



# Manulife Asia Total Return Bond Fund

Capture the diversity of Asian bonds

 [manulifeinvestment.com.my](https://manulifeinvestment.com.my)

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# Asia bond: a unique market

A blooming and diverse asset class backed by strong local investor base – Asian bonds offer compelling yields and sustainable income opportunities with high quality issuers.

## Compelling yields opportunities

Asian credits offers relatively attractive credit spread and yield opportunities for income investors. Historically, the asset class offer higher yields than US and some of the developed market peers.

## High quality issuers

Around 37% of the J.P. Morgan Asia Credit Index (JACI) are government or state owned<sup>1</sup> which typically benefit from government support, especially sectors considered systematically important to the economy (e.g. railway operators and utility providers).

## Strong local investor base

Asian issuers with deep local history typically enjoy a strong and loyal investor base. The strengthened regional investor base is also a supportive factor to Asian dollar bonds to be more resilient to external shocks and capital outflows than in the past.

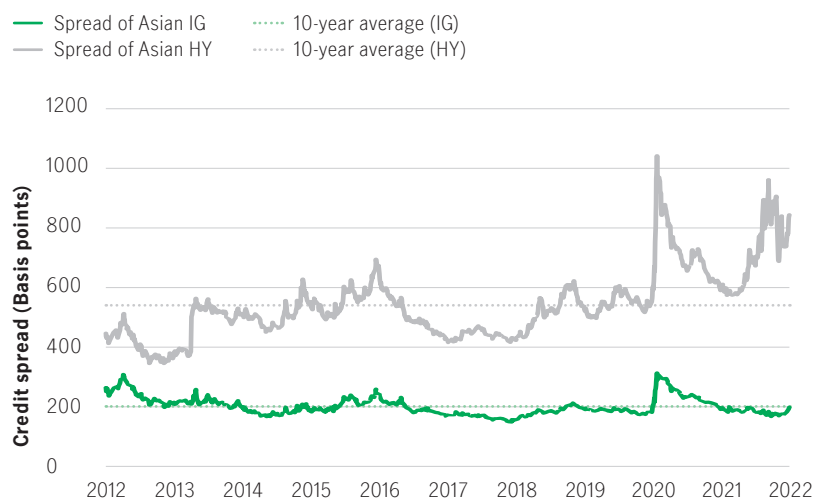
# Capture Asian bond market opportunities

## Attractive valuation emerging in Asian USD credits

Attractive valuations in Asian credits from a relative and historical basis are emerging as credit spreads have been widened. With relatively higher economic growth in the region that supports corporate financials, and monetary policy easing from China, we believe it an opportune time to capitalise on value opportunities from fundamentally strong issuers.

The above information may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations. There is no assurance that such events will occur, and the future course may be significantly different from that shown here.

## Credit spread of Asian IG and HY over the past 10 years



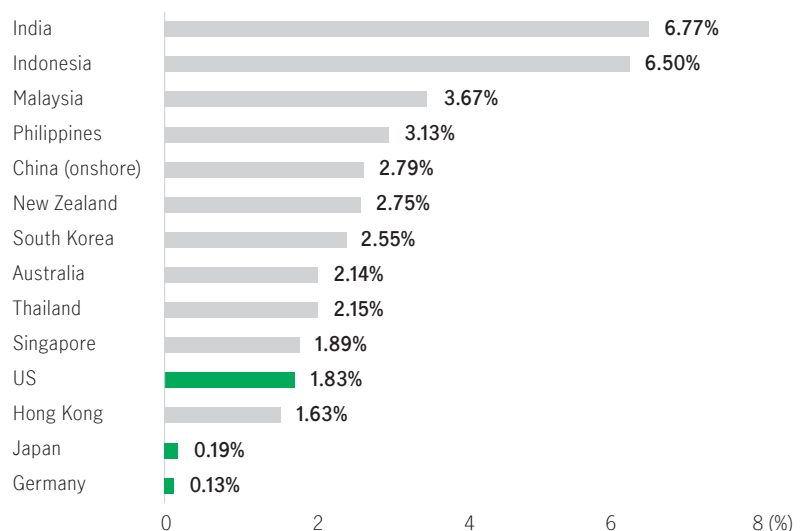
Source: Bloomberg, as of 28 February 2022. Asian HY bonds are measured by JPMorgan Asia Non-Investment Grade Corporate Index; Asian IG bonds are measured by JPMorgan Asia Investment Grade Corporate Index. Investment involves risk. Past Performance is not indicative of future performance. IG refers to Investment Grade. HY refers to High Yield.

