

**Important Notes:**

- 1 Manulife Global Fund – Sustainable Asia Bond Fund (“Manulife Sustainable Asia Bond Fund” or the “Fund”) invests primarily in a portfolio of fixed income securities issued by governments, agencies, supranationals and corporations in Asia (which shall include Australia and New Zealand), which may involve sustainable investing risk, geographical concentration risk, mainland China investment risk, political and regulatory risk, credit rating and downgrading risk, high-yield bond risk, interest rate risk, credit risk, volatility and liquidity risk, valuation risk, sovereign debt risk 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 realised 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) 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 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.
- 4 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.
- 5 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** Investment Management

October 2021

# Manulife Sustainable Asia Bond Fund

SFC-  
authorised  
Green and  
ESG fund<sup>^</sup>

<sup>^</sup> ESG = Environment, Social and Governance. SFC authorisation does not constitute an official recommendation of the product or a guarantee of their green or ESG attributes or related performance.

This fund is only available via selected distributors.

# What is sustainable investing?

Sustainable investing is the consideration of Environmental, Social and Governance (ESG) factors alongside financial factors, into the selection and management of investments.



## Environmental

- Climate change
- Carbon emissions
- Air and water pollution
- Natural resources
- Water scarcity
- Renewable energy



## Social

- Human capital
- Labour standards
- Product liability
- Gender and diversity
- Privacy and data security
- Stakeholder opposition



## Governance

- Board composition
- Executive compensation
- Accounting practices
- Corruption
- Business ethics and fraud

Sources: Manulife Investment Management, MSCI ESG Investing and MSCI ESG Research. Selective ESG issues for illustrative purposes only, this is not a full list.

## Why ESG in Asia?

### Asia plays core role in tackling global environmental issues

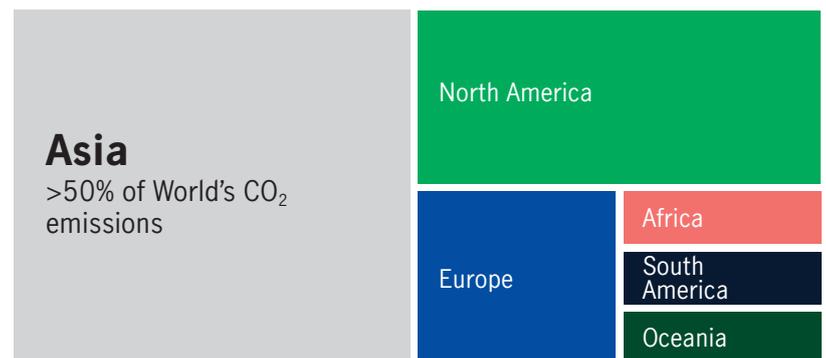
As home to 60% of the world's population<sup>1</sup>, Asia generates half of global CO<sub>2</sub> emissions<sup>2</sup>.

<sup>1</sup> HYDE Database 2016 & UN World Population Prospects 2019.

<sup>2</sup> BP Statistical Review of World Energy 2019.

Related image is sourced from <https://ourworldindata.org/annual-co2-emissions>

### Global carbon dioxide (CO<sub>2</sub>) emissions by region



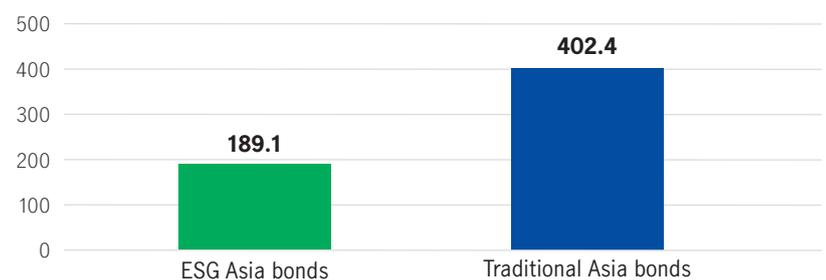
### Positive ESG impact

ESG Asia bonds display only 47% of carbon footprint intensity while delivering a similar risk return profile to traditional Asia bonds since 2012.

