



# Manulife *Investment-Linked Policy* Sub-Funds

Report and Financial Statements

FY2021





# Welcome Message

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31 March 2022

Dear Customer

This booklet contains the Annual Report for our Investment-Linked Policy Sub-Funds which provides an overview of each fund's investment objectives and performance.

To ensure that you are better positioned to meet your financial goals, we encourage you to review your investments regularly and maintain a well-diversified portfolio. We will continue to be vigilant in our choice of investments by looking out for opportunities available to help you grow your wealth.

If you have any questions about your investments, please speak to your Manulife Financial Representative.

## Manage your investments with MyManulife

We would also like to encourage you to make use of our secure customer portal, MyManulife, to access your policy information and manage your investment online at your convenience. With MyManulife, you can easily:

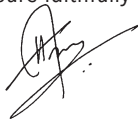
- update your contact information;
- view policy contract, policy details and statements;
- perform fund switches, premium redirection, and set price alerts; and
- opt to receive your dividend payouts by PayNow (by NRIC/FIN)

Register in 3 simple steps or log in to your account by visiting [www.mylanulife.com.sg](http://www.mylanulife.com.sg).

If you need any assistance, please contact your Financial Representative or email us at [service@manulife.com](mailto:service@manulife.com).

Thank you for trusting Manulife with your investment needs. We look forward to continue supporting you in the years ahead.

Yours faithfully



Dr Khoo Kah Siang  
President & Chief Executive Officer  
Manulife Singapore

If you would like to receive a hard copy of this booklet, please email us at [service@manulife.com](mailto:service@manulife.com) by 30 April 2022.

The booklet will be mailed to you within 2 weeks upon receiving your request.

Register of Representatives - You may logon to the Monetary Authority of Singapore (“MAS”) website ([www.mas.gov.sg](http://www.mas.gov.sg)) to conduct a background check of your Manulife Financial Representative.

The information relating to the Investment-Linked Policy (“ILP”) sub-fund is compiled by Manulife (Singapore) Pte. Ltd., solely for general information purposes. It does not constitute an offer, invitation, solicitation or recommendation by or on behalf of Manulife (Singapore) Pte. Ltd. to any person to buy or sell any ILP sub-fund.

All overviews and commentaries, if provided, are intended to be general in nature and for current interest. While helpful, these overviews and commentaries are no substitute for professional tax, investment or legal advice. Investors are advised to seek professional advice for their particular situation. The information provided herein does not take into account the suitability, investment objectives, financial situation or particular needs of any specific person. Investors should consider the suitability of any ILP sub-fund based on his or her investment objectives, financial situation and particular needs before making a commitment to subscribe for units, shares or any other interests in any ILP sub-fund.

Investments in ILP sub-funds are not deposits in, guaranteed or insured by Manulife (Singapore) Pte. Ltd., its partners or distributors. The value of units in any ILP sub-fund and any income accruing to it may rise as well as fall, which may result in the possible loss of principal amount invested. Past performance of any ILP sub-funds or fund managers and any prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the ILP sub-funds or the fund managers. Investors should read the relevant Manulife Fund Summary and Product Highlights Sheet before deciding whether to subscribe for or purchase units in any ILP sub-funds.

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# Manulife Golden Worldwide Equity Fund

## Fund Facts

Launch Date / Price : 2 January 2001 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.4531 (Bid/NAV) /  
 ^S\$1.5296 / ^^S\$1.4980  
 Fund Size : S\$122,286,064.67  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd

CPFIS Risk  
 Classification : Higher Risk / Broadly Diversified  
 Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans & Easi  
 Investor Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

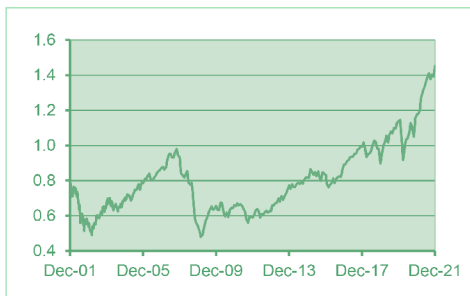
On 19 August 2019, Manulife Asset Management (Singapore)  
 Pte. Ltd. has changed its legal name to Manulife Investment  
 Management (Singapore) Pte. Ltd.

