

Important Notes:

- 1 Manulife Global Fund – Preferred Securities Income Fund (“Manulife Preferred Securities Income Fund” or the “Fund”) invests primarily in preferred securities listed or traded on any regulated market in the world, including preferred stocks (including convertible preferred stocks) and subordinated debt securities, which exposes investors to fixed income and equity market risk, volatility and liquidity risk and currency risk. As the Fund may carry significant exposure to US-related issuers it may expose investors to geographical concentration 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 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) and R 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’s investment in fixed income and cash and cash equivalents is subject to credit risk, interest rate risk, credit rating and downgrading risk and high-yield bonds risk.
- 4 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.
- 5 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.
- 6 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

August 2024

Manulife Preferred Securities Income Fund



What are Preferred Securities?

Issued by corporates, preferred securities **rank between traditional bonds and common stocks in the capital structure** of a corporate. In the event of corporate financial distress or a bankruptcy, a company's preferred securities are senior to common stock but subordinated to traditional bond.

The 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 trusts (REITs).

* For illustrative purposes only in relation to the ICE BofA US All Capital Securities Index's holding and may be subject to change. It does not constitute an offer or an invitation by or on behalf of Manulife Investment Management to any person to buy or sell any particular securities or investment. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment product or adopt any investment strategy. As of June 30, 2023.

Priority of dividends and claims



Examples of issuers*:



Banks, insurance companies and financial services

Bank of America Corporation, HSBC Holdings plc, Morgan Stanley, MetLife Inc.



Utilities

Dominion Energy Inc., DTE Energy Company, NextEra Energy Capital Holdings Inc.



Others

Vodafone Group Inc., Ford Motor Company, Brunswick Corporation

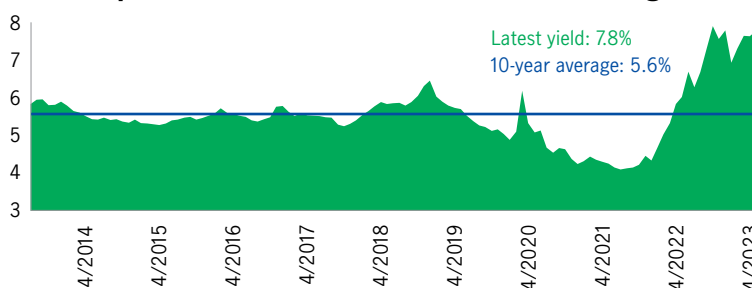
Major advantages of Preferred Securities

Inflation-hedging potential with compelling yields

With an average investment-grade rating, preferred securities now offer around 7.8% yield, the highest level in the past decade. Thanks to the higher credit spread, during the period of higher inflation over past 20 years*, preferred securities generally held up well with positive returns above US IG corporate bonds and US treasuries.

* Higher inflation refers to US CPI > 2% during 2002 to 2022, excluding GFC during Sep 2007 to Nov 2009.

Yield of preferred securities rose to historical high levels

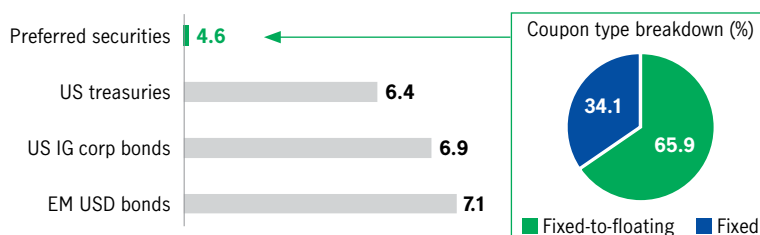


Source: Bloomberg, as of June 30, 2023. Preferred securities are represented by ICE BofA US All Capital Securities Index. The above yield to maturity does not represent the distribution yield of the Fund and is not an accurate reflection of the actual return that an investor will receive in all cases. A positive distribution yield does not imply a positive return. For illustrative purposes only. Past performance is not indicative of future performance.

Interest rate risk mitigation

Predominated by fixed-to-floating rate securities, preferred securities are less sensitive to rising interest rates (i.e. shorter duration) compared to other investment-grade bonds. Fixed-to-floating preferreds can offer coupon protection from rising rates as the variable coupon type securities can capture higher coupon when rates rise.

