

Prepared on: 30/09/2011

This Product Highlights Sheet (“PHS”) is an important document.

- It highlights the key terms and risks of this investment product and complements the Prospectus<sup>1</sup> of the Fund dated 30 September 2011 (the “Prospectus”). The information herein is accurate as at the date of this PHS. Investors should investigate if a more updated PHS is available.
- It is important to read the Prospectus before deciding whether to purchase units in the Fund. If you do not have a copy, please contact us to ask for one.
- You should not invest in the Fund if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the units in the Fund (“Units”), you will need to make an application in the manner set out in the Prospectus.

## MANULIFE STRATEGIC INCOME FUND (the “Fund”)

Product Type	Unit Trust	Launch Date	21 February 2011
Manager	Manulife Asset Management (Singapore) Pte. Ltd.	Trustee and Custodian	HSBC Institutional Trust Services (Singapore) Limited
Capital Guaranteed	No	Dealing Frequency	Every Business Day
Name of Guarantor	Not Applicable	Expense Ratio for the financial year ended 31 December 2010	Not available (as at the date of this PHS)

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

- The Fund is only suitable for investors who:
    - seek a high level of current income; and
    - are comfortable that the price and value of the Units as well as any derived or accrued income may fall or rise, with potential loss of the original amount invested.
- Investors should consult their financial advisers if in doubt on whether the Fund is suitable for them.**

#### Further Information

Refer to Schedule 8 on Pg [94] of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

- You are investing in a sub-fund of Manulife Funds, which is a unit trust constituted in Singapore. The Fund aims to seek a high level of current income by investing all or substantially all its assets into share class I of Manulife Global Fund – Strategic Income Fund (the “**underlying fund**”), a sub-fund of the Luxembourg-domiciled Manulife Global Fund (“MGF”).
- Distribution of income and/or capital of the Fund will be at the Manager’s sole discretion.

Refer to Paragraph 1 “Basic Information” on Pg [5], Paragraph 20.3 “Distribution of Income and Capital” on Pg [24] and Sections A and B in Schedule 8 on features of the product.

#### Investment Strategy

- The Fund will achieve its investment objective by investing all or substantially all its assets into share class I of MGF – Strategic Income Fund.
- The investment objective of the underlying fund is to seek a high level of current income. In pursuing this goal, the underlying fund invests primarily in the following types of securities:
  - foreign government and corporate debt securities from developed and emerging markets;

Refer to Sections A and B in Schedule 8 on Pg [94] of the Prospectus for further information on the investment strategy of

<sup>1</sup> The Prospectus is available for collection during normal business hours at the Manager’s business office at 1 Kim Seng Promenade, #11-07/08 Great World City, West Tower, Singapore 237994.