Source: Bloomberg, as of 30 April 2021. ESG Asia bonds are represented by J.P. Morgan ESG Asia Credit Index; Traditional Asia bonds are represented by J.P. Morgan Asia Credit Index. Past performance is not indicative of future results. Investment involves risk.

\* Carbon intensity data sourced via Trucost ESG Analysis. Carbon intensity refers to Scope 1 & 2 Tons CO<sub>2</sub> equivalent emissions per million USD revenues.

### Carbon intensity (Tons CO<sub>2</sub> emission / \$USD Mil revenues)\*



### ESG Asia bonds have outperformed global peers

ESG Asia bonds have outperformed ESG global bonds on both 3-year and 5-year annualised return basis and remain attractive in terms of yield and fundamentals.

Source: Bloomberg, Manulife Investment Management, data in USD, as of 31 October 2021. ESG Asian bonds measured by J.P. Morgan ESG Asia Credit Index, ESG Global bonds measured by Bloomberg Barclays MSCI Global Agg ESG Weighted index. Past performance is not indicative of future results.

### Performance

	3 Year (annualised)	5 Year (annualised)
ESG Asia bonds	5.36%	3.29%
ESG Global bonds	4.32%	2.35%

# Manulife Investment Management's holistic approach to sustainable investing

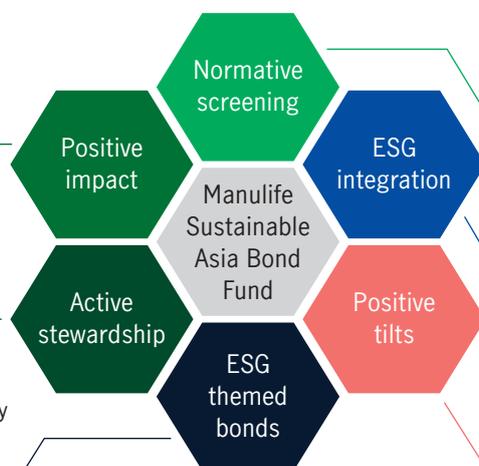
We adopt a holistic approach in building a portfolio that seeks to generate potential sustainable risk-adjusted returns, by incorporating material ESG considerations throughout the various stages of our investment process.

## Manulife Sustainable Asia Bond Fund<sup>^</sup>

Achieving positive impact via three main portfolio themes: climate change mitigation, aging population support, sound governance promotion.

Engagement at least once a year with all portfolio companies.  
Focus on working with companies towards sustainability outcomes.

Active exposure to ESG themed bonds (currently 30-35%) e.g. green, social, sustainability bonds. Supporting market innovation in new KPI-linked, transition, and blue bonds.



Avoiding negative impact by actively excluding controversial weapons, alcohol, tobacco, gambling, adult entertainment, thermal coal involvement, UN compact violators.

We believe that ESG considerations are valued inefficiently. We fully incorporate these considerations into our time-tested four-step investment process.

Active focus on best-in-class\* issuers with lower ESG risk intensity issuers are identified by our analysts based on track record and forward-looking stance.

\* "Best-in-class" ESG is industry terminology referring to an investment approach that selects companies that are leaders from an ESG perspective.  
Source: Manulife Investment Management, as of 30 September 2021.  
For illustrative purposes only.

## Aims to generate attractive returns through 3 key sustainable themes

Climate change	Aging population	Sound governance promotion
Seek opportunities to benefit from the provision of clean energy and low carbon emissions	Seek opportunities to benefit from the provision of retirement solutions to Asia's aging population	Seek opportunities to benefit from companies with strong corporate governance structures
<ul style="list-style-type: none"> <li>Engage with companies working towards a low carbon transition</li> <li>Avoid companies overly dependent on thermal power generation</li> </ul>	<ul style="list-style-type: none"> <li>Engage with companies that providing solutions for an aging population</li> <li>Avoid companies with adverse impacts on health and savings</li> </ul>	<ul style="list-style-type: none"> <li>Engage with companies on promoting best governance practices</li> <li>Avoid companies with a history of mismanagement or opaque business</li> </ul>

