the actual return that an investor will receive.

⁶ The intention of the Manager to make the monthly distribution, and the distribution yield of the Fund is not guaranteed. The Manager may in future review the distribution policy depending on prevailing market conditions.

Important information

Manulife Global Fund (the "Company") is an open-ended investment company registered in the Grand Duchy of Luxembourg. The Manulife Global Fund – Preferred Securities Income Fund ("the Fund") is recognised under the Securities and Futures Act of Singapore for retail distribution. The Company has appointed Manulife Investment Management (Singapore) Pte. Ltd. as its Singapore Representative and agent for service of process in Singapore. The information provided herein does not constitute financial advice, an offer or recommendation with respect to the Fund. Opinions, forecasts and estimates on the economy, financial markets or economic trends of the markets mentioned herein are not necessarily indicative of the future or likely performance of the Fund. **The Fund may use financial derivative instruments for the purposes of investment, efficient portfolio management and/or hedging. Investors should note that the Fund may have a high volatility to its net asset value as a result of its investment policy or portfolio management techniques.** Investments in the Fund are not deposits in, guaranteed or insured by the Manager and involve risks. Past performance of the manager or sub-manager is not necessarily indicative of its future performance. The value of units in the Fund and any income accruing to them may fall or rise. Past performance of the Fund is not necessarily indicative of future performance. Investors should read the Singapore prospectus and seek advice from a financial adviser before deciding whether to purchase units in the Fund. A copy of the Singapore prospectus and the product highlights sheet can be obtained from Manulife or its distributors. In the event an investor chooses not to seek advice from a financial adviser, he should consider whether the Fund is suitable for him. **Distributions are not guaranteed.** Investors should refer to the Singapore prospectus for the distribution policy of the Fund. The Directors of the Company shall have the absolute discretion to determine whether a distribution is to be made in respect of the Fund as well as the rate and frequency of distributions to be made. Distributions may be made out of (a) income, or (b) net realized gains, or (c) capital of the Fund, or (d) gross income while charging all or part of the fees and expenses to capital, or (e) any combination of (a), (b), (c) and/or (d). Past distribution yields and payments are not necessarily indicative of future distribution yields and payments. Any payment of distributions by the Fund is expected to result in an immediate decrease in the net asset value per share of the Fund.

This advertisement or publication has not been reviewed by the Monetary Authority of Singapore.

Information is as of 30 Nov 2023, unless otherwise stated.