

Manulife Investment-HW Shariah Flexi 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, that 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 authorised the issuance of *Manulife Investment-HW Shariah Flexi Fund* (“the Fund”) and a copy of this Product Highlights Sheet has been lodged with the Securities Commission Malaysia.

The authorisation of the Fund and lodgement 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.

Please note that this Fund is not offered for sale to any U.S. (“United States of America”) person. If you are a non-Malaysian, your subscription may be restricted by your local law or regulation. Please observe and comply with such local restrictions, if any. If in doubt, please consult a professional adviser.

Manulife Investment-HW Shariah Flexi Fund has been certified as Shariah-compliant by the Shariah adviser appointed for the Fund.

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 is an Islamic mixed assets fund that aims to provide unit holders with long-term capital appreciation.

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:

- seek capital appreciation and do not seek a regular income stream;
- seek investments which conform to the requirements of the Shariah;
- are willing to accept high level of risk; and
- have a long-term investment horizon (at least 5 years).

Key Product Features

3. What am I investing in?

Fund Category	Mixed Assets (Islamic)
Investment Strategy and Policy	<p>The Fund invests in a diversified portfolio of Shariah-compliant equities and/or Shariah-compliant equity-related instruments as well as sukuk and/or Islamic money market instruments. Islamic liquid assets such as Islamic money market instruments and Islamic deposits are used to maintain liquidity position and as a short-term alternative should the Shariah-compliant equity or sukuk markets become extremely volatile. The Fund may invest in the Shariah-compliant investments directly or via Islamic collective investment schemes.</p> <p>The Fund may invest up to 98% of its net asset value (“NAV”) in a single asset class of Shariah-compliant equities and/or Shariah-compliant equity-related instruments or sukuk and/or Islamic money market instruments. This allows the Fund the flexibility to switch to Shariah-compliant equities and/or Shariah-compliant equity-related instruments when the stock market is bullish and to switch to sukuk and/or Islamic money market instruments when the stock market is bearish. At any one time, the asset mix may also comprise all asset classes. The Fund will maintain at least 2% of its NAV in Islamic liquid assets.</p> <p>The Fund adopts an absolute return approach which seeks to provide investors with consistent returns across market cycles while managing the impact of volatility.</p>

	<p>In terms of investing in Shariah-compliant equity investment, Affin Hwang Asset Management Berhad (the “Fund Manager”) intends to invest in companies that have recorded 10%-15% growth in profits from preceding year, as well as quality companies which the Fund Manager classifies as having strong balance sheets, positive cash flows and low gearing levels compared to business peers and sector norm. The quality of the management is also crucial when searching for an investment opportunity. The Fund Manager aims to identify mispricing opportunities as they occur and take advantage of them regardless of whether the companies exhibit growth, value or defensive characteristics. The Fund Manager also aims to identify investment themes that will eventually capture market interest.</p> <p>In terms of investing in sukuk, the Fund follows a strict selection process to ensure only appropriate sukuk are invested in with respect to the investment objective. The selection process is in essence a screening process that selects quality sukuk with risk-return profiles that match the Fund’s requirements. The selection of sukuk will largely depend on the credit rating of the issuer to assure relative certainty of principal payment and overall total return stability. Similarly for Islamic deposits, the Fund will place the deposits with Islamic financial institutions whose credit profile the Fund Manager is comfortable with.</p> <p>The Fund invests in both the Shariah-compliant equity and sukuk of corporations in Malaysia that practice good corporate governance, which is a key driver in the selection of securities. Some of the criteria chosen are transparency, accountability and integrity. These include having independent directors on the board, transparent business procedures and financial information, accessibility of the management team to investors and the protection of minority shareholders’ rights.</p>								
Asset Allocation	<table border="1"> <thead> <tr> <th>Asset Class</th> <th>Allocation (% of the Fund’s NAV)</th> </tr> </thead> <tbody> <tr> <td>Shariah-compliant equity and/or Shariah-compliant equity-related instruments</td> <td>Maximum 98%</td> </tr> <tr> <td>Sukuk and/or Islamic money market instruments</td> <td>Maximum 98%</td> </tr> <tr> <td>Islamic liquid assets</td> <td>Minimum 2%</td> </tr> </tbody> </table>	Asset Class	Allocation (% of the Fund’s NAV)	Shariah-compliant equity and/or Shariah-compliant equity-related instruments	Maximum 98%	Sukuk and/or Islamic money market instruments	Maximum 98%	Islamic liquid assets	Minimum 2%
Asset Class	Allocation (% of the Fund’s NAV)								
Shariah-compliant equity and/or Shariah-compliant equity-related instruments	Maximum 98%								
Sukuk and/or Islamic money market instruments	Maximum 98%								
Islamic liquid assets	Minimum 2%								
Performance Benchmark	50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Maybank 12-month GIA-i Rate								
Base Currency	Ringgit Malaysia (RM)								
Launch Date	18 October 2012								
Financial Year End	31 January								
Distribution Policy	Income distribution (if any) is incidental.								

