

## 宏利盈進基金 SPC – 人民幣債券獨立資產組合（「本基金」）

投資管理人：  
宏利資產管理（香港）有限公司

2018 年 6 月

- 本概要為閣下提供有關本基金的重要資料。
  - 本概要是售股章程（經不時修訂及補充）的一部分，並應與本基金的售股章程一併閱讀。
  - 閣下不應單憑本概要作投資於本產品的決定。
- **本基金使用美元（「美元」）QFII 額度主要投資於中國內地 A 股市場。**
  - **由於 QFII 額度是以美元為單位的，本基金須將美元匯入中國內地，然後將其兌換為人民幣（「RMB」）以供投資。**
  - **因此，本基金不是以人民幣計價。所有認購及贖回均以港元（「港元」）或其他主要貨幣<sup>1</sup> 進行。本基金涉及多次貨幣兌換，因此承擔較高費用及多次貨幣兌換風險。**

### 資料便覽

投資管理人／QFII 持有人：	宏利資產管理（香港）有限公司
託管人及支付代理：	Citibank Europe plc, Luxembourg Branch
QFII 中國託管人：	中國工商銀行股份有限公司
交易次數：	每日（詳情請參閱售股章程）
基礎貨幣：	美元
全年經常性開支比率：	AA 類股份：1.68%**
派息政策：	現時無意分派
本基金財政年度終結日：	6 月 30 日
最低初始投資額：	AA 類股份：20,000 港元（或等值的任何其他主要貨幣） <sup>2</sup>
最低持股額：	同上 <sup>3</sup>
最低其後投資額：	AA 類股份：1,000 港元（或等值的任何其他主要貨幣）
最低贖回額：	AA 類股份：1,000 港元（或等值的任何其他主要貨幣） <sup>2</sup>

<sup>1</sup> 「主要貨幣」為美元、英鎊、瑞士法郎、歐元、日圓、港元及加拿大元。

<sup>2</sup> 或董事（按其酌情決定權）可接受的較低款額。

<sup>3</sup> 除非董事按其酌情決定權另有指明。

\*\* 經常性開支比率是根據由 2017 年 1 月 1 日至 2017 年 12 月 31 日期間的費用計算。此數字以有關股份類別於上述 12 個月內的開支總和佔平均資產淨值的百分比表達。此數字每年均可能有所變動。

## 這是甚麼產品？

- 本基金構成爲宏利盈進基金 SPC 的一個獨立資產組合，而宏利盈進基金 SPC 是在開曼群島註冊成立爲一家有限責任豁免獨立資產組合公司的互惠基金。
- 本基金以美元而不是人民幣計價。
- 在適用 QFII 規例規限下，本基金將透過 QFII 持有人爲本基金所設賬戶，在該持有人名下的以美元爲計價單位的 QFII 外匯額度，主要直接投資（即不少於其淨資產的 70%）於中國內地國內發行及上市或在中國內地銀行間債券市場（「**中國銀行間債券市場**」）交易的人民幣計價債務票據。本基金並可透過債券通及／或有關規例不時准許的其他途徑而將其不超過 30% 的淨資產直接投資於在中國內地發行或分銷的人民幣計價債務票據。

## 目標及投資策略

### 目標

根據適用的 QFII 規例，藉主要投資於中國內地發行及上市或在中國內地銀行間債券市場交易的人民幣計價債務票據以提供長期資本增長。

### 策略

本基金將主要投資（即不少於其淨資產的 70%）於在上海證券交易所或深圳證券交易所上市或轉讓，以及由中國內地政府及中國內地公司發行的人民幣計價債務票據（包括可轉換債券），或銀行間債券（「**中國內地人民幣債務票據**」）。本基金亦可透過債券通及／或有關規例不時容許的其他途徑而將其不超過 30% 的淨資產直接投資於中國銀行間債券市場的中國內地人民幣計價債務票據。