Duration of investment-grade fixed income assets

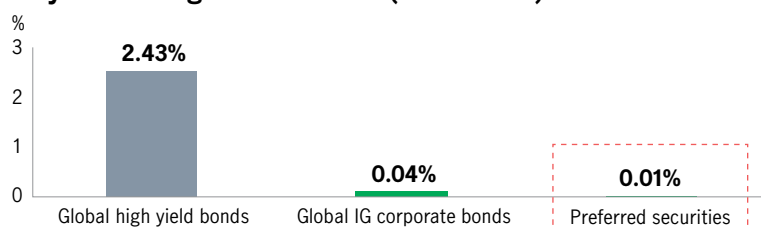


Source: Bloomberg, as of June 30, 2023. Preferred securities are represented by ICE BofA US All Capital Securities Index; US treasuries are represented by ICE BofA US Treasury & Agency Index; US IG Corp bonds are represented by ICE BofA US Corporate Index; EM USD bonds represented by ICE BofA Emerging Market External Sovereign Index. For illustrative purposes only. Past performance is not indicative of future performance. Due to rounding, the total may not be equal to 100%.

Downside buffer with higher quality

Preferred securities are well positioned to help buffer economic slowdown as near 90% of preferred issuers are rated as investment grade and are generally well-established, high-quality companies with solid balance sheets. Historically, the default rate of preferred securities was much lower than global high yield bonds.

10-year average default rate (2012-2022)



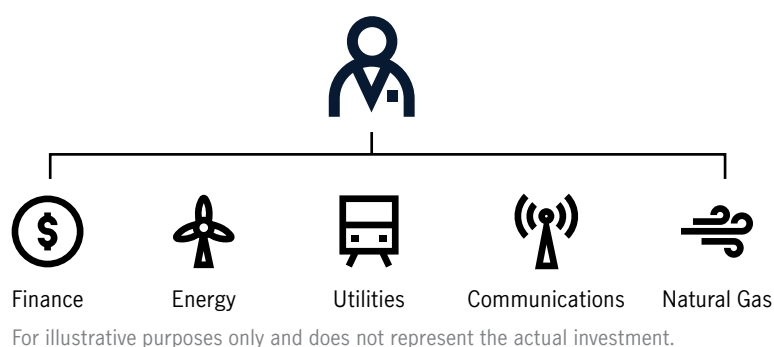
Source: Global high yield bonds are represented by ICE BofA Global High Yield Index; Global IG corporate bonds represented by ICE BofA Global Corporate Bond Index; Preferred securities are represented by ICE BofA US All Capital Securities Index. Default rates for global high yield bonds and global IG corporate bonds sourced from Moody's, as of December 31, 2022. Preferred default rates for preferred securities were calculated by Manulife Investment Management based on ICE BofA US All Capital Securities Index, as of December 31, 2022. Calculated annually. Past performance is not indicative of future performance.

Manulife Preferred Securities Income Fund

Aims to deliver consistent income plus a balanced sector positioning

Manulife Preferred Securities Income Fund aims to offer monthly distributions with potential capital growth. Compared to broad preferred market, the Fund is more diversified positioned, with focus on utilities, energy and financials sectors, which could be better-positioned in a high inflation and low growth environment.

The Fund adopts dynamic strategies to respond to the changing macroeconomic environment by flexibly allocating into various types of preferred securities, e.g., institutional/retail, fixed-to-floating/fixed and convertible/non-convertible. The Fund also actively manages portfolio duration in accordance with the interest rate cycle.



Dividend schedule

Record date	Ex-dividend date	Ex-dividend NAV*	AA (USD) MDIST (G)	
			Dividend per share	Annualized dividend yield*
3/28/2024	4/2/2024	\$0.8298	0.0049	7.40%
2/29/2024	3/1/2024	\$0.8252	0.0049	7.44%
1/31/2024	2/1/2024	\$0.8233	0.0049	7.46%

(The distribution yield is not guaranteed. Distribution may be paid out of capital. Refer to Important Note 2)

* Source: Manulife Investment Management, as of March 31, 2024, refers only to Class AA (USD) MDIST(G). Annualized yield = $[(1 + \text{distribution per unit/ex-dividend NAV})^{\text{distribution frequency per annum}} - 1]$, the annualized dividend yield is calculated on the basis of the latest relevant dividend distribution and dividend reinvested, and may be higher or lower than the actual annual dividend yield. Please note that dividend is not guaranteed, and a positive dividend yield does not imply a positive return. Dividend yield increases sharply due to the significant drop in NAV. Please refer to www.manulifefunds.com.hk for the historical distribution yield records. Past performance is not indicative of future performance.

