

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")

20 May 2021

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 of the Company (and where applicable and for Hong Kong shareholders only, the revised Hong Kong Covering Document) of the Company (the "**Revised Prospectus**") to be dated July 2021. 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 with respect to the Company:

1. Change of Management Company

The Company is currently managed by Carne Global Fund Managers (Luxembourg) S.A ("**Carne Luxembourg**").

As from 1 July 2021, Carne Luxembourg will be terminated as management company, and as its replacement, Manulife Investment Management (Ireland) Limited ("**Manulife Ireland**") will be appointed as the management company of the Company.

The Board is of the view that this appointment is in the best interest of the Shareholders of the Company, as the appointment of Manulife Ireland as the management company will enable the Company to leverage significant global Manulife group resources to enhance the governance and risk management processes and operational efficiency of the Company, while better aligning with regulatory expectations and market practice.

Manulife Ireland was incorporated in 2018 and is a management company authorized as a UCITS management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 by the Central Bank of Ireland. Manulife Ireland is a wholly owned subsidiary of Manulife Financial Corporation and carries on the business of providing management and related administration services to UCITS collective investment schemes.

Once appointed, Manulife Ireland will be responsible for the investment management, distribution and general administration functions of the Company with power to delegate such functions. In this capacity, Manulife Ireland will be subject to the overall supervision and control of the Directors of the Company.

Similar to the existing arrangement with the Carne Luxembourg, Manulife Ireland will appoint and delegate at all times (i) its investment management functions in respect of the Sub-Funds to the respective existing Investment Managers, (ii) its function in respect of the distribution of Shares to

the Distributor, and (iii) its administrative functions in respect of the Company to Citibank Europe plc, Luxembourg Branch, the Administrator, Registrar and Paying Agent. Except for the appointment of Manulife Ireland as the management company, all existing Investment Managers and, where applicable, Sub-Investment Managers to whom investment management functions in respect of the Sub-Funds have been delegated will remain unchanged upon the appointment of the management company.

Upon the appointment of Manulife Ireland, the maximum management company fee to which the Management Company will be entitled to receive from the Company shall be reduced from 0.015% to 0.013% per annum per Sub-Fund.

As a result of the change of the management company, an updated privacy notice regarding the collection, recording, adaptation, transfer and other processing and use of personal data by and on behalf of the Company will be issued to reflect such changes (including that personal information may be received from and disclosed to Manulife Ireland and made available under "Privacy Notice" on the website www.manulifeglobalfund.com¹ with effect from 1 July 2021.

2. Reduction of annual management fees and minimum investment and holding amounts and removal of initial charge in respect of certain Share Classes

With effect as from 30 June 2021:

- a) the annual management fee for AA Classes and I Classes² of certain Sub-Funds will be reduced as detailed in Appendix 1 to this Notice;
- b) the minimum initial investment, minimum subsequent investment and minimum holding amounts for AA Classes, R Classes, P Classes² and S Classes² will be reduced as detailed in Appendix 2 to this Notice; and
- c) no initial charge will be levied in respect of applications for I2 Classes Shares of any Sub-Fund.

3. Change of distribution policy

Currently, the Company's distribution policy with respect to all Classes of Shares other than Accumulating Classes is to distribute annually at least 85% of the available net investment income of each Sub-Fund to its Shareholders, unless the dividend payable to a Shareholder in respect of each Class is less than US\$50.00, in which case the dividend will be reinvested for the account of such Shareholder in Shares of the same Class.

To better align with the "distributing fund" status taxation regime (which replaced the previous "reporting fund" status taxation regime) in the UK, as from 1 July 2021, the Company will no longer apply its current distribution policy, and instead, the Company shall, with respect to all Classes of Shares other than Accumulating Classes, distribute annually such amount of the available net investment income of each Sub-Fund to its Shareholders as the Company may determine at its discretion.

