

Product Highlights Sheet dated 10 February 2021

Manulife Shariah Global REIT Fund

Responsibility Statement

This Product Highlights Sheet has been reviewed and approved by the directors and/or persons approved by the Board of Manulife Investment Management (M) Berhad and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable inquiries, they confirm to the best of their knowledge and belief, there are no false or misleading statements, or omission of other facts which would make any statement in the Product Highlights Sheet false or misleading.

Statement of Disclaimer

The Securities Commission Malaysia has authorized the issuance of *Manulife Shariah Global REIT Fund* (“the Fund”) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorization of the Fund and lodgment of this Product Highlights Sheet, should not be taken to indicate that the Securities Commission Malaysia recommends the Fund or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Product Highlights Sheet.

The Securities Commission Malaysia is not liable for any non-disclosure on the part of the Manulife Investment Management (M) Berhad, the Manager responsible for the Fund and takes no responsibility for the contents of this Product Highlights Sheet. The Securities Commission Malaysia makes no representation on the accuracy or completeness of this Product Highlights Sheet, and expressly disclaims any liability whatsoever arising from, or in reliance upon, the whole or any part of its contents.

This product highlights sheet only highlights the key features and risks of this Fund. Investors are advised to request, read and understand the prospectus of the Fund before deciding to invest.

Brief Information on the Product

1. What is the Fund about?

The Fund aims to provide regular income* and capital appreciation by investing in Islamic real estate investment trusts (REITs).

*Income distribution (if any) may be made in the form of cash or additional units reinvested into the Fund.

Note: Any material change to the Fund’s investment objective would require unit holders’ approval.

Product Suitability

2. Who is the Fund suitable for?

The Fund is suitable for investors who:

- wish to have investment exposure through a diversified portfolio of Islamic REITs globally;
- seek regular income and potential capital appreciation over medium to long-term (a period of 3 to 5 years); and
- prefer Shariah-compliant investments.

Key Product Features

3. What am I investing in?

Fund Category	Fund-of-funds (Islamic)
Investment Strategy and Policy	<p>To achieve its investment objective, the Fund will invest a minimum of 70% to a maximum of 98% of its net asset value (“NAV”) in listed Islamic REITs globally. A minimum of 2% up to a maximum of 30% of its NAV will be invested in Islamic liquid assets, which comprise of Islamic money market instruments and Islamic deposits with financial institution(s).</p> <p>The Fund will invest in different Islamic REITs sectors, including but not limited to commercial, industrial and residential. The countries/ markets that the Fund may invest in include, but are not limited to United States, United Kingdom, Ireland, Spain, Japan, Australia, Singapore, Hong Kong, China and South Korea, where the regulatory authority is an ordinary or associate member of the IOSCO.</p> <p>The investment opportunity of individual holdings will be made after reviewing the macroeconomic trends and Islamic REITs market outlook of the respective countries. The Fund Manager will target Islamic REITs that have historically generated regular income and also expect to generate future income with the potential for capital growth. In evaluating suitability of an Islamic REIT, the Fund Manager will review key attributes including but not limited to, the underlying property of the Islamic REIT, performance of the Islamic REIT’s manager, and its rental yield.</p> <p>The Fund is actively managed and the trading strategy will depend on market opportunities and interest rate expectations. The Fund may employ Islamic hedging instruments for hedging</p>

	purposes. The Fund Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy prescribed above in response to adverse market conditions, economic, political or any other condition. In such circumstances, the Fund Manager may allocate up to 100% of the Fund's NAV into cash, Islamic money market instruments and/or Islamic deposits.	
Asset Allocation	<u>Asset Class</u>	<u>Allocation (% of the Fund's NAV)</u>
	Islamic REITs	70% to 98%
	Islamic liquid assets	2% to 30%
Performance Benchmark	IdealRatings® Global REITs Islamic Select Malaysia Index	
Base Currency	USD	
Currency Class(es)	USD Class	RM Class
Launch Date	12 March 2019	
Financial Year End	30 November	
Distribution Policy	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 semi-annual basis.	