Manulife Investment Management's expertise

30+ years

investment experience by US-based lead manager¹

160+

global fixed income investment experts²

USD 4.8 billion

AUM in preferred securities³, one of the key players in the market

¹ Source: Manulife Investment Management, as of December 30, 2023.

² Source: Manulife Investment Management, as of March 31, 2023. 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.

³ Source: Manulife Investment Management, data as of March 31, 2023.



Joseph Bozoyan

US-based portfolio manager on the Preferred Income Management Team at Manulife Investment Management

Previously a managing director and senior investment analyst on Manulife's Intrinsic Value Team

Q: How did the preferred securities market perform in July 2024?

A: The U.S. bond market¹ advanced for the third straight month in July. Signs of continued cooling on the inflation front, including the lowest 12-month inflation reading in a year, were the key catalyst for the bond market rally. The continued downtrend in the inflation rate boosted investor expectations that the U.S. Federal Reserve (Fed) could begin lowering short-term interest rates as soon as September. As expected, the Fed held rates steady at its July policy meeting but left the door open for a rate cut at its next meeting despite continued signs of a robust U.S. economy, which grew at a higher-than-expected 2.8% annualized rate in the second quarter.

U.S. bond yields declined sharply across the board for the month, led by the market's short- and intermediate-term segments. Against this backdrop, preferred securities registered a 0.98% total return in July, with convertible preferreds taking the lead with 2.63% total return¹.

Q: What has been driving the Fund's performance in July 2024?

A: The Fund posted a positive return² in July 2024. The portfolio's performance was driven by its security selection in the electric utility sector, which was the leading contributor. The portfolio also benefited from security selection in the banking and insurance sectors. The portfolio's security selection in junior subordinated preferreds was the top asset class contributor.

However, the portfolio's security selection in the communications sector was the leading detractor. Additional detractors include security selection in the consumer cyclical and natural gas sectors. Lastly, the portfolio's preferred stock underperformed the preferred market.

Q: What is your investment outlook following the recent market volatility?

A: U.S. treasury yields declined materially across the bull-steepened curve following Chair Powell's dovish signaling in July FOMC press conference and a handful of bearish economic data released in early August, including worst-than-expected weekly unemployment claims, July's unemployment rate, durable goods orders, home sales, and manufacturing activity. This has resulted in futures almost fully pricing in a 50-basis point cut in the federal funds rate in September and another 50 basis points in November. The concern is that the Fed has been behind the curve on rate cuts and that the US economy could be heading for a recession. However, the timing of all this is crucial because of the typical thin volumes throughout August.

The Fund has been prepared for a market sell-off as we have been defensively positioned since early 2023. We do not expect to materially change our strategies amid the elevated volatility due to geopolitical concerns, the upcoming US elections, and the Fed.

Unless otherwise stated, all information sources are from Bloomberg, Manulife Investment Management, as of July 31, 2024. The information in this material 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.

¹ Source: Bloomberg, as of July 31, 2024. U.S. bonds measured by Bloomberg US Agg Bond TR USD Index. Preferred securities measured by ICE BofA US All Capital Securities Index. Convertible preferreds measured by ICE BofA US Convertible Preferred Index. Past performance is not indicative of further performance.

² Source: Manulife Investment Management, as of July 31, 2024. Fund performance applies only to AA (USD) MDIST (G) class. All the performance figures are on NAV to NAV basis, in base currency with dividend reinvested. Performance of AA (USD) MDIST (G) class: 1.21% (1 month); 3.64% (3 months); 4.64% (6 months); 6.58% (year to date); 11.03% (1 yr), -0.71% (3 year annualized), 2.12% (5 year annualized), 3.10% (since inception annualized). AA (USD) MDIST (G) class performance information for past five calendar years: 7.62% (2023); -14.98% (2022); 4.79% (2021); 3.55% (2020); 21.07% (2019). Inception date: September 11, 2018. Investment involves risk. Past Performance is not indicative of future performance.

Issued by Manulife Investment Management (Hong Kong) Limited.

This material has not been reviewed by the Securities and Futures Commission (SFC).