This means that as from 1 July 2021, the Company will no longer distribute annually at least 85% of the available net investment income of each Sub-Fund to Shareholders holding Shares of Classes that are not Accumulating Classes, and instead will distribute annually such amount as the Company may determine at its discretion (and such amount to be distributed may be less than 85% of the available net investment income of the relevant Sub-Fund). For the avoidance of doubt, the Company will continue to reinvest dividend amounts payable to a Shareholder of less than US\$50.00 for the account of such Shareholder in Shares of the same Class.

¹ This website has not been reviewed by the Securities and Futures Commission in Hong Kong, and may contain references to Sub-Funds that are not authorised by the Securities and Futures Commission in Hong Kong and are therefore not offered for sale to retail investors in Hong Kong.

² This Class of Shares is not offered for sale to retail investors in Hong Kong.

4. Redesignation of Share Classes³

With effect as from 30 June 2021, the following Classes shall be redesignated as detailed below:

Sub-Fund	Existing Class designation	New Class designation
Asian Small Cap Equity Fund	S	AA (SGD)
Dragon Growth Fund	S Hedged	AA (SGD Hedged) Inc
	S Hedged MDIST (G)	AA (SGD Hedged) MDIST (G)
Global Equity Fund	S	AA (SGD)
India Equity Fund	S Hedged	AA (SGD Hedged) Inc
Asia Total Return Fund	S Hedged	AA (SGD Hedged) Inc
Asian High Yield Fund	P (AUD Hedged) Inc	AA (AUD Hedged) Inc
	P (AUD Hedged) MDIST (G)	AA (AUD Hedged) MDIST (G)
	P (HKD) Inc	AA (HKD) Inc
	P (SGD Hedged) Inc	AA (SGD Hedged) Inc
	P (USD) Inc	AA Inc
China Total Return Bond Fund	P (SGD Hedged) Inc	AA (SGD Hedged) Inc
	P (SGD Hedged) MDIST (G)	AA (SGD Hedged) MDIST (G)

As a consequence of the redesignation, as from 30 June 2021:

- a) Shareholders of the above-referenced P Classes of Shares will be subject to the revised minimum initial investment, minimum holding and minimum subsequent investment requirements applicable to Shares of AA Classes, the details of which are set out in Appendix 2 to this Notice, and
- b) Shareholders of the above-referenced S Hedged Class will be subject to the dividend payment type applicable to Class AA (SGD Hedged) Inc, whereby dividends will be paid in cash to the relevant Shareholders unless such Shareholders had, subject to the relevant procedures determined by the Administrator or the relevant distributor from time to time, previously indicated otherwise in writing to the Administrator or the relevant distributor their request that any dividends payable to them be reinvested in additional Shares of the relevant Class.

For avoidance of doubt, there will be no change to the annual management fees payable to each Class of Shares resulting from the redesignation.

5. Amendments to the Investment Grade Preferred Securities Income Fund⁴

In connection with the Sub-Fund's authorization* by the Securities and Futures Commission of Hong Kong ("SFC"), as of 1 July 2021, the investment policy of the Investment Grade Preferred Securities Income Fund shall be amended 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. The specific risk factors of the Sub-Fund shall also be amended to reflect that the Sub-Fund is subject to risks associated with investments in mandatory convertible securities.

Please refer to Appendix 3 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.

³ The Classes of Shares set out in this paragraph are not offered for sale to retail investors in Hong Kong.

⁴ Investors should note that the shares of Investment Grade Preferred Securities Income Fund are not offered to the public of Hong Kong as of the date of this Notice.

6. 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) Removal of all disclosures regarding bearer shares (of which none are in issue or will be issued by the Company) and the bearer share depository of the Company;
- b) Update of disclosures on UK taxation;
- c) Enhancement of disclosure on other expenses of the Company regarding potential assumption by a Manulife Entity of any costs or expenses incurred by the Company to limit overall costs or expenses borne by the investors in the Company, or a particular Sub-Fund or Class; and
- d) Other miscellaneous formatting, administrative and/or clarificatory updates.

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.

