

Manulife Preferred Securities Income Fund

Unique investment offering dividend*
and return potential

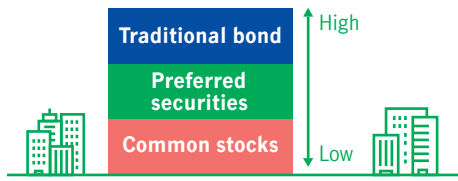
* The intention of the Manager to declare income distribution at least quarterly (if any) is not guaranteed, and the Manager may review the distribution policy depending on prevailing market conditions.

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What are preferred securities?

Priority of dividends and claims



Examples of issuers :

 Banks, insurance companies and financial services

 Utilities

 Others

- Issued by corporates, preferred securities rank between senior bonds and common stocks in the capital structure¹ of a corporate. They can be broadly classified into two types – preferred bonds and preferred stocks:
- **Preferred bonds:** Have features similar to bonds with regular interest payments², maturity dates and credit ratings, and no withholding taxes for non-US investors.
- **Preferred stocks:** Generally with fixed dividends unaffected by the company's profits and paid before the dividends for common stocks; yet mostly without any attached voting rights.
- In the event of corporate financial distress or a bankruptcy, a company's preferred securities are ranked lower than traditional bonds but higher than common stock.
- Preferred security issuers are mainly large and highly-regulated institutions including banks, insurance companies, utilities and REITs.

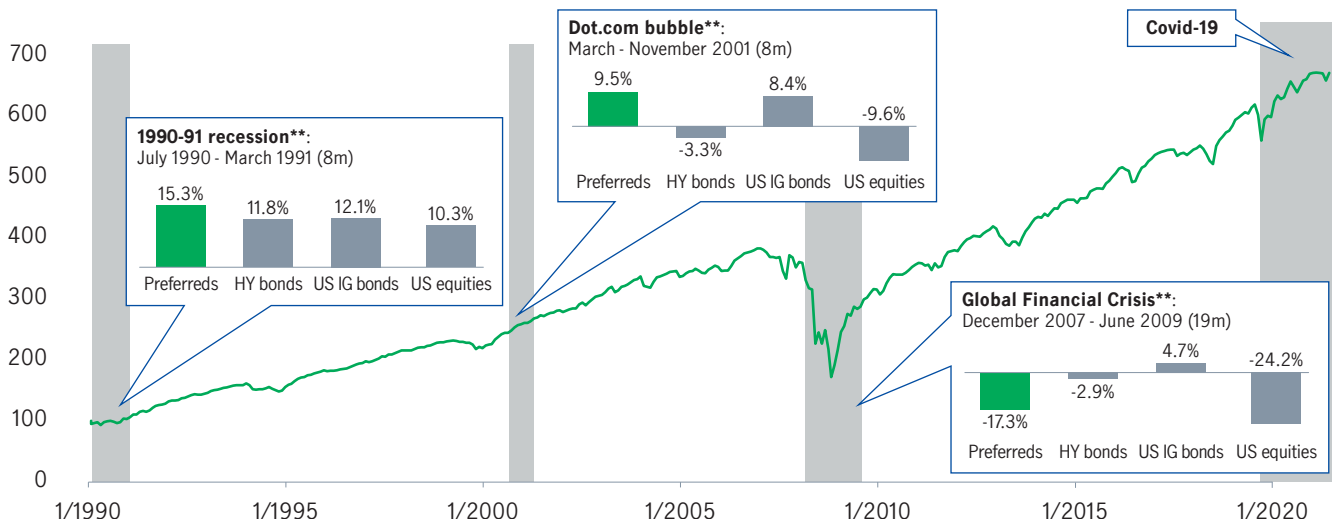
¹ Capital structure means that a corporate raises fund through issuing securities such as stocks, bonds and hybrid securities.

² Preferred securities issuers pay a dividend or interest to the holders, in two categories: cumulative and non-cumulative. For cumulative preferred securities, if the issuer does not pay a dividend on time, the dividend payable will accumulate and later, the holders are entitled to these cumulative dividends prior to common stock holders. For non-cumulative preferred securities, if the issuer cannot afford to pay the dividend in full, the holders of preferred securities have no right to claim the remaining part of the dividend in the following years. For illustrative purposes only.

Historically, preferreds excelled in most of the challenging economic environments

- With the combination of relatively higher quality and higher yields, preferred securities have performed well in two of three recessionary times except the Global Financial Crisis (GFC).
- The GFC, a recession that led to a consolidation of the financial industry, had significant impact on financial assets, e.g. bonds, stocks and preferred securities. Preferred securities were under massive pressure given the outsized financial allocations within the preferred market.
- Following the GFC and increased regulations, global bank balance sheets are at their strongest levels, and preferred securities have rebounded to a new high.