本基金亦可投資其淨資產最多 30% 於不屬中國內地人民幣債務票據的債務票據。這些票據可包括(i)中國內地境外發行或上市的債務票據及(ii)貨幣市場票據、存款、短期票據及其他固定收益票據。

本基金所持有的債券至少 85% 必須由中國內地政府或國際或中國內地公司發行的債券組成，該等債券發行具有三大國際評級機構，即穆迪投資者服務、標準普爾或惠譽其中一家給予至少為 BBB-/Baa3 評級或獲中國信貸評級機構給予 BB+ 以上評級。如有關債券發行未獲提供特定評級，則發行人的評級可予應用。

本基金亦可投資其淨資產最多 15% 於非投資級別或沒有評級的債務票據。如有關債券發行未獲提供特定評級，則發行人的評級可予應用。本基金未必以超過其資產淨值的 10% 投資城投債，以及未必以超過其資產淨值的 10% 投資資產抵押證券（包括資產抵押商業票據）。

市場極其波動或市況嚴重不利時，投資管理人可暫時以現金或現金等價物持有本基金相當大部分（最多可達 100%）的資產，或者投資於短期貨幣市場票據以保留在本基金的投資組合的資產價值。

本基金可利用如期貨及遠期合約等金融衍生工具作對沖。直至及除非根據適用的中國規則另有允許，否則預期本基金執行的任何對沖主要在香港進行。

## 有哪些主要風險？

投資涉及風險。請參閱售股章程以瞭解包括風險因素在內的詳情。

### 1. 投資風險

- 本基金投資組合的價值可因下文任何主要風險因素而下跌，因此，閣下於本基金的投資可能蒙受虧損。本基金是一項投資基金而不是銀行存款。沒有保證可收回本金。

### 2. 中國市場風險／單一國家風險

- 本基金的投資集中於中國內地人民幣債務票據。與投資組合較分散的基金相比，本基金的價值或會比較波動。
- 本基金投資於中國市場（境內及離岸），其價值或會較易受到投資於新興市場一般牽涉及中國市場特有的風險，以及通常與在較發達的國家或市場的投資不相關的特別考慮因素影響，例如影響著中國市場的不利經濟、政治、政策、外匯、波動性、流動性、稅務、法律或規管事件。

**3. 信貸風險／交易對手風險**

- 本基金承受其可能投資的債務票據、固定收益票據及存款的發行人的信貸／違約的風險。

**4. 利率風險**

- 本基金的投資須承擔利率風險。一般而言，當利率下跌時，債務票據的價格將會上升；而當利率上升時，債務票據的價格則會下跌。

**5. 波動性及流動性風險**

- 與較發達市場相比，中國市場的債務票據可能波動性較高而流動性較低。在該市場買賣的證券的價格可能出現波動。該等證券的價格可能存在龐大買賣差價，而本基金可能招致重大交易成本。
- 本基金所投資的債務票據未必在上海證券交易所或深圳證券交易所或定期進行買賣的證券市場上市。再者，上海證券交易所、深圳證券交易所或銀行間債券市場未必擁有供買賣人民幣計價債券的流通或活躍市場。因此，本基金或須承擔無法及時出售其債券、又或須按與其面值相比存在嚴重折讓的價格出售債券的風險。本基金的價值與流動性將會蒙受不利影響。

**6. 降級風險**

- 發行人或債務票據的信貸評級或會由於發行人財政能力改變或債務票據信貸評級改變而在後來被降級或者甚至降至低於投資級別。如有降級，本基金的價值或會受到不利影響。投資管理人可能或未必能夠沽出被降級的債務票據。

**7. 主權債務風險**

- 本基金對政府所發行或擔保的證券的投資可能涉及政治、社會及經濟風險。在不利情況下，主權發行人未必能夠或願意償還到期本金及／或利息，或可能要求本基金參與該等債務的重組。若主權債務發行人違約，本基金可能蒙受重大虧損。