Costs and expenses relating to item 1 above will be borne by Manulife Investment Management. The costs and expenses relating to item 3 above will be approximately HK\$40,000. Such costs and expenses will be allocated to all Classes of Shares other than Accumulating Classes by reference to each of their Net Asset Values.

The costs and expenses relating to the changes in items 2, 4, 5 and 6 above are estimated to be approximately HK\$300,000 and will be borne by the relevant Sub-Fund(s). 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 indicated in items 1, 3 or 4 above, you may apply to redeem or to switch your holding in 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 28 June 2021.

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 Facts Statement of each Sub-Fund (the "**Hong Kong Offering Documents**") are available from the office of the Hong Kong Representative and are also available at www.manulifefunds.com.hk⁵. The updated version of the Hong Kong Offering Documents reflecting the changes above will be made available in due course.

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.

Your faithfully

Board of Directors

For and on behalf of Manulife Global Fund

⁵ This website has not been reviewed by the Securities and Futures Commission in Hong Kong.

Appendix 1 – Reduction in Annual Management Fee for certain AA Classes and I Classes

Sub-Fund	All Classes denoted by	Current Annual Management Fee (as a % p.a. of the NAV)	New Annual Management Fee (as a % p.a. of the NAV)	Change in Annual Management Fee
Equity Fund				
ASEAN Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Asian Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Asian Small Cap Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Dragon Growth Fund	AA	1.75%	1.50%	↓ 0.25%
Emerging Eastern Europe Fund	AA	1.75%	1.50%	↓ 0.25%
Global Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Global Resources Fund	AA	1.75%	1.50%	↓ 0.25%
Healthcare Fund	AA	1.75%	1.50%	↓ 0.25%
India Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Japan Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Taiwan Equity Fund	AA	1.75%	1.50%	↓ 0.25%
U.S. Equity Fund	AA	1.75%	1.50%	↓ 0.25%
U.S. Small Cap Equity Fund	AA	1.75%	1.50%	↓ 0.25%
Bond Fund				
Asia Total Return Fund	AA	1.25%	1.00%	↓ 0.25%
Asian High Yield Fund	AA	1.25%	1.00%	↓ 0.25%
China Total Return Bond Fund	AA	1.25%	1.00%	↓ 0.25%
U.S. Bond Fund	AA	1.25%	1.00%	↓ 0.25%
U.S. Special Opportunities Fund	AA	1.25%	1.00%	↓ 0.25%

Sub-Fund	All Classes denoted by	Current Annual Management Fee (as a % p.a. of the NAV)	New Annual Management Fee (as a % p.a. of the NAV)	Change in Annual Management Fee
Equity Fund				
ASEAN Equity Fund	I	Up to 1.00%	0.75%	0.25%
Asia Pacific REIT Fund	I	Up to 1.10%	0.75%	0.35%
Asian Equity Fund	I	Up to 1.10%	0.75%	0.35%
Asian Small Cap Equity Fund	I	Up to 1.10%	0.90%	0.20%
China Value Fund	I	Up to 1.10%	0.90%	0.20%
Dragon Growth Fund	I	Up to 1.10%	0.90%	0.20%
Dynamic Leaders Fund	I	0.75%	0.70%	0.05%
Emerging Eastern Europe Fund	I	Up to 1.10%	0.85%	0.25%
European Growth Fund	I	Up to 1.10%	0.70%	0.40%
Global Equity Fund	I	Up to 1.10%	0.70%	0.40%
Global REIT Fund	I	Up to 1.10%	0.75%	0.35%
Global Resources Fund	I	Up to 1.10%	0.85%	0.25%
Healthcare Fund	I	Up to 1.10%	0.85%	0.25%
India Equity Fund	I	Up to 1.10%	0.80%	0.30%
Japan Equity Fund	I	Up to 1.10%	0.80%	0.30%
Taiwan Equity Fund	I	Up to 1.10%	0.80%	0.30%
U.S. Equity Fund	I	Up to 1.10%	0.70%	0.40%
U.S. Small Cap Equity Fund	I	Up to 1.10%	0.85%	0.25%
Bond Fund				
Asia Total Return Fund	I	Up to 1.10%	0.55%	0.55%
Asian High Yield Fund	I	Up to 1.10%	0.55%	0.55%
China Total Return Bond Fund	I	Up to 1.10%	0.50%	0.60%
Sustainable Asia Bond Fund	I	Up to 1.10%	0.55%	0.55%
U.S. Bond Fund	I	Up to 1.10%	0.50%	0.60%
U.S. Special Opportunities Fund	I	Up to 1.10%	0.50%	0.60%
Hybrid Fund				
Investment Grade Preferred Securities Income Fund	I	Up to 1.10%	0.50%	0.60%
Preferred Securities Income Fund	I	Up to 1.10%	0.50%	0.60%
Global Multi-Asset Diversified Income Fund	I	Up to 1.10%	0.80%	0.30%