## Most of Asian local bonds offer relatively higher yields

Local bonds issued by China and some South Asian governments offer relatively attractive nominal and real yields. We believe steady COVID-19 vaccine rollout and more border reopening should provide a supportive backdrop.

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## Asian and developed markets 10-year government bond yield



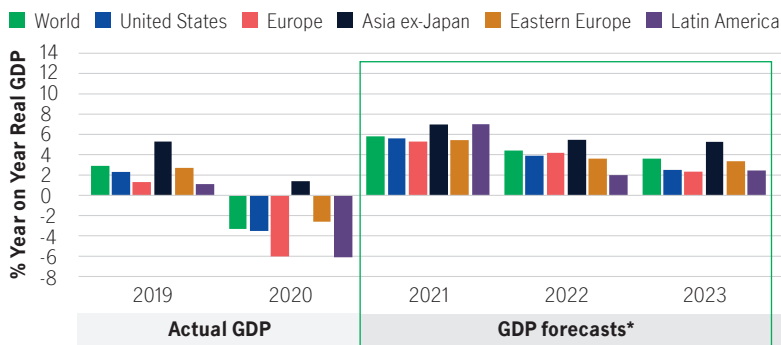
Source: Bloomberg, as of 28 February 2022. Investment involves risk. Past performance is not indicative of future performance.

## Strong growth potential

Asia is expected to remain the bright spot of the global economy. The expected growth rates for Asia is relatively higher than other regions, reflecting the region's sound fundamentals.

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## Growth forecast



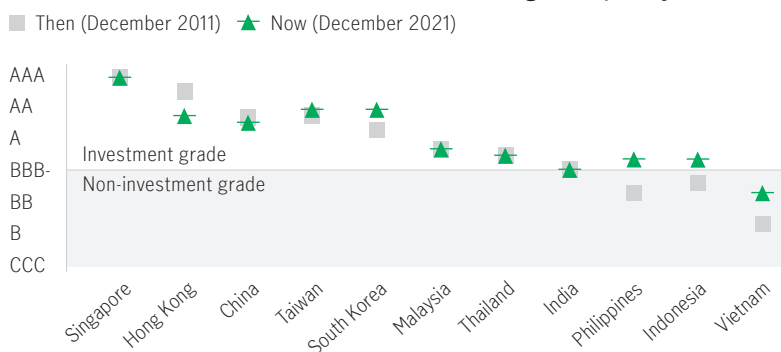
\* The information in this chart may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. GDP = Gross domestic product. Source: Bloomberg, Economic Survey, 31 December 2021.

## Key features of Target Fund\*\*

### Primarily invest in investment grade with limited high yield exposure

An investment grade dominated portfolio with average credit rating at BBB (investment grade quality). Sovereign ratings of many Asian economies have upgraded over the past decade. Markets such as Philippines and Indonesia have transitioned from a high-yield to an investment grade issuer have upgraded over the past decade.

### Most of Asian markets are now of investment grade quality



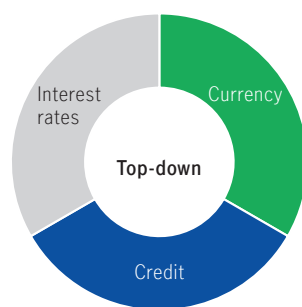
Source: Bloomberg, Foreign Currency Long-term Rating as of 31 December 2021.

## Blended Asian bond portfolio

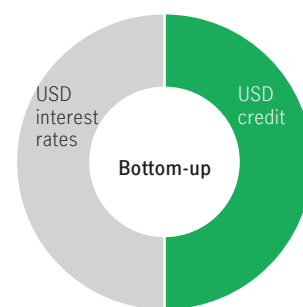
Flexible strategy allocating across USD and local currency Asian bonds to exploit investment opportunities in both markets. Local currency bonds which are predominantly issued by Asian governments offer investors top-down/macro-economic opportunities (e.g. interest rate cut cycles). Asian USD bonds which are predominantly issued by corporations provide us with bottom-up/bond picking opportunities.

\*\* Manulife Global Fund - Asia Total Return Fund

### Local currency



### USD bonds



The above chart is for illustration purposes only.

## Asian fixed income capabilities

**48+ billion**

USD AUM<sup>2</sup> Asian fixed income

**23+ years**

Investment experience by lead fund manager

**70+**

Fixed income professionals in Asia<sup>3</sup>

<sup>1</sup> Source: Manulife Investment Management, as of 31 December 2021.

<sup>2</sup> AUM = Asset under management, as of 31 December 2021.

<sup>3</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, as of 31 December 2021.