**8. 估值風險**

- 本基金投資的估值或會牽涉不明朗因素及判斷性決定。若其後發現該項估值並不正確，則可能影響本基金資產淨值的計算。

**9. 信貸評級風險**

- 評級機構所給予的信貸評級存在局限，並非時刻保證證券及／或發行人的信用可靠性。

**10. 信貸評級機構風險**

- 中國內地的信貸評級制度及中國內地所採用的評級方法可能有別於其他市場所採用者。中國內地評級機構所給予的信貸評級因而未必可直接與其他國際評級機構所給予者比較。

**11. 人民幣貨幣及兌換風險**

- 本基金相關投資的計價貨幣未必為本基金的基礎貨幣。本基金的資產淨值或會因為此等貨幣與基礎貨幣之間的匯率波動或匯率管制變動而受到不利影響。
- 人民幣現時不可自由兌換，而是受到外匯控制和限制。
- 非人民幣本位投資者須承擔外匯風險，不能保證人民幣兌投資者的基礎貨幣（例如港元）不會貶值。
- 人民幣如有貶值，可能對投資者於本基金的投資的價值構成不利影響。
- 儘管離岸人民幣(CNH)及境內人民幣(CNY)屬同一種貨幣，但卻以不同的匯率買賣。CNH 與 CNY 匯率如有分歧，或會對投資者構成不利影響。

**12. 多次貨幣兌換風險**

- 在香港認購及贖回通常以港元或美元支付而不會以人民幣進行。為了投資，本基金將認購款項先兌換成美元（如以港元作出認購），然後兌換成為人民幣。為應付贖回要求，本基金將出售所得的人民幣款項兌換成為美元，然後兌換成港元（如以港元支付贖回所得款項）。投資者或會因該等貨幣兌換交易而須承受匯率波動風險。由於人民幣、美元及港元之間就下文所述進行多次兌換，故本基金或會招致較高的費用：
  - 將港元認購款項兌換成美元（如必要），隨後從美元兌換成人民幣供本基金收購以人民幣計價的票據；及
  - 將出售以人民幣計價的票據所得人民幣款項出售款項兌換成美元，隨後從美元兌換成港元（如必要）以應付贖回要求。

**13. 與透過 QFII 制度作出投資有關的風險**

- 本基金作出有關投資或全面實施或實行其投資目標和策略的能力須受到中國內地適用法律、規則及規例（包括對投資及匯回本金和溢利的限制）所規限，該等法律、規則及規例可予更改，且該等更改有可能具備追溯效力。
- 若本基金未獲分配足夠的 QFII 額度以進行投資、QFII 批准被撤回／終止或在其他情況下失效，而本基金或會被禁止買賣有關證券或匯出本基金的款項，或如任何主要經營商或各方（包括 QFII 中國託管人／中國內地經紀）破產／違約及／或喪失資格履行其責任（包括執行或結算任何交易或轉撥款項或證券），本基金或會蒙受重大虧損。

**14. 有關中國銀行間債券市場的風險**

- 通過債券通投資中國銀行間債券市場須承受監管風險及多種風險（例如波動風險、流動性風險、結算及交易對手風險）以及通常適用於債務證券的其他風險因素。有關通過債券通投資中國銀行間債券市場的相關規則及規例或會面臨可能具潛在追溯效力的更改。倘若有關中國機關暫停中國銀行間債券市場的開戶或買賣，本基金投資於中國銀行間債券市場的能力將會受到不利影響。在該情況下，本基金達致其投資目標的能力將會受到負面影響。

**15. 交易對手及結算風險**

- 就交易所買賣債務證券而言，由於證券交易並非按交付時付款的方式結算，故本基金可能須因中國證券登記結算有限責任公司無償債能力而承擔風險。另一方面，在銀行間債券市場（報價推動的場外交易(OTC)市場）進行的交易乃由交易對手雙方透過交易系統議價，其交易對手風險或會較高。
- 與本基金訂立交易的交易對手可能違約，不履行其透過交付相關證券或支付有關價值而就交易進行結算的義務。