Appendix 2 – Reduction in Minimum Investment and Holding Amounts

Class	Currency of Denomination	Current			New (as from 30 June 2021)		
		Minimum Initial Investment (or the equivalent in any other Major Currency)	Minimum Holding	Minimum Subsequent Investment (or the equivalent in any other Major Currency)	Minimum Initial Investment (or the equivalent in any other Major Currency)	Minimum Holding	Minimum Subsequent Investment (or the equivalent in any other Major Currency)
AA	USD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA Acc	USD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (AUD Hedged)	AUD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (CAD Hedged)	CAD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (HKD)	HKD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (HKD) Acc	HKD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA Inc	USD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (AUD Hedged) Inc	AUD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (CAD Hedged) Inc	CAD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (HKD) Inc	HKD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000	US\$1,000 ²	US\$100
AA (SGD Hedged) Inc	SGD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (USD MDIST) (G)	USD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (AUD Hedged) MDIST (G)	AUD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (CAD Hedged) MDIST (G)	CAD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (HKD) MDIST (G)	HKD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (SGD Hedged) MDIST (G)	SGD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (RMB Hedged) MDIST (G)	RMB	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
AA (GBP Hedged) MDIST (G)	GBP	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
R (USD MDIST) (G)	USD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
R (HKD) MDIST (G)	HKD	HK\$20,000 ¹	HK\$20,000 ²	HK\$1,000	US\$1,000 ¹	US\$1,000 ²	US\$100
S	SGD	S\$1,000 ¹	S\$1,000 ²	S\$100	US\$500 ¹	US\$500 ²	US\$50
S Hedged	SGD	S\$1,000 ¹	S\$1,000 ²	S\$100	US\$500 ¹	US\$500 ²	US\$50

Class	Currency of Denomination	Current			New (as from 30 June 2021)		
		Minimum Initial Investment (or the equivalent in any other Major Currency)	Minimum Holding	Minimum Subsequent Investment (or the equivalent in any other Major Currency)	Minimum Initial Investment (or the equivalent in any other Major Currency)	Minimum Holding	Minimum Subsequent Investment (or the equivalent in any other Major Currency)
S Inc	SGD	S\$1,000 ¹	S\$1,000 ²	S\$100	US\$500 ¹	US\$500 ²	US\$50
S Hedged MDIST (G)	SGD	S\$1,000 ¹	S\$1,000 ²	S\$100	US\$500 ¹	US\$500 ²	US\$50
S MDIST (G)	SGD	S\$1,000 ¹	S\$1,000 ²	S\$100	US\$500 ¹	US\$500 ²	US\$50
P (USD) Inc	USD	US\$100,000 ¹	US\$100,000 ²	US\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (AUD Hedged) Inc	AUD	A\$100,000 ¹	A\$100,000 ²	A\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (HKD) Inc	HKD	HK\$1,000,000 ¹	HK\$1,000,000 ²	HK\$100,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (SGD) Inc	SGD	S\$100,000 ¹	S\$100,000 ²	S\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (SGD Hedged) Inc	SGD	S\$100,000 ¹	S\$100,000 ²	S\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (USD) MDIST (G)	USD	US\$100,000 ¹	US\$100,000 ²	US\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (AUD Hedged) MDIST (G)	AUD	A\$100,000 ¹	A\$100,000 ²	A\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (HKD) MDIST (G)	HKD	HK\$1,000,000 ¹	HK\$1,000,000 ²	HK\$100,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (SGD) MDIST (G)	SGD	S\$100,000 ¹	S\$100,000 ²	S\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000
P (SGD Hedged) MDIST (G)	SGD	S\$100,000 ¹	S\$100,000 ²	S\$10,000	US\$50,000 ¹	US\$50,000 ²	US\$5,000