On 2 October 2017, the Manager was changed from UOB Asset  
 Management Ltd to Manulife Asset Management (Singapore) Pte.  
 Ltd.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its  
 assets into Manulife Global Fund – Global Equity Fund  
 (“Underlying Fund”), which is a sub-fund of Manulife  
 Global Fund (“MGF”). MGF is constituted in Luxembourg.  
 The investment objective of the Underlying Fund is to  
 achieve capital growth from a balanced portfolio of  
 international securities. The Underlying Fund is designed  
 as a relatively lower risk way of participating in world  
 stock markets and offers an alternative to the other, more  
 aggressive, regional investments. The benchmark against  
 which the ILP Sub-Fund’s performance will be measured  
 is the MSCI World Index.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Worldwide Equity Fund	Benchmark*
3 months	+5.44%	+7.02%
6 months	+7.07%	+8.07%
1 year	+23.40%	+24.26%
3 years	+17.41%	+21.26%
5 years	+10.27%	+13.45%
10 years	+9.44%	+13.14%
Since Inception	+2.04%	+5.53%

Inception date: 2 January 2001

\*MSCI World Index

On 2 October 2017, MSCI World index replaced the MSCI AC World  
 Index. The full track record of the previous index has been kept and  
 chain-linked to the new one.

Source of Information on performance: Manulife Investment  
 Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV  
 basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change,  
 those exceeding 1 year show the average annual compounded  
 return.

## Investment and Market Review\*\*\*

Global equities performed very well in 2021, as the  
 gradual lifting of virus-related restrictions fueled a surge  
 in economic growth and corporate earnings. Monetary  
 policy was also supportive through the first three calendar  
 quarters, with most central banks holding interest rates  
 near zero and maintaining stimulative quantitative easing  
 programmes. Although concerns about new variants of  
 the coronavirus, rising inflation, and the possibility of  
 higher rates in 2022 weighed on sentiment late in the  
 period, the major world indexes closed the year at or near  
 all-time highs.

The US market outpaced its global peers, thanks in part  
 to the country’s higher vaccination rate and the continued  
 strength in mega-cap, technology-related stocks. Canada  
 was also a top performer, led by the energy and financial  
 sectors. Europe and Asia, while producing solid absolute  
 returns, lagged North America due to the combination  
 of unfavourable currency translation, slower reopening  
 trends, and weaker economic growth. The emerging  
 markets, which finished in negative territory as a group,  
 were notable underperformers due in part to a protracted  
 sell-off in China.

# Manulife Golden Worldwide Equity Fund

Global equities, although a volatile ride, performed very well in 2021. The MSCI World Value slightly outperformed its growth counterpart by about 0.8% for the year, however, as investor's inflationary fears rose or subsided, a value or growth rally followed suit, often in dramatic fashion. Interestingly though, the MSCI World Quality Index actually outperformed both its growth and value counterpart. As we would expect during this type of market environment (a value tilt, quality led), the Underlying Fund outperformed for the year benefiting from a meaningful investor rotation into value several times during the year against the backdrop of a quality led market.

Specifically, stock selection was the largest contributor to Underlying Fund outperformance during the year driven by good stock picks within the information technology, consumer discretionary and industrials sectors along with an underweight exposure to the utilities sector. Offsetting a portion of the outperformance was poor stock selection within the healthcare sector along with underweight exposures to the information technology and financials sectors and an overweight exposure to the consumer staples sector.