4. Who am I investing with?

Manager	Manulife Investment Management (M) Berhad
Fund Manager	Manulife Investment Management (US) LLC.
Trustee	HSBC (Malaysia) Trustee Berhad
Shariah Adviser	ZICO Shariah Advisory Services Sdn Bhd

Key Risks

5. What are the key risks associated with this Fund?

Manager's Risk

This risk refers to the day-to-day management of the Fund by the Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Manager, as a result of an incorrect view of the market or any non-compliance with internal policies, investment mandate, the deed, relevant law or guidelines due to factors such as human error or weaknesses in operational process and systems, may adversely affect the performance of the Fund.

Market Risk

Market risk refers to the possibility that an investment will lose value because of a general decline in financial markets, due to economic, political and/or other factors, which will result in a decline in the Fund's NAV.

Liquidity Risk

Liquidity risk refers to the ease of liquidating an asset depending on the asset's volume traded in the market. If the Fund holds assets that are illiquid, or are difficult to dispose of, the value of the Fund will be negatively affected when it has to sell such assets at unfavourable prices.

Stock Specific Risk

Prices of a particular REIT may fluctuate in response to the circumstances affecting individual REITs such as adverse financial performance, news of a possible merger or loss of key personnel of a company. Any adverse price movements of such REIT will adversely affect the Fund's NAV.

Risk Associated with Investments in REITs

Property Taxes Risk: Any increase in property taxes law or requirement could have an adverse impact to income gained from sales of any property.

Rental Risk: Any material changes in the regulatory limits on rent could have an adverse impact on the rental income which may reduce dividend payout.

REIT Management Risk: REIT's performance depends, in part, upon the continued service and performance of REIT's manager. For example, the key personnel of REIT's manager may leave the employment and affect results in the duties which such personnel are responsible for. The loss of key personnel, or the inability of the relevant businesses REIT's manager to retain or replace qualified employees, could have an adverse effect on its operating results, affect its ability to generate cash and make distributions to the REIT's investors. The REIT's performance will have an impact on the investments of the Fund.

Reclassification of Shariah Status Risk

This is the risk that the currently held Shariah-compliant securities in the Fund may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission Malaysia, the Shariah Adviser or the Shariah boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities. There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant equities at a price lower than the investment cost.

Country Risk

Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall.

Currency Risk

Investments of the Fund in any country may be affected by changes in the economic and political climate, restriction on currency repatriation or other developments in the law or regulations of the countries in which the Fund invests in. For example, the deteriorating economic condition of such countries may adversely affect the value of the investments undertaken by the Fund in those affected countries. This in turn may cause the NAV of the Fund or prices of units to fall. In addition, the impact of the exchange rate movement between the Base Currency and the currency of the respective Classes may result in a depreciation of the investor's holdings as expressed in currency of the respective Classes.

Taxation Risk

A portfolio may be subject to taxation resulting, for example, from income or realized capital gains attributable to certain portfolio securities. In certain cases, a double-taxation treaty may exist and serve to eliminate or ameliorate the effect of such taxation. In other cases, no such double-taxation treaty may exist. For example, a portfolio may invest in REIT securities of U.S. issuers. Dividend on the REIT securities of U.S. issuers generally will be subject to a 30% U.S. withholding tax. In addition, when the Fund sells a non-domestically controlled REIT in U.S. (REIT with less than 50% shareholding by US persons), a 10% withholding tax may be applicable on the gross receipts by the Fund. In general, these taxes will be neither refundable nor subject to reduction under an income tax treaty between the country of source and the country of residence of the Fund. No assurance can be given that applicable tax laws and interpretations thereof will not be changed or amended in the future in a manner that will adversely affect the Net Asset Value of the Fund.

In addition, the Fund (through the Manager or its agents) may need to receive certain information from an investor for it to avoid certain withholding taxes. In particular, the Foreign Account Tax Compliance Act ("FATCA") adopted in the United States will require the Fund (or the Manager) to obtain certain identifying information about its investors and potentially provide that information to the United States Internal Revenue Service. Subject to certain transition rules, investors that fail to provide the Manager or its agents with the requisite information will be subject to a 30% withholding tax on distributions to them and on proceeds from any sale or disposition. In addition, Units held by such investors may be subject to compulsory redemption.