1. or such lower amount as the Directors (or their delegates) may (at their discretion) accept
2. unless otherwise specified by the Directors (or their delegates)
3. For Class S Hedged shares of Asia Total Return Fund, the Initial Charge is up to 3.5% of subscription amount

Appendix 3 – Amendments to Investment Policy and Specific Risk Factors of Investment Grade Preferred Securities Income Fund

Investment Policy:

Investment Grade Preferred Securities Income Fund will invest at least 70% of its net assets in preferred securities listed or traded on any Regulated Market in the world, which include preferred stocks (including convertible preferred stocks) and subordinated debt securities **(including subordinated debt securities that contain convertible features)**. **For avoidance of doubt, the Sub-Fund will invest less than 30% of its net assets in convertible securities, which includes convertible preferred stocks, convertible debt securities and mandatory convertible securities. Also, the Sub-Fund will invest primarily (in any case at least 60% of its net assets) in preferred securities (including preferred stocks and subordinated debt securities) that are rated investment grade (i.e. Baa3 or higher by Moody's or BBB- or higher by Standard & Poor's or Fitch)**. Such preferred securities may pay fixed rate or adjustable rate dividends or interests and generally have **preference over higher priority or ranking than** the issuer's common stocks with respect to the payment of dividends and liquidation distributions, but are junior to the issuer's senior debt in the event of the issuer's liquidation and related distributions. The Sub-Fund may invest its remaining assets in other debt securities and cash and cash-equivalents.

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.

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 the United States. The Sub-Fund's investments may be denominated in any currency.

The Sub-Fund may invest up to 20% of its net assets in higher-yielding debt securities rated lower than investment grade (i.e. below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch) or if unrated, determined by the Investment Manager to be **equivalent of comparable quality**.

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.

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:

Investment Grade Preferred Securities Income Fund may invest substantially in preferred securities. A preferred security entitles the holder to receive a preferred dividend that is paid or accrued on the preferred security until it matures or is redeemed, or, where applicable, is converted or exchanged. Preferred securities have unique investment characteristics in that they generally: (i) have higher yields than common stocks, but lower yields than comparable debt securities; (ii) are less subject to fluctuation in value than common stock due to their fixed-income characteristics; and (iii) provide the potential for capital appreciation if the market price of common stock of the issuer increases. Preferred securities are therefore subject to factors affecting debt and/or equity, including, without limitation, equity market risk, industry sector risk, geographical concentration risk, interest rate risk, credit risk, liquidity and volatility risk. Preferred securities are also subject to risk of early redemption, risk of deferral in dividend payment and risk of preference not being enforced or otherwise taken into account.

Mandatory convertible securities are subject to provisions which automatically convert the security (e.g. from preferred stock into common stock or from debt security to common stock) on or before a predetermined date. If the Sub-Fund fails to convert the security prior to such predetermined date, there is a risk that such security will be automatically converted at a price that is disadvantageous to the Sub-Fund, and therefore result in a reduction in the Sub-Fund's net asset value.

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

- Political and Regulatory Risks
- Currency Risks
- Liquidity and Volatility Risks
- Rating of Investment Risk
- Taxation Risk
- FDI Risks
- Bond Funds