Rebased to 100 on 31 December 1989

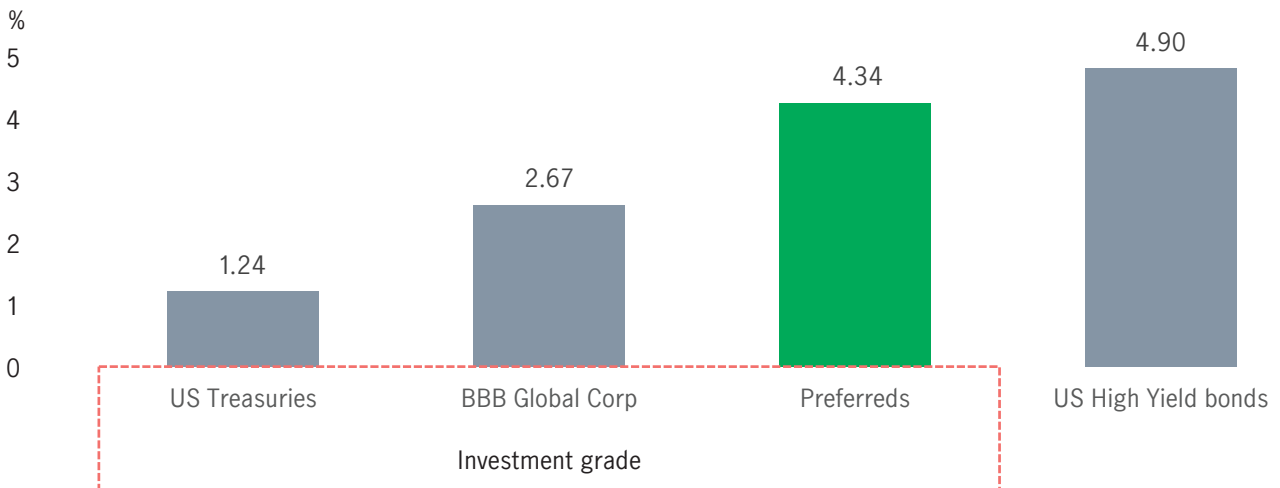


** Annualised returns. Source: Bloomberg, Manulife Investment Management. As of 31 December 2021. Preferred Securities are represented by the ICE BofA Fixed Rate Preferred Securities Index; High Yield Bonds are represented by the ICE BofA US High Yield Index; US IG (Investment Grade) Bond are represented by the Bloomberg Barclays U.S. Aggregate Bond Index; US Equities are represented by the S&P 500 Index. Past performance is not an indication of future performance.

Potentially attractive yields with strong credits

- Unlike the high yield space which is dominated by energy sectors, preferred securities issuers are usually large and highly regulated institutions and/or companies with stable cash flows such as banks, utilities and real-estate investment.
- When market fears ease, investors will look to higher yielding asset classes for income, *with a focus on higher quality investments.*

Yield to maturity as at 31 December 2021

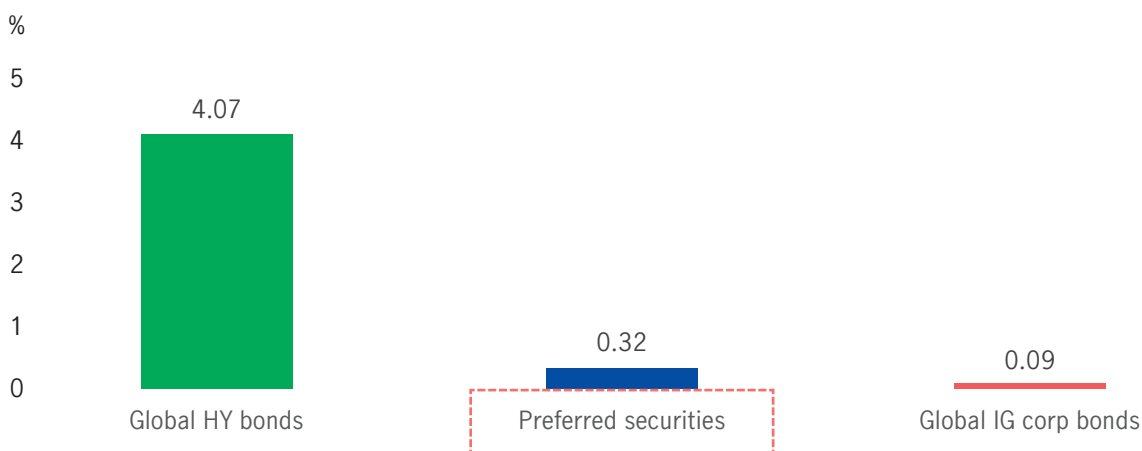


Source: Bloomberg. As of 31 December 2021. Preferred markets are represented by the ICE BofAML US All Capital Securities Index (IOCS). US High Yield are represented by ICE BofAML US High Yield Index (HOAO). BBB Global Corp is represented by ICE BofAML BBB Global Corporate Index; US Treasuries are represented by ICE BofAML US Treasury & Agency Index (GOAO). For illustrative purposes only. Past performance is not an indication of future results. The above yield to maturity does 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.

