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1. Manulife Global Fund – Global Multi-Asset Diversified Income Fund (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 risk relating to active asset allocation strategy, equity (including REITs) market risk, and geographic concentration and currency risk. Certain investors may also be subject to the risk relating to RMB hedged share class.
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), R MDIST (G) and F 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. Fixed yield share classes pay out a pre-determined annualized fixed percentage of their NAV, which can be adjusted by the Directors with at least one month's prior notice, do not entirely reflect the actual or expected income or performance of the Fund. These distributions may exceed the actual income, leading to capital erosion, especially during negative returns or losses, and may reduce future capital growth. A positive distribution yield does not guarantee a positive return, and the absolute distributions vary with the NAV, resulting in fluctuating monthly payouts for investors.
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 leverage 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.



Global equity markets have recently experienced sharper movements, particularly in areas linked to artificial intelligence (AI). Earnings announcements from AI hardware, semiconductor and large cloud-computing companies have been key sources of volatility. Concerns about potential interest rate hikes have added to uncertainty.

The Global Multi Asset Diversified Income (GMADI) Strategy has not been immune to these market movements. However, its income focus, broad diversification and relatively defensive positioning may help limit the effect of sharp changes in technology and growth-related investments.

Global Multi-Asset Diversified Income Strategy (GMADI) update: A balanced approach to market volatility

Key points:

- The Strategy's income focus and broad diversification may help moderate the impact of sharp movements in technology and AI-related areas.
- Technology and AI exposure is part of the Strategy, but it is not the main driver of overall returns.
- We remain constructive on the long-term potential of AI, while recognising that high expectations and valuations may lead to further short-term volatility.
- Technology exposure has been increased gradually and selectively, while the Strategy continues to maintain a significant allocation to fixed income.

Market volatility puts diversification in focus

The Strategy has exposure to technology and AI, but these areas are not the dominant drivers of its overall results. This means that strong gains in technology may have a smaller positive effect on performance, while technology-led declines may also have a more limited impact.

Why AI-related markets have become more volatile

AI-related areas had experienced a prolonged period of strong performance. This pushed investor expectations and valuations higher across parts of the semiconductor and AI infrastructure markets.

Markets have since become more sensitive to any sign of weaker spending, pressure on profit margins or delays in generating revenue from AI investments. As a result, even companies reporting strong earnings have experienced sharp share-price movements when their results or outlook have only met – rather than exceeded – high expectations.

Another source of volatility is the concentration of market leadership within a relatively small group of large AI-linked companies. When expectations change for these companies, the effect on the wider market can be significant.

Recent market reactions have also depended more on forward-looking comments than on reported earnings alone. Markets are paying particular attention to:

- Future spending on AI infrastructure
- Demand for semiconductors, data centres and related equipment
- The pace at which AI investment may generate revenue
- The outlook for cloud-computing growth
- The potential effect of higher investment spending on profit margins

AI-related spending remains elevated based on our observations. However, markets are increasingly concerned about how this spending may translate into revenue growth, productivity gains and stronger earnings.

Markets have generally responded more positively to businesses that can show sustained AI demand and a credible path towards generating returns from their investment and are more concerned where spending is rising much faster than near-term revenue opportunities.

Our view on the outlook and potential rate hikes

We remain constructive on the long-term potential of AI. We believe it may continue to be an important source of structural growth, but the path is unlikely to be smooth.

In the near term, volatility may persist as markets reassess valuations, earnings expectations and the pace of AI adoption. Periods of consolidation or correction are possible, particularly in semiconductor and AI infrastructure-related areas where expectations remain high.

Concerns about potential interest rate hikes may create an additional source of volatility. We continue to focus on diversification and on balancing income generation with selective exposure to potential growth opportunities.

We also believe market performance may broaden beyond the relatively small group of large AI-related companies that has recently led returns. A wider range of sectors and regions could potentially participate, which may create opportunities for an actively managed and diversified Strategy.

Strategy's focus

We have gradually increased exposure to technology and AI-related infrastructure opportunities over recent months. However, we have been selective and this has come from a relatively light starting position in certain parts of the technology market.

The Fund's sensitivity to equity market movements has also increased. However, GMADI continues to maintain a significant fixed-income allocation, which remains an important element of its overall income and diversification approach.

We have been selective in areas that may benefit from semiconductor and AI infrastructure spending. These have been balanced by exposure to financially sound businesses and companies that may benefit from a broader economic cycle.

This approach is intended to allow the Strategy to participate in the potential long-term growth of AI without allowing the theme to become the dominant source of portfolio risk.

Managing concentration and valuation risks

We continue to pay close attention to valuation and concentration risks. Although AI may offer attractive long-term opportunities, not every company or segment is likely to benefit equally.

A company may be exposed to a strong structural theme but still face risks if its valuation already reflects very optimistic expectations. Careful selection therefore remains important, particularly when markets are reacting sharply to changes in company guidance.

The Strategy's diversified structure may help manage this risk. Rather than relying heavily on a narrow group of technology companies, GMADI maintains exposure across different sectors, regions and asset classes, potentially providing a more balanced return profile when market leadership changes.

The objective is not to chase short-term market trends. Instead, we focus on generating income, maintaining meaningful diversification and participating carefully in potential growth opportunities.

The Strategy's balance of fixed income, equity income and selective growth exposure may help it navigate a range of market outcomes. While further volatility is possible, changing market leadership and valuation adjustments may also create opportunities for active investment decisions.

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