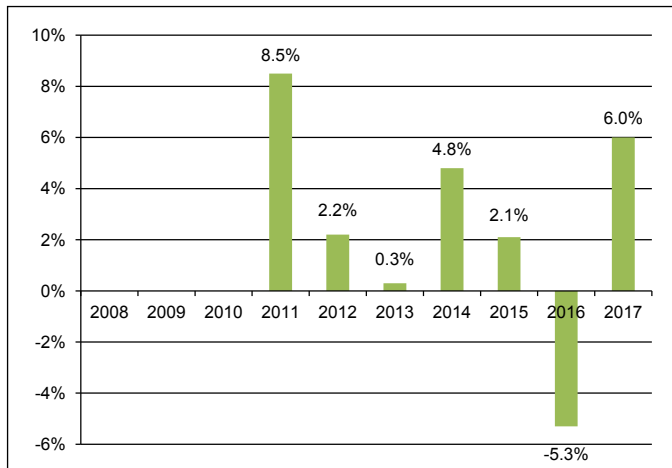
**16. 中國內地稅務風險**

- 對於本基金於中國內地的投資通過 QFII 額度而變現的資本增值，存在與中國內地現行稅務法律、規例和慣例（或會存在追溯效力）相關的風險及不明朗因素。本基金的稅務責任如有增加，或會對本基金的價值構成不利影響。
- 根據專業及獨立稅務意見，投資管理人現時為本基金因出售債券及其他固定收益證券而產生的任何已變現及未變現資本收益總額而作出 10% 的預扣稅撥備。
- 如果稅務撥備與實際稅務責任之間存在差額，該差額將會從本基金的資產中扣除，將會對本基金的資產淨值構成不利影響。實際稅務責任或會低於已作出的稅務撥備。視乎投資者認購及／或贖回時間而定，稅務撥備如有不足，投資者或會因而受到不利影響，並且將無權就超額撥備的任何部分（視情況而定）而提出申索。

**17. 投資可轉換債券的風險**

- 可轉換債券是債券與股票的混合證券，允許持有人於指定的未來日期，轉換為發行債券的公司的股份。因此，與純粹債券投資相比，可轉換債券將會受到股票走勢影響，波動亦較大。可轉換債券投資須承擔與相若純粹債券投資所附帶者相同的利率風險、信貸風險、流動性風險和提前還款風險。

## 本基金過往的業績表現如何？



- 往績並非預測日後業績表現的指標。投資者未必能取回全部投資本金。
- 基金業績表現以曆年末的資產淨值作為比較基礎，股息會滾存再作投資。
- 上述數據顯示 AA 類股份總值在有關曆年內的升跌幅度。業績表現以美元計算，當中反映出本基金的持續費用，但不包括本基金可能向閣下收取的認購費及贖回費。
- 如年內沒有顯示有關的業績表現，即代表當年沒有足夠數據用作提供業績表現之用。
- 基金發行日：2010年11月22日
- AA 類股份發行日：2010年11月22日

有關其他股份類別表現的進一步資料，請參閱 [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk)。該網站並未經證監會審閱。

## 是否有擔保？

本基金沒有任何擔保。閣下可能會不能收回閣下投資的全額。

## 有甚麼費用和收費？

### 閣下或須支付的收費

買賣本基金的 AA 類股份時，閣下或須支付下列費用：

費用	閣下應支付的款額
認購費（初始收費）	最多達資產淨值的 5% <sup>###</sup>
轉換費	不准轉換
贖回費	贖回所得款項的 0.30%*

### 本基金須持續支付的費用

下列費用將從本基金中支付。閣下的投資回報將因而減少。

	年率（每年資產淨值的百分率）
管理費	AA 類股份：1.25% <sup>###</sup>
託管人、支付代理、分執行人、過戶登記處及轉讓代理費	最多達 0.50%（不包括本基金應佔交易費及相關服務及辦理費）
業績表現費	無
執行人費	年費 0.004%（最低年費 8,000 美元）