<ul style="list-style-type: none"> <li>➤ U.S. government and agency securities; and</li> <li>➤ U.S. high yield bonds.</li> <li>• The underlying fund may also invest in preferred stock and other types of debt securities.</li> <li>• Although the underlying fund may invest up to 10% of its total assets in securities rated in default by Standard &amp; Poor's or Moody's rating agencies (the expression "in default" in this context refers to securities that have missed one or more scheduled payments of interest or principal or have a rating of "D" by the rating agencies), it generally intends to keep its average credit quality in the investment grade range (AAA to BBB). There is no limit on the underlying fund's average maturity.</li> <li>• In managing the underlying fund, the investment manager allocates assets among the three major sectors referred to above based on analysis of economic factors, such as projected international interest rate movements, industry cycles and political trends. However, the investment manager may invest up to 100% of assets in any one sector.</li> <li>• In certain circumstances where the markets suffer significant volatility, offer limited liquidity or while searching or waiting for suitable investment opportunities, the underlying fund may temporarily invest or hold large positions in investment grade short-term securities or cash and cash-based instruments. In these and other cases, this may have an unfavourable effect on the underlying fund's performance and ability to achieve its investment objectives.</li> </ul>	the product.
<b>Parties Involved</b>	
<p><b>WHO ARE YOU INVESTING WITH?</b></p> <ul style="list-style-type: none"> <li>• The Fund is a sub-fund of the Manulife Funds, which is constituted in Singapore.</li> <li>• The Manager of the Fund is Manulife Asset Management (Singapore) Pte. Ltd..</li> <li>• The Trustee and Custodian of the Fund is HSBC Institutional Trust Services (Singapore) Limited.</li> <li>• The underlying fund into which the Fund feeds substantially or wholly into, MGF – Strategic Income Fund, is a sub-fund of the Luxembourg-domiciled Manulife Global Fund.</li> <li>• The investment manager of the underlying fund is Manulife Asset Management (US) LLC.</li> </ul>	Refer to Paragraph 1 "Basis Information" on Pg [5], Paragraph 2 "The Manager" on Pg [7], Paragraph 3 "The Trustee" on Pg [7] and Section C in Schedule 8 on Pg [96] of the Prospectus for further information on the roles of these entities.
<b>KEY RISKS</b>	
<p><b>WHAT ARE THE KEY RISKS OF THIS INVESTMENT?</b></p> <p><b>The price and value of Units and income (if any) accruing therefrom may rise or fall. These risk factors (which are not exhaustive) may cause you to lose some or all of your investment:</b></p>	Refer to Paragraph 8 "Risks" at Pg [10] and Section F in Schedule 8 on Pg [99] of the Prospectus for further information.
<b>Market and Credit Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You are exposed to credit risk.</b> <ul style="list-style-type: none"> <li>○ The underlying fund (and consequently, the Fund) is exposed to the risk that a bond issuer will default.</li> </ul> </li> <li>• <b>You are subject to interest rate risk.</b> <ul style="list-style-type: none"> <li>○ When interest rates rise on certain currencies that the bonds are denominated in, the value of the bonds may reduce, resulting in a lower value for the portfolio.</li> </ul> </li> <li>• <b>You are exposed to emerging market risk.</b> <ul style="list-style-type: none"> <li>○ Market risks in emerging markets can be greater than developed markets.</li> </ul> </li> <li>• <b>You are exposed to counterparty risk.</b> <ul style="list-style-type: none"> <li>○ This refers to the risk of loss in connection with the insolvency of an issuer or a counterparty and/or its failure to perform under its contractual obligations.</li> </ul> </li> <li>• <b>You are exposed to high-yield bonds risk.</b> <ul style="list-style-type: none"> <li>○ The major risk factors in the high-yield bonds' performance are interest rate and credit risks, both of which are explained in more detail above.</li> </ul> </li> </ul>	Refer to Paragraph 8 "Risks" at Pg [10] and Section F in Schedule 8 on Pg [99] of the Prospectus for further information.
<b>Liquidity Risks</b>	
<ul style="list-style-type: none"> <li>• <b>You can realise your units only on Dealing Days.</b> <ul style="list-style-type: none"> <li>○ All realisation requests may only be made on Dealing Days to the Manager.</li> </ul> </li> <li>• <b>Your realisation request may be deferred.</b></li> </ul>	Refer to Paragraph 10 on "Realisation of Units" at Pg [15] and