4. Who am I investing with?

Manager	Manulife Investment Management (M) Berhad
Fund Manager	Affin Hwang Asset Management Berhad
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 Fund Manager which will impact the performance of the Fund. For example, investment decisions undertaken by the Fund 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 and investments of the unit holders will be negatively affected when it has to sell such assets at unfavourable prices.

Loan or Financing Risk

This risk occurs when investors take a loan/ financing to finance their investment. The inherent risk of investing with borrowed/ financed money includes investors being unable to service the loan repayments/ financing payments. In the event units are used as collateral, an investor may be required to top-up the investors’ existing instalment if the prices of units fall below a certain level due to market conditions. Failing which, the units may be sold at a lower NAV per unit as compared to the NAV per unit at the point of purchase, towards settling the loan/ financing.

Please note that loan/ financing is discouraged.

Suspension/Deferment of Redemption Risk

The Manager may, in consultation with the Trustee and having considered the interests of investors, suspend the dealings in units of the Fund due to exceptional circumstances such as when the market value or fair value of a material portion of the Fund's assets cannot be determined. No application will be dealt with when suspension of dealing in units are triggered and this will limit the unit holder's right to freely redeem their units in the Fund.

For the purpose of liquidity risk management, the Fund may defer redemption to the next business day if the total net redemption received is more than 10% of the NAV of the Fund on a particular business day. When such redemption limit is triggered, it may jeopardise the Fund's ability to meet unit holders' redemption request and may lead to a delay in repayment of redemption proceeds to investors.

Stock Specific Risk

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

Credit and Default Risk

Credit risk relates to the creditworthiness of the issuers of the sukuk and/or Islamic money market instruments and their expected ability to make timely payment of profit and/or principal. Any adverse situations faced by the issuer may impact the value as well as liquidity of the sukuk and/or Islamic money market instruments. In the case of rated sukuk, this may lead to a credit downgrade. Default risk relates to the risk that an issuer of a sukuk either defaulting on payments or failing to make payments in a timely manner which will in turn adversely affect the value of the sukuk. This could adversely affect the value of the Fund. Such risk could be mitigated through credit analysis and having regular updates on the business profile and the financial position of the issuer or counterparty of the sukuk.

Interest Rate Risk

Interest rate risk refers to the impact of interest rate changes on the valuation of sukuk and/or Islamic money market instruments. When interest rates rise, sukuk and/or Islamic money market instruments prices generally decline and this may lower the market value of the Fund's investment in sukuk and/or Islamic money market instruments. The reverse may apply when interest rates fall. In order to mitigate interest rate risk, the Manager will need to manage the sukuk and/or Islamic money market instruments portfolio taking into account the coupon rate and time to maturity of the sukuk and/or Islamic money market instruments.

The rates for Islamic deposits are normally fixed during the specific and agreed tenure. Hence, any changes in the prevailing level of interest rates will not impact the earlier deposit rates that have been agreed between the Manager and the financial institutions. However, in the event of rising interest rates, the Fund will lose the opportunity to earn higher interest during the specific tenure.

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless of whether it is Shariah-compliant. It does not in any way suggest that the Fund will invest in conventional financial instruments. All investments carried out for the Fund are in accordance with Shariah requirements.

Risk Associated with Investing in Islamic Collective Investment Scheme ("CIS")

The management company of the Islamic CIS, which the Fund may invest into, has absolute discretion over the Islamic CIS's investment technique, operational controls and management. In the event of mismanagement of the Islamic CIS and/or the management company of the Islamic CIS, the Fund's NAV would be affected negatively. Should such a situation arise, the Fund Manager will seek for another Islamic CIS.

Reclassification of Shariah Status Risk

This is the risk that the currently held Shariah-compliant securities in the portfolio of 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 Fund 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 securities. The value of the Fund may also be adversely affected in the event of a disposal of Shariah non-compliant securities at a price lower than the investment cost.

Risk Considerations for Investing in Islamic Hedging Instruments and Shariah-compliant Warrants

The Fund Manager may use Islamic hedging instruments such as Islamic swap, Islamic forward and Islamic futures, to hedge against certain risks such as 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.

The Fund Manager will only enter into hedging transactions where the counterparty is a financial institution with a minimum long-term credit rating of investment grade (including gradation and subcategories) rated by any domestic or global rating agency. In the event where the counterparty's or issuer's rating falls below the minimum required or it ceases to be rated, the Fund Manager will liquidate its position within six months or sooner, unless the Trustee considers it to be in the best interest of unit holders to do otherwise.