<sup>##</sup> 部分（或如屬初始收費，則全部）可就總顧問及分銷商的服務而支付予總顧問及分銷商。

\* 閣下應注意，該等費用可藉給予受影響的股東至少一個月的事先通知而增加至指定的最高允許費率。詳情請參閱售股章程第一部分第 6.6 節及第 7 節。

### 其他費用

買賣本基金的 AA 類股份時，閣下可能支付其他費用。

### 其他資料

- 本基金最初獲分配 QFII 額度 6 千萬美元。及後本基金再獲分配為數 5 千萬美元的新增 QFII 額度。由投資經理人分配的 QFII 總額將在總體上在本基金所有股份類別之間分配。本基金的董事可未經事先通知而結束或重新開始接受本基金的認購。
- 只有 AA 類股份可供香港零售投資者認購。
- 認購及贖回申請必須於每個交易日香港時間下午四時或之前由宏利資產管理（香港）有限公司或盧森堡時間下午一時或之前由 Citibank Europe plc, Luxembourg Branch 收到方為有效。在有關截止時間後收到的申請將於下一個交易日處理。
- 透過分銷商作出的認購可能須遵從與上述不同的程序。投資者作出任何指示以前應徵詢其分銷商。
- 資產淨值每日計算並將每日刊登於 [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk)<sup>◊</sup>。

### 重要提示

閣下如有疑問，應諮詢專業意見。

證監會對本概要的內容並不承擔任何責任，對其準確性或完整性亦不作出任何陳述。

<sup>◊</sup> 此網站未經證監會審閱。

# PRODUCT KEY FACTS

## Manulife Advanced Fund SPC - Renminbi Bond Segregated Portfolio (the “Fund”)

**Investment Manager:  
Manulife Asset Management (Hong Kong) Limited**

**June 2018**

- *This statement provides you with key information about the Fund.*
- *This statement is a part of the Prospectus and must be read in conjunction with the Prospectus of the Fund, as amended and supplemented from time to time.*
- *You should not invest in this product based on this statement alone.*

- ***The Fund uses a United States Dollar (“USD”) QFII quota to invest primarily in debt instruments issued in Mainland China.***
- ***Because the QFII quota is denominated in USD, the Fund has to remit USD into Mainland China and then convert into Renminbi (“RMB”) to invest.***
- ***The Fund therefore is not denominated in RMB. All subscriptions and redemptions are in Hong Kong Dollars (“HKD”) or other Major Currencies<sup>1</sup>. The Fund involves multi-currency conversions and is therefore subject to higher costs and multi-currency conversion risk.***

### Quick facts

<b>Investment Manager / QFII Holder:</b>	<b>Manulife Asset Management (Hong Kong) Limited</b>
<b>Custodian and Paying Agent:</b>	<b>Citibank Europe plc, Luxembourg Branch</b>
<b>QFII Local Custodian:</b>	<b>Industrial and Commercial Bank of China Limited</b>
<b>Dealing Frequency:</b>	<b>Daily</b> <b>(Please refer to the Prospectus for details)</b>
<b>Base Currency:</b>	<b>USD</b>
<b>Ongoing Charges over a Year:</b>	<b>Class AA Shares: 1.68%**</b>
<b>Dividend Policy:</b>	<b>Currently no intention to distribute</b>
<b>Financial Year End of the Fund:</b>	<b>30 June</b>
<b>Minimum Initial Investment:</b>	<b>HKD20,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares</b>
<b>Minimum Holding:</b>	<b>Same as above<sup>3</sup></b>

<sup>1</sup> “Major Currencies” being United States Dollars, Pound Sterling, Swiss Francs, Euro, Japanese Yen, Hong Kong Dollars and Canadian Dollars.

<sup>2</sup> or such lower amount as the Directors may (at their discretion) accept.

<sup>3</sup> unless otherwise specified by the Directors at their discretion.

\*\* The ongoing charges figure is based on expenses for the period from 1 January 2017 to 31 December 2017. This figure is expressed as a percentage of the sum of expenses over the average net asset value for the above 12-month period. This figure may vary from year to year.