<ul style="list-style-type: none"> <li>○ There may be a 10% limit on the total number of units that can be realised on a Dealing Day. Therefore, any units not realised shall be realised on the next Dealing Day, subject to the same limitation.</li> <li>● <b>You may not realise your units during any period where realisation is suspended.</b></li> <li>○ Your right to realise units may be temporarily suspended under certain circumstances.</li> </ul>	<p>Paragraph 13 on “Suspension of Dealing” at Pg [18] of the Prospectus for further information.</p>														
<b>Product-Specific Risks</b>															
<ul style="list-style-type: none"> <li>● <b>You may be exposed to structured products risk.</b> <ul style="list-style-type: none"> <li>○ The underlying fund may invest in securitised or structured debt/credit instruments which may employ leverage which can cause the instruments to be more volatile than if they had not employed leverage.</li> </ul> </li> <li>● <b>You are exposed to financial derivative instruments (“FDIs”) risk.</b> <ul style="list-style-type: none"> <li>○ Participation in FDIs for optimising returns, efficient portfolio management and hedging purposes, may involve risks which differ from, and in some cases, greater than, the risks associated with traditional securities investments.</li> <li>○ <b>In particular, the investment manager of the underlying fund may from time to time use FDIs for purposes of optimising returns or as part of its investment strategy, and not merely for efficient portfolio management and hedging. The net asset value (“NAV”) of the underlying fund may therefore have greater volatility due to its investment policies or portfolio management techniques.</b></li> <li>○ The underlying fund uses the VaR approach to determine their exposure to FDIs.</li> </ul> </li> </ul>	<p>Refer to Paragraph 8 “Risks” at Pg [10] and Section F in Schedule 8 on Pg [99] of the Prospectus for further information.</p>														
<b>FEES AND CHARGES</b>															
<p><b>WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?</b></p> <p><u>Payable directly by you</u></p> <ul style="list-style-type: none"> <li>● You will need to pay the following fees and charges as a percentage of your gross investment sum:</li> </ul> <table border="1" data-bbox="140 1014 1126 1115"> <tr> <td><b>Preliminary charge</b></td> <td>○ Currently 5% (maximum 5%)</td> </tr> <tr> <td><b>Realisation charge</b></td> <td>○ Currently NIL (maximum 2%)</td> </tr> <tr> <td><b>Switching fee*</b></td> <td>○ Currently 1% (maximum 1%)</td> </tr> </table> <p>* The Manager may waive or reduce the preliminary charge or realisation charge where you exchange or switch Units as described in Paragraph 11 of the Prospectus.</p> <p><u>Payable by the Fund from invested proceeds</u></p> <ul style="list-style-type: none"> <li>● The Fund will pay the following fees and charges to the different parties:</li> </ul> <table border="1" data-bbox="140 1238 1126 1653"> <tr> <td><b>Management Fee*</b></td> <td>○ Class A Units: Up to 0.4% p.a. of the NAV of the Fund ○ Class B Units: Up to 0.4% p.a. of the NAV of the Fund Maximum 2% p.a. of the NAV of the Fund</td> </tr> <tr> <td><b>Trustee Fee</b></td> <td>○ Current: Less than 0.05% p.a. (maximum 0.1% p.a. of the NAV), subject to a minimum of S\$10,000 p.a.* *(Subject to agreement between the Manager and the Trustee, the minimum trustee fee payable may be waived, suspended or varied in full or in part for such period of time as may be determined by the Manager and/or Trustee from time to time.)</td> </tr> <tr> <td><b>Other fees and charges**</b></td> <td>○ Subject to agreement with the relevant parties, each of the fees or charges may exceed 0.1% per annum, depending on the proportion that each fee or charge bears to the NAV of the Fund</td> </tr> </table> <p>* The Manager shall adjust its management fee accordingly to ensure that the total management fees payable by Holders to the Manager and the investment manager of the underlying fund will be an aggregate of 1.0% p.a. of the NAV of the Fund.</p> <p>** Other fees and charges include (but not limited to) valuation fees, custodian fees, fund administration fees, transfer agent fees, legal, professional fees, taxes and other out-of-pocket expenses.</p> <p><u>Payable by the share class I of MGF – Strategic Income Fund</u></p> <ul style="list-style-type: none"> <li>● Share class I of the underlying fund will pay the following fees and charges:</li> </ul> <table border="1" data-bbox="140 1899 1126 1957"> <tr> <td><b>Preliminary charge</b></td> <td>○ Currently Nil%, Maximum 6%</td> </tr> </table>	<b>Preliminary charge</b>	○ Currently 5% (maximum 5%)	<b>Realisation charge</b>	○ Currently NIL (maximum 2%)	<b>Switching fee*</b>	○ Currently 1% (maximum 1%)	<b>Management Fee*</b>	○ Class A Units: Up to 0.4% p.a. of the NAV of the Fund ○ Class B Units: Up to 0.4% p.a. of the NAV of the Fund Maximum 2% p.a. of the NAV of the Fund	<b>Trustee Fee</b>	○ Current: Less than 0.05% p.a. (maximum 0.1% p.a. of the NAV), subject to a minimum of S\$10,000 p.a.* *(Subject to agreement between the Manager and the Trustee, the minimum trustee fee payable may be waived, suspended or varied in full or in part for such period of time as may be determined by the Manager and/or Trustee from time to time.)	<b>Other fees and charges**</b>	○ Subject to agreement with the relevant parties, each of the fees or charges may exceed 0.1% per annum, depending on the proportion that each fee or charge bears to the NAV of the Fund	<b>Preliminary charge</b>	○ Currently Nil%, Maximum 6%	<p>Refer to Section E in Schedule 8 on Pg [97] of the Prospectus for further information on fees and charges.</p>
<b>Preliminary charge</b>	○ Currently 5% (maximum 5%)														
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<b>Realisation Fee</b>	o Nil
<b>Management fee</b>	o Maximum 1.1% p.a. of the NAV of share class I of MGF – Strategic Income Fund*.
<b>Custodian fee</b>	o The fee paid by MGF for this service varies depending upon the markets in which the assets of MGF are invested and custodied, and typically ranges from 0.003% p.a. to 0.40% p.a. of the NAV of the relevant sub-fund of MGF (excluding transaction charges and reasonable disbursements and out-of-pocket expenses).
<b>Administrator, Registrar, Listing Agent and Transfer Agent fees</b>	o MGF pays fees for these services at commercial rates agreed from time to time between the parties plus reasonable out-of-pocket expenses. The maximum fee paid for these services by MGF will be 0.5% p.a. of its NAV (excluding reasonable out-of-pocket expenses).
<b>Other fees and charges***</b>	o Subject to agreement with the relevant parties, each of the fees or charges may exceed 0.1% p.a., depending, <i>inter alia</i> , on the proportion that each fee or charge bears to the underlying fund's NAV**

\*The annual management fees may be increased to a maximum of 6% of its NAV by giving not less than three months' prior notice of the proposed increase to the Holders in the underlying fund. Investors should also note that the management fee payable to the underlying fund by the Fund is currently not rebated or waived.