## Market Outlook and Investment Strategy\*\*\*

Developed global equity markets closed out 2021 with strong gains in the fourth quarter and in December, finishing off another strong year for equities. Omicron was the latest Covid-19 variant that emerged in November, but despite being more infectious than previous variants, investors took consolation that it also appeared to be far less virulent. The emergence of new antiviral pills and increased vaccination rates in developed countries also reduced the fear of another global shutdown. The Underlying Fund generated approximately 60 basis points (bps) of outperformance in 2021 and 280 bps in December to close out the quarter strongly as global value stocks outperformed their growth counterpart in the final month of the year.

A surge in inflation became a major concern for investors in 2021 as the pandemic disrupted the global supply chain and made it difficult to meet demand for everything from microchips to groceries. In November, the US consumer price index jumped to 6.8% year-over-year, its highest reading in 39 years, and the unemployment rate fell to 4.2%. The rapidly tightening labour market and persistent inflationary pressures pushed the US Federal Reserve Board (Fed) to adopt a more hawkish stance. In December, the Fed announced that it would reduce its bond purchases sooner than expected, paving the

way for additional rate hikes next year, with the median member now forecasting three rate increases in 2022. Both the Bank of England and European Central Bank followed with similar monetary tightening moves. The fear of a weaker future growth backdrop, partly due to projected central bank policy normalisation, led to a flattening of the US yield curve. Steps taken by central banks have helped to alleviate some investor concern over inflation and an overheating of the global economy, but we believe inflation will persist as long as there are supply chain disruptions. Also, the Fed and other central banks will be under a microscope as they navigate toward contractionary policy. The path of inflation and the reaction by monetary authorities remains, in our opinion, the single biggest question facing the markets. Investors have been so accustomed to quantitative easing and low rates; volatility is likely to rise and the markets will be wary of any misuses in timing or with the magnitude of the tightening. The Bank of Japan remained an outlier, adhering to its stimulus policies, which sent the yen to multi-year lows. The prospect of higher interest rates overall, China's efforts to deflate its property and debt bubbles, and rising commodity prices put a damper on emerging markets equities, which underperformed developed markets by 2.4% in December and 24.4% for the year, their worst relative year since 2013.

Finally, US President Biden signed the long awaited US\$550 billion bipartisan infrastructure bill intended to upgrade America's roads, bridges and railways and deploy electric vehicle charging stations across the country. However, the White House's ambitious Build Back Better spending bill (US\$1.7 trillion) remained unpassed as it did not garnish enough Senate support.

Due to the spread of Omicron, the first quarter of 2022 could be challenging for the global economy. Continued pandemic-related restrictions could coincide with disappointing economic data. So far, the market has largely been willing to look through the near-term risks but any further disappointment on the virus front could lead to increased market volatility. Our overall positioning remains fairly balanced between stocks we consider defensive and stocks that are more interest rate and economically sensitive with a slight tilt to the latter. We remain keenly focused on quality companies, as reflected in their return structure and their ability to fight inflationary pressures that are also trading at attractive valuations. This should result in a portfolio with strong downside market protective qualities as well as the ability to ride the cyclical upcycle.

Source: Bloomberg and Manulife Investment Management as of 31 December 2021



## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
France	33,260,479	12.99
Germany	4,302,646	1.68
Ireland	9,255,445	3.61
Japan	11,482,925	4.48
Netherlands	19,772,117	7.73
Republic of Korea (South)	4,741,876	1.85
Switzerland	11,316,389	4.42
United Kingdom	25,460,683	9.96
United States	132,872,230	51.96
ii) <u>Industry</u>		
Basic materials	1,019,116,300	3.98
Communications	3,184,448,700	12.45
Consumer, cyclical	2,526,697,200	9.88
Consumer, Non-cyclical	2,985,615,000	11.68
Energy	794,080,900	3.10
Financials	4,160,143,300	16.26
Healthcare	3,484,447,800	13.62
Industrials	3,412,862,900	13.33
Technology	3,679,066,900	14.38
iii) <u>Asset Class</u>		
Equities	252,464,790	98.68
Other Net Assets	3,377,052	1.32

### iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (US\$)	% of NAV
Alphabet Inc. - A	11,481,745	4.49
Meta Platforms Inc.	11,084,508	4.33
Apple Inc.	9,866,690	3.86
Philip Morris International Inc.	9,019,551	3.53
TotalEnergies SE	7,940,809	3.10
Roche Holding AG	7,454,245	2.91
UnitedHealth Group Inc.	7,282,236	2.85
Bank of America Corp.	7,267,429	2.85
Johnson & Johnson	7,239,788	2.83
Stellantis NV	7,153,446	2.80

### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$)	% of NAV
Alphabet Inc. - A	9,977,950	4.35
Microsoft Corp.	9,593,608	4.18
Apple Inc.	9,126,837	3.98
Samsung Electronics Company Limited Pfd	8,276,461	3.61
Verizon Communications Inc.	7,431,313	3.24
Koninklijke Ahold Delhaize NV	7,269,188	3.17
Unilever plc	7,213,944	3.14
Johnson & Johnson	7,218,814	3.14
Oracle Corp.	7,182,379	3.13
Michelin	6,594,314	2.87

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

# Manulife Golden Worldwide Equity Fund

## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Manulife Global Fund – Global Equity Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$4,780,421.80
Total Redemptions	S\$4,196,173.64

## G) Amount and terms of related-party transactions\*\*\*

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Investment Management International Holdings Limited in its capacities as Distributor; and
- The Investment Manager

The Distributor and the Investment Manager may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

## H) Expense Ratio

31 December 2021 : 1.71%

31 December 2020 : 1.74%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage & other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : 61.60%

31 December 2020 : 58.63%

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\* Information given relates to the Underlying Fund and is provided by the Manager.

# Manulife Golden Asia Growth Fund

## Fund Facts

Launch Date / Price : 18 February 1997 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.6374 (Bid/NAV) /  
 ^S\$2.7762 / ^^S\$2.7190  
 Fund Size : S\$156,135,216.97  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : FIL Investment Management  
 (Singapore) Limited  
 CPFIS Risk : Higher Risk - Narrowly Focused –  
 Classification : Regional - Asia  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and FIL Investment Management (Singapore) Limited as the Sub-Manager.

The Manager was changed from Legg Mason Legg Mason Asset Management Singapore Pte. Limited to FIL Investment Management (Singapore) Limited with effect from 17 July 2017.

The Manager was changed from Western Asset Management Company Pte. Ltd to Legg Mason Asset Management Singapore Pte. Limited. with effect from 3 April 2017.

## Fund Objective

The fund feeds into the Fidelity Funds – Asian Special Situations Fund SR-ACC-SGD (the “Underlying Fund”). The Underlying Fund invests principally in special situations stocks and smaller growth companies in Asia, excluding Japan. Special situations stocks generally have valuations which are attractive in relation to net assets or earnings potential with additional factors which may have a positive influence on the share price. Up to 25% of the portfolio can consist of investments other than special situations stocks and smaller growth companies. The Underlying Fund may invest its net assets directly in China A and B shares.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Asia Growth Fund	Benchmark*
3 months	-3.16%	-1.91%
6 months	-11.54%	-10.19%
1 year	-4.01%	-2.81%
3 years	+10.92%	+11.66%
5 years	+9.20%	+9.78%
10 years	+6.63%	+8.44%
Since Inception	+4.19%	+3.22%

Inception date: 18 February 1997

\*MSCI AC Asia ex Japan Index.

Prior to 17th July 2017, The Golden Asia Growth Fund feeds into Legg Mason Asian Enterprise Trust with effect 3 January 2005. The Trust was managed by Legg Mason Asset Management Singapore Pte. Limited, sub-managed by Havenport Asset Management Pte. Ltd.