Relatively low default rate

Most preferred securities are issued by well-known corporates such as large banks and insurers, with high credit quality. Historically, the default rate of preferred securities was much lower than global high yield bonds.

Average long term default rates (1990 - 2020)



Source: Default rates for global high yield bonds and global investment grade bonds are sourced from Moody's Investor Services, as of 31 December 2020. Default rates for preferred securities for the periods of 1990-2017 were sourced from Wells Fargo. Starting from 2018 default rates for preferred securities were calculated by Manulife Investment Management based on ICE BofAML US All Capital Securities Index. As of 31 December 2020. Past performance is not indicative of future performance.

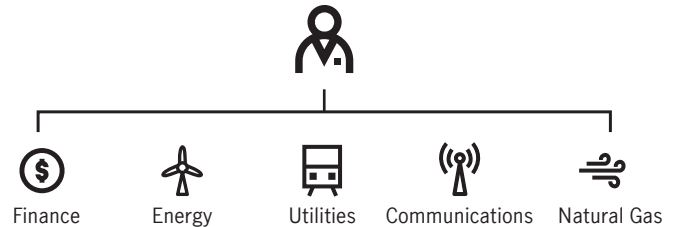
Key features of Manulife Preferred Securities Income Fund

Global allocation with US bias



Global portfolio focusing on US market where most preferred debts supply is.

Focus on defensive sectors



For illustrative purposes only.

A balanced sector positioning with focus on defensive sectors such as utilities.

Receive potential regular income***



Potential quarterly payout***

Well experienced investment team



- More than 29 years of investment experience by the US based lead manager.
- 150+ global fixed income investment experts³.
- One of the key players in the market with USD 5.5 billion assets under management in preferred securities⁴.

*** The intention of the Manager to declare income distribution at least quarterly (if any) is not guaranteed, and the Manager may review the distribution policy depending on prevailing market conditions.

³ Source: Manulife Investment Management, as of 30 September 2021. Manulife Investment Management's global investment professional team includes expertise from several Manulife IM affiliates and joint ventures; not all entities represent all asset classes. 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.

⁴ Source: Manulife Investment Management, data as of 31 December 2021.

Key fund information

| | | |
|---------------------------------------|---|--|
| Name of the fund | Manulife Preferred Securities Income Fund (“The Fund”) | |
| The Manager | Manulife Investment Management (M) Berhad 200801033087 (834424-U) | |
| Fund category | Feeder fund | |
| Base currency | USD | |
| Currency class | A (RM-Hedged) Class and A (USD) Class Note: The Fund is established as a multi-class fund. Hence, the Manager may offer additional Class(es) from time to time at its absolute discretion by way of a supplemental or replacement prospectus without prior consent from Unit Holders. | |
| Investment objective | The Fund aims to provide income and potential capital appreciation by investing in one collective investment scheme with investment focus in preferred securities. | |
| Investor profile | This Fund is suitable for investors who: <ul style="list-style-type: none"> • seek regular income and potential capital appreciation; • have a long-term investment horizon; and • wish to seek investment exposure in preferred securities globally. | |
| Investment policy and strategy | The Fund will invest at least 95% of the Fund’s NAV in share class R (USD) MDIST (G) of Manulife Global Fund – Preferred Securities Income Fund (the “Target Fund”), and the remaining NAV of the Fund will be in liquid assets such as money market instruments (including fixed income securities which have remaining maturity period of less than 365 days) and/ or placement of deposits with financial institutions for liquidity purposes. | |
| Benchmark | BofA/Merrill Lynch All Capital Securities Index Note: The benchmark is only used for reference purpose only. The risk profile of the Fund is not the same as the risk profile of this benchmark. | |
| Initial offer price | A (RM-Hedged) Class RM 0.5000 | A (USD) Class USD 0.5000 |
| Initial offer period | Twenty-one (21) days from 7 October 2020 to 27 October 2020 | |
| Sales charge | Distribution channels IUTA UTC Manager | Sales charge (applicable to all Classes of Units) Up to 3.00% of the NAV per Unit |
| Annual management fee | Up to 1.50% of the NAV of the Fund per annum calculated and accrued on a daily basis. | |
| Annual trustee fee | 0.04% per annum of the NAV of the Fund (excluding foreign custodian fees and charges). | |
| Minimum initial investment | A (RM-Hedged) Class RM1,000.00 | A (USD) Class USD1,000.00 |
| Minimum additional investment | A (RM-Hedged) Class RM100.00 | A (USD) Class USD100.00 |
| 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 quarterly basis. Note: For details, please refer to the fund prospectus. | |
| Financial year end | 30 June | |
| Cooling off | The cooling-off period is only applicable to any person investing for the first time in any unit trust funds managed by the Manager and excludes staff of the Manager and persons registered 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. | |



Manulife Investment Management

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 Prospectus of Manulife Preferred Securities Income Fund dated 7 October 2020, its First Supplemental Prospectus dated 9 February 2021 and its Second Supplemental 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.