## Key fund information

<b>Name of the fund</b>	Manulife Asia Total Return Bond Fund (“the Fund”)		
<b>Manager</b>	Manulife Investment Management (M) Berhad 200801033087 (834424-U)		
<b>Fund category</b>	Feeder Fund (Bond)		
<b>Base currency</b>	USD		
<b>Currency class</b>	USD Class	RM-Hedged Class	CNH-Hedged Class
<b>Investment objective</b>	The Fund aims to provide total return from a combination of income and capital appreciation by investing in a collective investment scheme with investment focus on fixed income securities.		
<b>Investor profile</b>	This Fund is suitable for investors who: <ul style="list-style-type: none"> <li>• seek a combination of income and capital appreciation;</li> <li>• have a medium- to long-term investment horizon; and</li> <li>• seek investment exposure in the Asia region</li> </ul>		
<b>Investment policy and strategy</b>	The Fund will invest at least 95% of the Fund’s NAV in Share Class I3 Inc of Manulife Global Fund – Asia Total Return Fund (the “Target Fund”), while the balance of the Fund’s NAV will be in cash, money market instruments (including fixed income securities which have a remaining maturity period of less than 365 days) and/or placement of deposits with financial institutions for liquidity purposes.		
<b>Performance benchmark</b>	50% JP Morgan Emerging Local Markets Index Plus (Asia) + 50% JP Morgan Asia Credit Index Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The performance benchmark chosen for the Fund is the same as the performance benchmark of the Target Fund whereby it reflects the universe of the investment strategy and the representative asset class exposures within the Target Fund. The risk profile of the Fund is not the same as the risk profile of this performance benchmark. The performance benchmark information is available on <a href="http://www.manulifeinvestment.com.my">www.manulifeinvestment.com.my</a> and <a href="http://www.jpmorgan.com">www.jpmorgan.com</a> .		
<b>Sales charge</b>	Distribution channels UTC Manager IUTA	Sales charge (as a % of NAV per unit of the Fund)  Up to 3.00%	
<b>Annual management fee</b>	Up to 1.25% per annum of the NAV of the Fund calculated and accrued on a daily basis. The annual management fee is applicable to the Fund and all its Classes, if any.		
<b>Annual trustee fee</b>	0.04% per annum of the NAV of the Fund which includes local custody fee but excludes foreign custodian fees and charges, if any.		
<b>Minimum initial investment</b>	RM-Hedged Class RM1,000.00	USD Class USD1,000.00	CNH-Hedged Class CNH1,000.00
<b>Minimum additional investment</b>	RM-Hedged Class RM100.00	USD Class USD100.00	CNH-Hedged Class CNH100.00
<b>Distribution policy</b>	Depending on the level of income (if any) the Fund generates, the Fund aims to distribute all or part of its distributable income on a quarterly basis. Note: For details, please refer to the fund prospectus.		
<b>Financial year end</b>	30 November		
<b>Cooling-off period</b>	The cooling-off period is only applicable to any individual investing for the first time in any unit trust funds managed by the Manager and excludes staff of the Manager and persons registered with a body approved by the SC to deal in unit trusts. You have the right, within six (6) Business Days from the day of the receipt by the Manager of your application form, to call for a withdrawal of your investment.		

### Disclaimer:

The above information has not been reviewed by the SC and is subject to the relevant warning, disclaimer, qualification or terms and conditions stated herein. Investors are advised to read and understand the contents of the Master Prospectus dated 10 August 2020, its First Supplemental Master Prospectus dated 10 August 2020, its Second Supplemental Master Prospectus dated 27 January 2021, its Third Supplemental Master Prospectus dated 5 April 2021 and its Fourth Supplemental Master Prospectus dated 13 September 2021 and all the respective Product Highlights Sheet(s) (collectively, the “Offering Documents”), obtainable at our offices or website, before investing. The Offering Documents have been registered with the Securities Commission Malaysia (SC), however the registration with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. There are risks involved with investing in unit trust funds; wholesale funds and/or Private Retirement Schemes. Some of these risks associated with investments in unit trust funds; wholesale funds and/or Private Retirement Schemes are interest rate fluctuation risk, foreign exchange or currency risk, country risk, political risk, credit risk, non-compliance risk, counterparty risk, target fund manager risk, liquidity risk and interest rate risk. For further details on the risk profile of all the funds, please refer to the Risk Factors section in the Offering Documents. The price of units and income distribution may go down as well as up. Investors should compare and consider the fees, charges and costs involved. Investors are advised to conduct own risk assessment and consult the professional advisers if in doubt on the action to be taken. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from the pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in the Fund’s denominated currency will remain unchanged after the distribution of the additional units.