## Manulife Investment Management's recognitions in sustainable investing

**A+**

Received an A+ from UN PRI for ESG strategy and governance, and integration in listed equity and fixed income SSA<sup>1</sup>

**75%+**

Of AUM for public market equity and fixed-income have achieved internal ESG integration thresholds<sup>2</sup>

**199**

Countries and territories covered by our proprietary sovereign credit model that incorporates ESG factors

<sup>^</sup> We consider that the integration of sustainability risks in the decision-making process is an important element in determining long-term performance outcomes and is an effective risk mitigation technique. Our approach to sustainability provides a flexible framework that supports implementation across different asset classes and investment teams. While we believe that sustainable investing will lead to better long-term investment outcomes, there is no guarantee that sustainable investing will ensure better returns in the longer term. In particular, by limiting the range of investable assets through the exclusionary framework, positive screening and thematic investment, we may forego the opportunity to invest in an investment which we otherwise believe likely to outperform over time.

<sup>1</sup> PRI 2020 Assessment (Based on FY2019), <https://www.manulifeim.com/institutional/global/en/sri-report>.

<sup>2</sup> As of 31 December 2020. Integration is based on Manulife IM's Proprietary Integration Progression Levels (IPL), which measures investment teams progress in ESG integration.

# Key features of Manulife Sustainable Asia Bond Fund



First Hong Kong SFC authorised green and ESG fund focusing on Asia Bond<sup>1</sup>



A diversified ESG portfolio with average investment grade credit quality<sup>2</sup>



Aims to provide regular income<sup>3</sup>

## Dividend schedule

Dividend is not guaranteed. Dividends may be paid out of capital. Refer to important note 2.

Record date	Ex-dividend date	Ex-dividend NAV	AA (USD)	MDIST (G)
			Dividend per share	Annualised dividend yield <sup>3</sup>
29/10/2021	02/11/2021	0.9317	0.002628	<b>3.44%</b>
30/09/2021	01/10/2021	0.9736	0.002628	<b>3.29%</b>
31/08/2021	01/09/2021	0.988	0.002628	<b>3.24%</b>

## Manulife Investment Management's investment expertise

**USD48+ billion**

AUM<sup>4</sup> in Asian fixed income

**25 years**

Investment experience by lead fund manager

**60+**

Fixed income professionals in Asia<sup>5</sup>

Source: Manulife Investment Management, as of 30 September 2021.

<sup>1</sup> ESG = Environment, Social and Governance. SFC authorisation is not an official 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. The Fund is authorised by the SFC on 3 March 2021. <https://apps.sfc.hk/productlistWeb/searchProduct/globalSearch.do>

<sup>2</sup> Source: Manulife Investment Management, as of April 2021. Information about the portfolio is historical and is not an indication of the future composition.

<sup>3</sup> Distribution yield applies only to AA (USD) MDIST (G) Share class. Dividend rate is not guaranteed. Dividends may be paid out of capital. Refer to important note 2. Please note that a positive distribution yield does not imply a positive return. Past performance is not indicative of future performance. Annualised yield =  $[(1 + \text{distribution per unit/ex dividend NAV})^{\text{distribution frequency}} - 1]$ , the annualised dividend yield is calculated based on the latest relevant dividend distribution with dividend reinvested, and may be higher or lower than the actual annual dividend yield.

<sup>4</sup> AUM = Asset under management. Include AUM in Manulife Investment Management and Manulife-TEDA Fund Management Co. Ltd., a 49% joint venture between Manulife Financial and Northern International Trust, part of the Tianjin TEDA Investment Holdings Co. Ltd. (TEDA).

<sup>5</sup> Total investment professionals is comprised of individuals from Manulife Investment Management, Manulife-TEDA Fund Management Co. LTD., a 49% joint venture between Manulife Financial and Northern International Trust, part of the Tianjin TEDA Investment Holding Co. Ltd. (TEDA), and Mahindra Manulife Investment Management Private Limited, a 49% joint venture of Manulife and Mahindra AMC.

Issued by Manulife Investment Management (Hong Kong) Limited.  
This material has not been reviewed by the Securities and Futures Commission (SFC).