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: FIL Investment Management (Singapore) Limited

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

# Manulife Golden Asia Growth Fund

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## Investment and Market Review\*\*\*

### Market Environment

Following the strong performance in 2020, Asia ex Japan equities lost ground in 2021. There was a clear rotation towards developed equity markets, where economies were more amenable to a wider renewal of economic activity. This shift was compounded by heightened regulatory uncertainty in China, which intensified in the second half of the year and impacted a cross-section of businesses. Concerns over a slowdown in the Chinese economy, as well as the multiplier effect on smaller regional economies, deterred investors, particularly as the latter grappled with the devastating COVID-19 Delta wave. The region also experienced an uptrend in inflationary pressures, which became quite evident globally as well. Nonetheless, Asia remained at the heart of the global technology paradigm, with an upswing in structural demand for semiconductors and memory components, which drive the digital economy worldwide. Meanwhile, India recovered from the aftermath of the Delta wave in the first half of the year, to see both its economic activity and investor sentiment trend upwards. Towards the end of the year, the Omicron variant of COVID-19 surfaced and renewed investor uncertainty across the globe. Nonetheless, evidence indicates that Omicron may be less devastating even if it is more contagious than the Delta variant. Consequently, market sentiment shifted to cautious optimism. At a sector level, consumer discretionary declined the most, followed by health care and communication services sectors. On a positive note, utilities, energy and industrials sectors led gains.

### Fund Performance

The Underlying Fund reported -4.0% net of fees, while the index returned -2.8% over the year. An active exposure to the information technology (IT) sector proved rewarding, with preferred semiconductor stocks adding notable value, while selected stocks in China and Hong Kong were negatively impacted by elevated Chinese regulatory risks.

### Strong security selection in IT

The exposure to semiconductor chipmakers Taiwan Semiconductor Manufacturing, MediaTek and VisEra Technologies supported performance. There were considerable newsflows about the structural demand for semiconductors, and the shortages and impact across industries, which drove home the point that the Asian technology sector continues to offer alpha generation prospects. The Underlying Fund steered clear of Pinduodou given its elevated valuations, which were not supported by fundamentals. As the momentum surrounding this stock faded, the lack of exposure supported relative returns.

### Regulatory risk weighed on Chinese exposure

Galaxy Entertainment Group came under pressure as a revised licensing programme prompted speculation about a clampdown on Macau's gaming sector. The holding in New Oriental Education was sold ahead of the complete ban on after school tutoring, but the Underlying Fund did experience some stock price pressure before the industry landscape was substantially altered. Among financials, the thesis on Ping An was disrupted as its business restructuring did not deliver the desired outcome; the position was sold. Meanwhile, the conviction holding in AIA experienced headwinds due to the ongoing closure of the Hong Kong-China border. Investors overlooked its exceptional market positioning in China and the recovery in ASEAN business volumes.

## Market Outlook and Investment Strategy\*\*\*

Asia remains an attractive market for long-term investors despite the seemingly less-than-encouraging recent news flow from the region. China's significance for investors looking at Asia is undeniable. Chinese policymakers have a vision of creating sustainable structural economic growth and offsetting the prospects of asset bubbles, which can create financial distress if not countered in time. Chinese bellwether businesses are well managed by strong teams experienced with regulatory shifts, and own platforms that remain consequential to the Chinese consumption ecosystem. COVID-19 vaccination rates are improving regionally, where limited availability was a bigger issue than vaccine hesitancy, particularly in vaccine importing countries. While the growth prospects for the region are positive over the medium to long term, short-term volatility remains, with all eyes on developments in China, where regulatory shifts are less predictable in nature. Inflation is another area to be monitored closely. Supply-chain driven inflationary pressures in China are accelerating as material price indices, such as coal and steel, are reaching high levels. Disruption and price increases will impact the economic recovery, particularly considering a differentiated pace of borders re-opening across Asia. It is important to remember that Asia is home to a diverse range of economies – developed, emerging and frontier – and structural growth is available across a range of markets. Furthermore, the ASEAN region is expected to continue to attract foreign direct investment (FDI) inflow with low labour costs, young demographics, abundant natural resources and supportive policy measures. At large, the region offers long-term growth driven by low penetration, which supports economic growth potential.

