

Important Notes:

1. **Manulife Global Fund – Global Multi-Asset Diversified Income Fund (Manulife Global Multi-Asset Diversified Income Fund or the “Fund”)** invests in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securities of companies and/or governments globally (including emerging markets), which exposes investors to fixed income and equity (including REITs) market risk, and geographic concentration and currency risk.
2. The relevant distributing class of the Fund does not guarantee distribution of dividends, the frequency of distribution and the amount/rate of dividends. Dividends may be paid out of income, realized capital gains and/or out of capital of the Fund in respect of Inc share class(es). Dividends may be paid out of realized capital gains, capital and/or gross income while charging all or part of their fees and expenses to capital (i.e. payment of fees and expenses out of capital) in respect of MDIST (G) and R MDIST (G) share class(es). Dividends paid out of capital of the Fund amounts to a return or withdrawal of part of the amount of an investor's original investment or from any capital gains attributable to that original investment and may result in an immediate decrease in the net asset value per share in respect of such class(es) of the Fund.
3. The Fund invests in emerging markets, which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as likelihood of a higher degree of volatility, lower liquidity of investments, political and economic uncertainties, legal and taxation risks, settlement risk, custody risks and currency risks/control.
4. The Fund's investment in fixed income and fixed income-related securities, as well as cash and cash equivalents, is subject to high yield bonds risk, credit/counterparty risk, interest rate risk, sovereign debt risk, valuation risk and credit rating and downgrading risk.
5. The Fund intends to use financial derivative instruments (“FDIs”) for investment, efficient portfolio management and/or hedging purposes. The use of FDIs exposes the Fund to additional risks, including volatility risk, management risk, market risk, credit risk and liquidity risk.
6. Investment involves risk. The Fund may expose its investors to capital loss. Investors should not make decisions based on this material alone and should read the offering document for details, including the risk factors, charges and features of the Fund and its share classes.
7. Given RMB is currently not a freely convertible currency, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB. As offshore RMB (CNH) will be used for the valuation of RMB denominated Class(es), CNH rate may be at a premium or discount to the exchange rate for onshore RMB (CNY) and there may be significant bid and offer spreads and thus the value of the RMB denominated Class(es) will be subject to fluctuation. Any devaluation of RMB could adversely affect the value of investors' investments in the RMB denominated Class(es) of the Fund.

Manulife Global Multi-Asset Diversified Income Fund

Q&A with Fund Manager

September 2024



John F. Addeo

Global chief investment officer for Manulife Investment Management's fixed income strategies (public markets), as well as senior portfolio manager on the high yield and global credit products.

John is a value-oriented fundamental investor with over 30 years of experience investing across the entire capital structure and credit spectrum.

Q: How did global markets perform in August?

A: August was marked by significant volatility, starting with a sharp sell-off in global equity markets as disappointing US economic data and a rate hike by the Bank of Japan triggered widespread concerns. The weak July payrolls report and the rise in unemployment rate in the U.S. intensified recession fears. However, markets rebounded towards the end of the month as investors anticipated more aggressive policy easing by the Federal Reserve. Cooling inflation and the Fed's signaling of potential rate cuts bolstered confidence, leading to a recovery in equities and a rally in global bonds.

Equities gained over the month of August with the MSCI ACWI up 2.57%. Developed Markets outperformed, with S&P 500 adding 2.43%. Japan equities experienced high volatility during the period but managed to end the month with 0.51% gains. Fixed income markets broadly gained over the month as bond yields fell on the expectations for Fed rate cuts in September. The US 10-year Treasury yield ended at 3.92% at the end of the month. The FTSE World Government Bond Index outperformed gaining 2.30%. Global Investment-grade credits Global high yields were positive adding 1.92% and 2.17%, respectively¹.

Q: What are key contributors to the Fund's yield income and investment performance?

A: The Fund continued its momentum during August, despite a choppy start to the month, continuing to deliver positive performance whilst maintaining a strong income payout. Performance was driven by global equities and fixed income, whilst the option component also added to performance over the month, similar to the returns seen in high yield fixed income. Equities in the portfolio continued to benefit from some stock rotation implemented in July into ex US names. Fixed Income returns were solid as the Global and US high yield space added value as the soft landing scenario became further priced in. Income generation remains high and stable as opportunities to capture yield remain abundant and diversified.

At the top level, contribution to yield by asset class for the month of August 2024 was around 39.6% from options, 50.3% from fixed income, 5.4% from Global Equity including REITs, and the remainder from cash/cash equivalents².

Q: What is your investment outlook with the potential end of the global rate hike cycle?

A: With an initial Fed cut the overwhelming base case in September, we focus on the shape and size of the easing cycle in 2024 and beyond. While inflation has so far dictated the timing of the easing cycle, the extent to which growth and labor moderate further will dictate the pace and magnitude of the Fed's moves. While there is a path for more aggressive cuts, we believe that the U.S. current growth profile still favors 3 cuts in 2024.

Looking ahead, our medium- to long-term outlook suggests that ultimately lower interest rates would be accommodative for economic growth with inflation coming down and resiliency in corporate earnings growth. However, geopolitical challenges and the upcoming U.S. Presidential election could pose challenges to investor sentiment. Overall, we expect the market to experience some volatility into the end of 2024, particularly as investors reprice interest rate and potentially inflation expectations. We maintain that there are downside risks to the economy given tighter credit conditions, but hopeful these will be alleviated into year end. Tactical positioning will be more prevalent again as we continue into the rest of 2024, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise.

1. Source: Bloomberg, as of August 31, 2024. Equity markets measured by MSCI indices. Performance of fixed income market sourced from Bloomberg, as of August 31, 2024.
 2. Source: Manulife Investment Management, as of August 31, 2024. Fund performance applies only to AA (USD) MDIST (G) class. All the performance figures are on NAV to NAV basis, in base currency with dividend reinvested. Investment involves risk. Past Performance is not indicative of future performance. Performance of AA (USD) MDIST (G) class: 4.71% (3 months); 6.98% (6 months); 10.00% (year to date); 15.27% (1yr); 2.65% (3 year annualized), 4.39% (5 year annualized), 4.29% (since inception annualized). AA (USD) MDIST (G) class performance information for past five calendar years: 12.63% (2023); -13.02% (2022); 9.85% (2021); -0.47% (2020); 6.27% (since inception to 31 Dec 2019). Inception date: 25 April 2019. Information about the asset allocation is historical and is not an indication of the future composition. The above yield do not represent the distribution yield of the Fund and is not an accurate reflection of the actual return that an investor will receive in all cases. A positive distribution yield does not imply a positive return. Dividend is not guaranteed.

Unless otherwise stated, all information sources are from Manulife Investment Management, as of August 31, 2024. Past performance is not indicative of future results. Diversification does not guarantee a profit nor protect against loss in any market. Information about the asset allocation is historical and is not indication of the future composition. The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur and may be significantly different than that shown here.

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 This material has not been reviewed by the Securities and Futures Commission (SFC).