Risk Considerations for Investing in Islamic Hedging Instruments

The Manager may use Islamic hedging instruments such as Islamic swap, Islamic forward and Islamic futures to hedge against adverse movements in currency exchange rates. This involves special risks, including but not limited to:

- the risk of loss from default by the counterparty, typically as a consequence of insolvency or failed settlement; and
- the risk of the supply and demand factors in the Islamic hedging instruments market and in other related markets impacting the liquidity of the Islamic hedging instruments market adversely, which in turn would adversely affect the Islamic hedging instrument's pricing and the Fund.

The Manager will only enter into hedging transactions where the counterparty is a financial institution with a minimum long-term credit rating by any domestic or global rating agency which indicates strong capacity for timely payment of financial obligations. In the event where the counterparty or issuer's rating falls below the minimum required or it ceases to be rated, the Manager will liquidate its position within 6 months or sooner, unless the Trustee considers it to be in the best interest of investors to do otherwise.

Fees and Charges

6. What are the fees and charges involved?

Charges when buying units of the Fund

Sales Charge	Distributors	Maximum Sales Charge*	
		RM Class	USD Class
	Unit Trust Consultant	Up to 5.00% of NAV per unit of the Class	
	Manager		
	Institutional Unit Trust Adviser ("IUTA")		
	*The sales charge is non-negotiable. However, the Manager may at its discretion charge a lower sales charge from time to time.		
Redemption Charge	Nil		
Switching Fee	Subject to the conditions on switching as set out in the prospectus of the Fund.		
Transfer Fee	RM3.00 per transfer		

Fees incurred when investing in the Fund

Management fee	Up to 1.80% per annum of NAV of the Fund
Trustee fee	Up to 0.06% per annum of NAV of the Fund (excluding foreign custodian fees and charges)

All fees and charges (e.g. sales charge, redemption charge, switching fee, transfer fee, management fee, trustee fee and any other relevant fees and/or charges), where applicable, may be subject to any tax that may be introduced by the government of Malaysia from time to time.

	RM Class	USD Class
Minimum initial investment	RM1,000.00	USD1,000.00
Minimum additional investment	RM100.00	USD100.00
Cut-off time	<ul style="list-style-type: none"> ▪ 3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and ▪ 4.00 p.m. for online transactions* (for RM Class only). 	

*Online transactions include purchase of Units and switching between Fund/ Class denominated in RM only. Online transactions are not applicable for redemption of Units currently. You may refer to our online tool for latest updates.

YOU SHOULD NOT MAKE PAYMENT IN CASH TO A UNIT TRUST CONSULTANT OR ISSUE A CHEQUE IN THE NAME OF A UNIT TRUST CONSULTANT.

Valuation and Exiting from Investment

7. How often are valuations available?

The valuation of the Fund is carried out daily at the end of the business day. The Fund's NAV per unit will be available on the Manager's website: www.manulifeinvestment.com.my.

8. How can I exit from this investment and what are the risks and costs involved?

Redeeming an investment

Unit holders may redeem part or all of their investments at any time by completing a "Redemption Form" which is available from 8.45 a.m. to 5.30 p.m. at the office of the Manager and its branches. The redemption proceeds will be paid within ten (10) calendar days from the date on which the request to redeem is received by the Manager. There is no redemption charge levied on the redemption of units.

	RM Class	USD Class
Payment of redemption proceeds from the date on which the request to redeem is received by the Manager	Within ten (10) calendar days There is no redemption charge levied on the redemption of units. *The Manager has obtained SC's approval to vary the period of payment of redemption proceeds to ten (10) business days (for USD Class).	Within ten (10) business days*
Minimum redemption amount	500 units	
Minimum holding/ balance	1,000 units	
Cut-off time	<ul style="list-style-type: none"> ▪ 3.00 p.m. for walk-in transactions or any other time that may be determined by the Manager, and ▪ 4.00 p.m. for online switching (for RM Class only). 	

Cooling-off period

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. A full refund of the money initially invested (including the sales charge, if any) will be refunded to you within 10 calendar days from the receipt of the application for cooling-off by the Manager.