<b>Minimum Subsequent Investment:</b>	<b>HKD1,000 (or the equivalent in any other Major Currencies) for Class AA Shares</b>
<b>Minimum Redemption Amount:</b>	<b>HKD1,000 (or the equivalent in any other Major Currencies)<sup>2</sup> for Class AA Shares</b>

## What is this product?

- The Fund is constituted as a segregated portfolio of the Manulife Advanced Fund SPC, which is a mutual fund incorporated as an exempted segregated portfolio company with limited liability in the Cayman Islands.
- The Fund is denominated in USD and not RMB.
- The Fund will primarily invest (i.e. not less than 70% of its net assets) directly in RMB-denominated debt instruments issued and listed in Mainland China or traded in the Mainland China interbank bond market (“**China Interbank Bond Market**”), subject to applicable QFII regulations, via a USD-denominated QFII foreign exchange quota under the name of the QFII holder for the account of the Fund. The Fund may also invest not more than 30% of its net assets directly in RMB-denominated debt instruments issued or distributed in Mainland China via Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.

## Objective and Investment Strategy

### Objective

To provide capital appreciation and income generation by investing primarily in RMB-denominated debt instruments issued and listed in Mainland China or traded in the Mainland China interbank bond market, in accordance with, applicable QFII regulations.

### Strategy

The Fund will invest primarily (i.e. not less than 70% of its net assets) in RMB-denominated debt instruments including convertible bonds that are listed or transferred on either the Shanghai Stock Exchange or the Shenzhen Stock Exchange, or interbank bonds, and which are issued by Mainland China Government as well as corporations in Mainland China (“**Mainland China RMB Debt Instruments**”). The Fund may also invest not more than 30% of its net assets directly in Mainland China RMB Debt Instruments in the China Interbank Bond Market via Bond Connect and/or other means as may be permitted by the relevant regulations from time to time.

The Fund may invest up to 30% of its net assets in debt instruments which are not Mainland China RMB Debt Instruments. These may include: (i) debt instruments issued or listed outside Mainland China; and (ii) money market instruments, deposits, short-term paper and other fixed income instruments.

At least 85% of the bond holdings in the Fund must consist of bonds issued by Mainland China Government or by international or Mainland China corporations and such issue shall carry a rating of at least BBB- / Baa3 assigned by one of the three international rating agencies, Moody’s Investors Service, Standard & Poor’s or Fitch, or above BB+ assigned by a PRC credit rating agency. Issuer rating may be applied in case issue specific rating is not available.

The Fund may also invest up to 15% of net assets in debt instruments which may not be of investment grade or are not rated. Issuer rating may be applied in case issue specific rating is not available. The Fund may not invest more than 10% of its net assets in urban investments bonds (城投債), and not more than 10% of its net assets in asset backed securities (including asset backed commercial papers).

<sup>2</sup> or such lower amount as the Directors may (at their discretion) accept.



In times of extreme market volatility or during severe adverse market conditions, the Investment Manager may temporarily hold a substantial portion (up to 100%) of the Fund's 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 Fund.

The Fund may use financial derivative instruments, such as futures and forwards for hedging purposes. Until and unless otherwise permitted under applicable PRC regulations, any hedging performed by the Fund is expected to take place primarily in Hong Kong.

## What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors.

### 1. Investment Risk

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. The Fund is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal.

### 2. China Market Risk / Single Country Risk

- The Fund's investments are concentrated in Mainland China RMB Debt Instruments. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- By investing in the China market (both onshore and offshore), the value of the Fund may be more susceptible to the risks of investing in emerging markets generally and the risks specific to the China market and special considerations not typically associated with investment in more developed countries or markets, such as adverse economic, political, policy, foreign exchange, volatility, liquidity, tax, legal or regulatory events affecting the China market.

### 3. Credit / Counterparty Risk

- The Fund is exposed to the credit / default risk of issuers of debt instruments, fixed income instruments and deposits that the Fund may invest in.

### 4. Interest Rate Risk

- Investment in the Fund is subject to interest rate risk. In general, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise.