\*\* As at 30 June 2010, the aggregate amount of the other fees or charges for the underlying fund is less than 0.1% p.a. of its NAV, but it is likely that the aggregate amount may exceed 0.1% p.a. of its NAV in future.

\*\*\* Other fees and charges include (but not limited to) valuation fees, legal, professional fees, taxes and other out-of-pocket expenses.

## VALUATIONS AND EXITING FROM THIS INVESTMENT

<p><b>HOW OFTEN ARE VALUATIONS AVAILABLE?</b></p> <p>The indicative NAV per Unit of the Fund will be made available daily at <a href="http://www.fundsUPERmart.com/main/fundinfo/dailyPrices.svdo">http://www.fundsUPERmart.com/main/fundinfo/dailyPrices.svdo</a> and on selected newspapers publications at a frequency determined by the publishers.</p> <p><b>HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?</b></p> <ul style="list-style-type: none"> <li>• Save in certain circumstances such as suspension of realisation and minimum realisation or holding requirements, you can exit the Fund at any time during any Dealing Day by submitting the relevant realisation request to the Manager or the relevant appointed agent or distributor. In the case of first-time investors in the Fund, you may cancel your subscription of Units within the cancellation period of 7 calendar days from the date of subscription of Units.</li> <li>• You will normally receive the realisation proceeds within 7 Business Days in Singapore following the receipt and acceptance of the realisation request by the Manager.</li> <li>• Your exit price is determined as follows: <ul style="list-style-type: none"> <li>o If you submit the realisation request for Units before 4.00 pm Singapore time on a Dealing Day, you will be paid a price based on the NAV of the Fund at the close of that business day.</li> <li>o If you submit the realisation request for Units after 4.00 pm Singapore time, you will be paid a price based on the NAV at the close of the next business day.</li> </ul> </li> <li>• The sale proceeds that you will receive will be the exit price multiplied by the number of Units sold, less any charges. Currently, no realisation charge is imposed. An example is as follows:</li> </ul> <table border="1"> <tr> <td>1,000 Units</td> <td>X</td> <td>S\$1.100</td> <td>=</td> <td>S\$1,100</td> </tr> <tr> <td>Your realisation request</td> <td></td> <td>Notional Realisation Price (= NAV per Unit)</td> <td></td> <td>Realisation proceeds</td> </tr> </table>	1,000 Units	X	S\$1.100	=	S\$1,100	Your realisation request		Notional Realisation Price (= NAV per Unit)		Realisation proceeds	<p>Refer to Paragraph 9.9 “Cancellation of Units by Investors” on Pg [14], Paragraph 10 “Realisation of Units” on Pg [15], Paragraph 12 “Obtaining Prices of Units” on Pg [17] and Paragraph 13 “Suspension of Dealing” on Pg [18] of the Prospectus for further information on valuation and exiting from the Fund.</p>
1,000 Units	X	S\$1.100	=	S\$1,100							
Your realisation request		Notional Realisation Price (= NAV per Unit)		Realisation proceeds							

## CONTACT INFORMATION

### HOW DO YOU CONTACT US?

You can contact the Manager at telephone number (65) 6501 5438 or contact the Manager's authorised agents or distributors for assistance on any questions concerning your investment in the Fund.

## APPENDIX: GLOSSARY OF TERMS

<b>Business Day:</b>	any day other than Saturday, Sunday or gazetted public holiday on which commercial banks in Singapore are generally open for business, or where the context expressly requires, any day other than Saturday or Sunday on which commercial banks in Singapore or elsewhere are generally open for business, or any other day as the Manager and the Trustee may agree in writing.
<b>Dealing Day:</b>	in connection with the issuance, cancellation and realisation of Units of the Fund, means every Business Day in Singapore or such other Business Day or Business Days in such jurisdictions and at such intervals as the Manager may from time to time with prior consultation of the Trustee determine. Provided That reasonable notice of any such determination shall be given by the Manager to all Holders at such time and in such manner as the Trustee may approve..