Subject to the permitted investments of the Fund, the Fund may purchase Shariah-compliant warrants. The Fund may also hold Shariah-compliant warrants which arise from the Fund's holdings in Shariah-compliant equities and such Shariah-compliant warrants are limited to those which can be converted into new shares. A Shariah-compliant warrants gives the Fund the right but not the obligation to subscribe to the underlying securities of the issuing company at a pre-determined price (exercise price), quantity and expiry period. It will expire and its value diminishes if it is not exercised by the expiration date or it is out-of-the-money (the exercise price is higher than the current market price of the underlying securities). Prices of Shariah-compliant warrants are extremely volatile and it may not always be possible to dispose all in a short period of time.

To mitigate these risks, all investment in derivatives/ Islamic hedging instruments will be closely monitored or efforts will be taken to unwind such positions if there is material adverse change to the counterparty or issuer.

Fees and Charges

6. What are the fees and charges involved?

Charges when buying units of the Fund

Sales Charge	Distributors	Maximum Sales Charge*
	Unit Trust Consultant	
	Manager	
	Institutional Unit Trust Adviser (“IUTA”)	
	Employees Provident Fund (“EPF”) Sales	
	EPF via i-Akaun (Member)	
<p>*The sales charge is non-negotiable. However, the Manager may at its discretion charge a lower sales charge from time to time.</p> <p>Note: The list of funds qualified under the Employees Provident Fund – Members Investment Scheme (“EPF-MIS”) is available on our website at www.manulifeim.com.my or the EPF’s website at www.kwsp.gov.my and will be updated as and when EPF revises the list.</p>		
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 1.50% per annum of NAV of the Fund
Trustee fee	Up to 0.06% per annum of NAV of the Fund

All fees and charges (e.g. sales 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.

Minimum initial investment	
Walk-in/ Hardcopy application	RM2,000.00
Online application	RM1,000.00
Minimum additional investment	
Walk-in/ Hardcopy application	RM200
Online application	RM100
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*.

*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. Funds with exposure to foreign investments shall be valued at or before 5.00 p.m. on the next business day (or T+1) because of the time difference between Malaysia and the country(ies) where the funds invest in. The NAV per unit of the Fund will be published upon valuation conducted. However, delay may occur in updating the NAV per unit of the Fund. The latest prices will be available on the Manager’s website at www.manulifeim.com.my or FIMM’s website. Alternatively, unit holders may contact the Manager’s Customer Service Hotline.

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. There is no redemption charge levied on the redemption of units. Redemption proceeds will be paid within seven (7) business days from the date on which the redemption request is received by the Manager at or before cut-off time.

Unit holders should note that redemption limit or suspension of dealing in units of the Fund may be imposed as part of liquidity risk management. These circumstances may lead to delay in payment of redemption proceeds to you. For more information, please refer to the Transaction Information section of the Fund’s prospectus.

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.

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. The money invested will be refunded to you subject to the conditions as set out in the prospectus of the Fund. In the case of an investment via EPF-MIS, the cooling-off period is subject to EPF's terms and conditions (if applicable).

Withdrawal proceeds will only be paid to you once the Manager has received the cleared payments for the original investment.

Fund Performance

9. Average Total Return for Financial Year Ended 31 January 2024

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	3-Year	5-Year	10-Year
Manulife Investment-HW Shariah Flexi Fund	8.76	0.26	6.54	4.00
Benchmark	2.47	(0.84)	1.27	1.14

10. Annual Total Return for Financial Year Ended 31 January

Basis of calculation

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 in RM (%)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Manulife Investment-HW Shariah Flexi Fund	0.20	(0.91)	4.44	22.01	(14.75)	1.35	34.40	(2.08)	(5.36)	8.76
Benchmark	2.72	0.25	1.23	7.48	(6.22)	1.80	7.31	(4.14)	(0.74)	2.47

For the financial year ended 31 January 2024, the Fund's return increased by 8.76%, compared with its benchmark return which increased by 2.47%.

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)	2022	2023	2024
Portfolio Turnover Ratio ("PTR")	1.55	0.50	0.60
The PTR for FYE2024 was 0.60 times and was higher than FYE2023 mainly due to the increase in trading activities.			
Gross distribution per unit (sen)	-	-	-
Net distribution per unit (sen)	-	-	-
There was no income distribution for the financial year ended 31 January 2024.			

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.

Customer Service Hotline : 03-2719 9271
General Line : 03-2719 9228
Email : MY_CustomerService@manulife.com
Website : www.manulifeim.com.my

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

Securities Industry 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 : 03-7890 4242 (Press 3)
Fax : 03-2093 2700
Email : complaints@fimm.com.my
Online complaint form available at www.fimm.com.my