### 5. Volatility And Liquidity Risk

- The debt instruments in China markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such market may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.
- The debt instruments in which the Fund invests may not be listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange or a securities market where trading is conducted on a regular basis. Further, there may not be a liquid or active market for the trading of RMB denominated bonds in the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the interbank bond market. Therefore, the Fund may be subject to the risk of not being able to sell its bonds in a timely basis, or will have to sell at a deep discount to their face values. The Fund's value and liquidity will be adversely affected.

**6. Downgrade Risk**

- The credit rating of an issuer or a debt instrument may subsequently be downgraded or even fall below investment grade due to changes in the financial strength of an issuer or changes in the credit rating of a debt instrument. In the event of such downgrading, the value of the Fund may be adversely affected. The Investment Manager may or may not be able to dispose of the debt instruments that are being downgraded.

**7. Sovereign Debt Risk**

- The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

**8. Valuation Risk**

- Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Fund.

**9. Credit Rating Risk**

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

**10. Credit Rating Agency Risk**

- The credit appraisal system in the Mainland China and the rating methodologies employed in the Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.

**11. RMB Currency and Conversion Risks**

- Underlying investments of the Fund may be denominated in currencies other than the base currency of the Fund. The NAV of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate.
- Any depreciation of RMB could adversely affect the value of investors' investment in the Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

**12. Multi-Currency Conversion Risk**

- Subscriptions and redemptions in Hong Kong are normally paid in HKD or USD and will not be conducted in RMB. The Fund will convert subscription proceeds to USD (where subscriptions are made in HKD) and then to RMB in order to invest. To meet redemption requests, the Fund will convert the RMB sale proceeds to USD and then to HKD (where redemption proceeds are paid in HKD). Investors may be subject to risks of exchange rate fluctuations as a result of such currency conversion transactions. The Fund may incur higher costs as a result of the multiple conversions between RMB, USD and HKD upon:
  - the conversion of HKD subscription monies to USD (where necessary), followed by the conversion of USD into RMB for the Fund to acquire RMB-denominated instruments; and
  - the conversion of RMB sale proceeds from the selling of RMB-denominated instruments to USD, followed by the conversion of USD into HKD (where necessary), to meet redemption requests.

**13. Risks Associated With Investment Made Through QFII Regime**

- The Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the Mainland China, which are subject to change and such change may have potential retrospective effect.
- The Fund may suffer substantial losses if there is insufficient QFII quota allocated for the Fund to make investments, the approval of the QFII is being revoked / terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including Local Custodian / Mainland China broker(s)) is bankrupt / in default and/or is disqualified from performing its obligations (including execution or settlement or any transaction or transfer of monies or securities).

**14. Risks Associated With China Interbank Bond Market**

- Investing in the China Interbank Bond Market via the Bond Connect is subject to regulatory risks and various risks such as volatility risk, liquidity risk, settlement and counterparty risk as well as other risk factors typically applicable to debt securities. The relevant rules and regulations on investment in the China Interbank Bond Market via the Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant PRC authorities suspend account opening or trading on the China Interbank Bond Market, the Fund's ability to invest in the China Interbank Bond Market will be adversely affected. In such event, the Fund's ability to achieve its investment objective will be negatively affected.