For purchase/ redemption transaction made with IUTAs, the transaction is subject to the terms and conditions of the respective IUTAs. Also, if you invest in units through an IUTA which adopts the nominee system of ownership, you will not be considered as a unit holder under the Fund's deed, and you may consequently not have all the rights ordinarily exercisable by a unit holder (for example, the right to call for a unit holders' meeting and to vote thereat, and the right to have your particulars appearing in the Fund's register of unit holders).

Fund Performance

9. Average Total Return for Financial Year Ended 30 November 2020

Basis of calculation

Average Total Return = Annualised Total Return
= $[(1 + \text{Total return for the period})^{(\text{Actual no. of days in a year} \div \text{No. of days during the period})} - 1] \times 100\%$

Returns in RM (%)	1-Year
Manulife Shariah Global REIT Fund – RM Class	(3.05)
Benchmark	(3.85)
Manulife Shariah Global REIT Fund – USD Class	(0.59)
Benchmark	(1.43)

10. Annual Total Return for Financial Year Ended 30 November

Basis of calculation

$$\text{Annual Total Return} = \frac{(\text{NAV}_t - \text{NAV}_{t-1})}{\text{NAV}_{t-1}}$$

NAV_t denotes NAV at the end of the period.
NAV_{t-1} denotes NAV at the beginning of the period.

Returns (%)	2019*	2020
Manulife Shariah Global REIT Fund – RM Class	6.22	(3.05)
Benchmark	10.54	(3.85)
Manulife Shariah Global REIT Fund – USD Class	3.75	(0.59)
Benchmark	7.55	(1.43)

For the financial year ended 30 November 2020, the Fund's RM Class return decreased by 3.05%, compared with its benchmark return which decreased by 3.85%. The USD Class decreased by 0.59% compared with its benchmark return which decreased by 1.43%.

*For the period from 4 April 2019 (commencement date) to 30 November 2019.

PAST PERFORMANCE OF THE FUND IS NOT AN INDICATION OF ITS FUTURE PERFORMANCE.

11. Portfolio Turnover Ratio and Income Distribution per Unit

Financial Year End (FYE)	2019	2020
Portfolio Turnover Ratio ("PTR")	1.03	1.28
The PTR for FYE2020 is 1.28 times and was higher than FYE2019 mainly due to increase in average NAV.		
Gross distribution per unit (sen) – RM Class	1.05	1.25
Net distribution per unit (sen) – RM Class	1.05	1.25
Gross distribution per unit (sen) – USD Class	1.00	1.55
Net distribution per unit (sen) – USD Class	1.00	1.55
Distribution was in the form of cash or reinvested into additional units in the Fund at the NAV per unit on the distribution date.		

Contact Information

12. Who should I contact for further information or to lodge a complaint?

i) For internal dispute resolution, you may contact us:

Manulife Investment Management (M) Berhad

13th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur.

Tel : 03-2719 9228
Fax : 03-2094 7654
Email : MY_CustomerService@manulife.com
Website : www.manulifeinvestment.com.my

ii) If you are dissatisfied with the outcome of the internal dispute resolution process, please refer your dispute to the Securities Industries Dispute Resolution Center (SIDREC):

Securities Industries Dispute Resolution Center (SIDREC)

Unit A-9-1, Level 9, Tower A
Menara UOA Bangsar
No. 5, Jalan Bangsar Utama 1
59000 Kuala Lumpur.

Phone : 03-2282 2280
Fax : 03-2282 3855
Email : info@sidrec.com.my

iii) Even if you have initiated a dispute resolution process with SIDREC, you may also direct your complaint to the SC. To make a complaint, please contact the SC's Consumer & Investor Office:

Consumer & Investor Office

Securities Commission Malaysia
No. 3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur.

Phone : 03-6204 8999 (Aduan Hotline)
Fax : 03-6204 8991
Email : aduan@seccom.com.my
Online complaint form available at www.sc.com.my

iv) Federation of Investment Managers Malaysia (FiMM)'s Complaints Bureau:

Legal, Secretariat & Regulatory Affairs

Federation of Investment Managers Malaysia
19-06-1, 6th Floor, Wisma Tune
No. 19, Lorong Dungun
Damansara Heights
50490 Kuala Lumpur.

Phone : 03-2092 3800
Fax : 03-2093 2700
Email : complaints@fimm.com.my
Online complaint form available at www.fimm.com.my