**15. Counterparty and Settlement Risks**

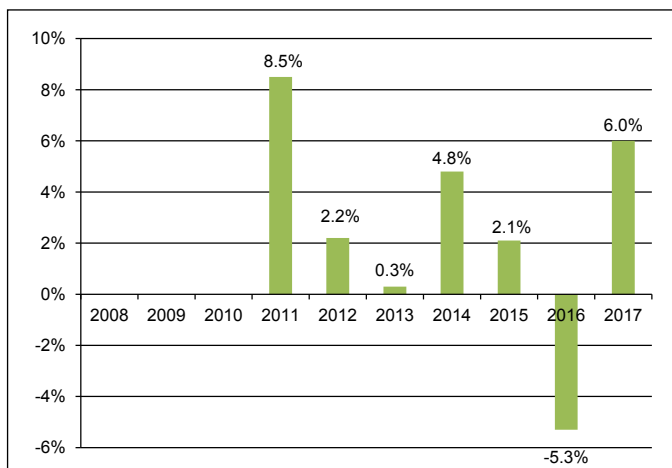
- For exchange traded debt securities, as securities transactions are not settled on a delivery versus payment basis, the Fund may have exposure to the insolvency of the China Securities Depository and Clearing Corporation Limited. On the other hand, the degree of counterparty risk may be higher in the interbank bond market (a quote-driven over-the-counter (OTC) market), where deals are negotiated between two counterparties through a trading system.
- The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

**16. Mainland China Tax Risk**

- There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realised via QFII quota on the Fund's investments in the Mainland China (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund's value.
- Based on professional and independent tax advice, the Investment Manager currently makes a 10% withholding tax provision for the account of the Fund in respect of any gross realised and unrealised capital gains arising on disposal of bonds and other fixed income securities.
- Any shortfall between the provision and the actual tax liabilities, which will be debited from the Fund's assets, will adversely affect the Fund's NAV. The actual tax liabilities may be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

**17. Risk of investing in Convertible Bonds**

- Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

**How has the fund performed?**

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class AA Shares increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 22 November 2010
- Class AA Shares launch date: 22 November 2010

For further information on the performance of other share classes, please refer to [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk). The website has not been reviewed by the SFC.

**Is there any guarantee?**

The Fund does not have any guarantees. You may not get back the full amount of money you invest.

**What are the fees and charges?****Charges which may be payable by you**

You may have to pay the following fees when dealing in the Class AA Shares of the Fund.

<b>Fee</b>	<b>What you pay</b>
<b>Subscription fee (initial charge)</b>	Up to 5% <sup>##</sup> of the NAV
<b>Switching charge</b>	No switching is allowed
<b>Redemption charge</b>	0.30%* of redemption proceeds

**Ongoing fees payable by the Fund**

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	<b>Annual rate (as a % p.a. of the NAV)</b>
<b>Management fee</b>	1.25% <sup>##</sup> for Class AA Shares
<b>Custodian, Paying Agent, Sub-Administrator, Registrar and Transfer Agent fee</b>	Up to 0.50% (excluding transaction fees and related servicing and processing fees attributable to the Fund)
<b>Performance fee</b>	None
<b>Administrator fee</b>	Annual fee of 0.004% (subject to an annual minimum fee of USD8,000)

**Other fees**

You may have to pay other fees when dealing in the Class AA shares of the Fund.

<sup>##</sup> A portion (or all in the case of the initial charge) may be paid to the General Adviser and Distributor for its services.

\* You should note that such fees and charges may be increased, up to a specified permitted maximum, by giving affected shareholders at least one month's prior notice. For details please refer to Section 6.6 and Section 7 of Part I of the Prospectus.

### **Additional information**

- This Fund was initially allocated a QFII quota of USD60 million. An additional USD50 million QFII quota has been allocated to the Fund. The total amount of QFII quota allocated by the Investment Manager will be shared in aggregate in respect of all share classes of the Fund. The directors of the Fund may close or re-open subscriptions to the Fund without prior notice.
- Only Class AA Shares will be available to retail investors in Hong Kong.
- Applications for subscription and redemption must be received by either Manulife Asset Management (Hong Kong) Ltd on or before 4:00 p.m. (Hong Kong time) or by Citibank Europe plc, Luxembourg Branch on or before 1:00 p.m. (Luxembourg time) on each dealing day. Applications received after the relevant cut-off times will be processed on the next dealing day.
- Orders placed through distributors may be subject to different procedures from those described above. Investors should consult their distributors before placing any orders.
- The NAV is calculated and published daily at [www.manulifefunds.com.hk](http://www.manulifefunds.com.hk)<sup>◇</sup>.

### **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

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<sup>◇</sup> This website has not been reviewed by the SFC.