The Underlying Fund had a change in the lead portfolio manager effective 1 July 2021. The focus of the new lead is on identifying companies with quality management teams and strong franchises through a rigorous bottom-up stock picking approach. The team will be looking for stocks that have strong business models with a clear runway of growth. Such businesses are well managed by teams with a robust track record and a strong sustainability-oriented mindset.

#### Focus on high-quality financials

The conviction position in Indian lender HDFC Bank is maintained for its strong franchise, pristine asset quality, good management team and solid asset quality. AIA Group is preferred for its market leading position across Asian insurance markets, strong brand image and productive agency force. It is the best quality insurance franchise with operations spread across many countries in Asia ex Japan. The Underlying Fund retains conviction in Bank Central Asia, which has a best-in-class deposit franchise and a strong digital channel.

#### Favour holdings in strong franchises

Samsung Electronics is a global leader in memory chips, handsets, display panels and consumer electronics products, and is well positioned for DRAM and NAND demand amid strong computing demand. Its earnings outlook is upbeat in light of higher OLED penetration, and its margins are expected to be supported by a new innovation cycle, a product mix shift to mid-end customers and emerging market growth. MediaTek offers a long runway of growth from new applications in 5G, artificial intelligence, autonomous driving and the Internet of Things. It maintains a strong leadership position as a mobile system-on-chip (SoC) provider.

## **Schedule of Investments as at 31 December 2021**

(unless otherwise stated)

### **A) Distribution of Investments\*\*\***

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
China	1,375,341,062.52	30.89
Korea	738,803,044.74	16.59
Taiwan	726,503,167.16	16.32

India	720,687,255.00	16.19
Hong Kong	471,249,009.52	10.58
Indonesia	158,710,944.93	3.56
Singapore	120,222,170.85	2.70
Thailand	40,757,477.09	0.92
USA	1,093,541.11	0.02

#### ii) Industry

Information Technology	1,326,352,403.99	29.79
Financials	1,121,795,548.99	25.20
Consumer Discretionary	733,304,427.40	16.47
Communication Services	512,560,993.63	11.51
Consumer Staples	235,674,216.19	5.29
Health Care	159,801,837.18	3.59
Industrials	109,811,545.98	2.47
Materials	101,159,723.19	2.27
Energy	26,195,347.49	0.59
Utilities	26,162,386.46	0.59

#### iii) Asset Class

Common Stock	4,353,367,672.92	97.78
Open Ended Fund	58,438,535.89	1.31
Cash	38,491,645.60	0.86
Forward Rate Contracts	1,875,043.67	0.04
Common Stock	4,353,367,672.92	97.78

#### iv) Credit Rating

Not Applicable

# Manulife Golden Asia Growth Fund

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
Taiwan Semiconduct Manufacturing	442,766,726.58	9.94
Samsung Electronics	375,538,429.50	8.43
Tencent Holdings	261,807,817.94	5.88
AIA Group	239,865,393.16	5.39
Alibaba Group Holding Cn	167,276,912.44	3.76
Hdfc Bank	156,975,051.20	3.53
Media Tek	143,584,629.40	3.23
Bank Central Asia	132,725,591.31	2.98
Infosys	127,411,962.49	2.86
Naver Corp	103,426,837.98	2.32

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Taiwan Semiconduct Manufacturing	456,597,285.41	8.69
Samsung Electronics	449,131,991.80	8.55
Alibaba Group Holding Cn	352,018,463.64	6.70
AIA Group	244,139,126.90	4.65
Tencent Holdings	204,388,466.17	3.89
Ping An Insurance H	136,162,890.89	2.59
China Mengniu Dairy	120,577,959.28	2.29
Bank Central Asia	119,414,192.44	2.27
Galaxy Entertainment Group	112,044,894.09	2.13
E Sun Financial Holding	110,395,352.69	2.10

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable

- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Fidelity Funds - Asian Special Situations Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$27,409,278.36
Total Redemptions	S\$19,077,985.96

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.74%  
31 December 2020 : 1.75%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*/#

31 October 2021 : 54.88%  
31 October 2020 : 80.49%

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and

industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Fund Sub-Manager.

#Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife Golden Regional China Fund

## Fund Facts

Launch Date / Price : 1 September 2000 / S\$1.00 (Offer)  
 Unit Price\* : S\$6.2412 (Bid/NAV) / ^S\$6.5697 / ^^S\$6.4342  
 Fund Size : S\$300,798,935.97  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.  
 Underlying Fund Manager : Schroder Investment Management (Singapore) Ltd  
 CPFIS Risk Classification : Higher Risk - Narrowly Focused – Country – Greater China  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

On 14 September 2020, the Underlying Fund was changed from BGF China Fund to Schroder International Selection Fund - Greater China Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

## Fund Objective

The Sub-Fund invests all or substantially all its assets into the Schroder International Selection Fund – Greater China Fund, (also referred to in this Appendix as the “Underlying Fund”), which is a sub-fund of Schroder International Selection Fund (the “Company”). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Underlying Fund aims to provide capital growth by investing at least two-thirds of its assets in equity and equity related securities of People’s Republic of China, Hong Kong SAR and Taiwan companies.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Regional China Fund	Benchmark*
3 months	-1.73%	-2.59%
6 months	-13.87%	-14.73%
1 year	-5.20%	-7.66%
3 years	+15.34%	+11.47%
5 years	+10.70%	+10.51%
10 years	+8.43%	+9.04%
Since Inception	+9.23%	+6.76%

Inception date: 1 September 2000

\*MSCI Golden Dragon NR Index

On 14 September 2020, the benchmark was changed from MSCI China 10/40 (Net) Index to MSCI Golden Dragon NR Index.

On 13 November 2017, the benchmark was changed from MSCI China Total Return Index to MSCI China 10/40 (Net) Index.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

2021 was a very challenging year to Chinese equities market. Expectations of policy normalisation, together with regulatory uncertainty for certain industries and ongoing geopolitical concerns, have dampened sentiment. A resurgence of Covid-19 infections in some



areas of China weighed on investor optimism further. The Underlying Fund was not immune and delivered negative return. However, on a relative basis, the Underlying Fund outperformed the market significantly.

From a market perspective, stock selection in China added most value to relative return. Market allocation effect was, however, negative, mainly due to the underweight position in Taiwan, which remained one of the best performing market in the region last year. On a sector basis, sector allocation added most value, driven by the overweight position in material and technology, and the underweight position in communication services. Stock selection was a detracting factor, as it was weak in various sectors, including consumer staples, financials, industrials and materials.

At stock level, share of battery company Contemporary Amperex Technology traded higher as the company won the electric vehicle battery supply contract with Tesla during the year. Overall EV sales in China also remained upbeat in 2021. The nil exposure to Pinduoduo helped relative performance as the Chinese ecommerce company underperformed amid the regulatory tightening in the internet industry during the year. Taiwanese fabless semiconductor company Mediatek performed strongly on continued 5G penetration despite Covid-19 and higher than expected smartphone share as key competitor has had several supply chain hiccups during the year. On the negative side, shares of e-cigarette maker RLX Technology corrected in March as regulator signalled that the company's controversial products would be treated like tobacco cigarettes and subject to the same set of law. Macau gaming company Sands China was another key detractor as the government is going to tighten the regulation and supervisory measures for the industry's long-term development. Pharmaceutical company Zylux-Tonbrige detracted as Zhejiang initiated GPO (centralized tendering) on a product which Zylux also produces, triggering concerns on the company's product price outlook.

## Market Outlook and Investment Strategy\*\*\*

China's zero Covid policy and its drag on consumer confidence and domestic demand remain the key headwinds in 2022. The apparently weaker efficacy of Chinese vaccines, and low levels of immunity in the population acquired from past infection, means that the current strict policies will continue, and China is unlikely to open its border. Consumption recovery will need to

be supported by domestic market, which hopefully pick up when Covid eases on the back of strict measures and more vaccination. Externally, export growth may normalize in 2022 as the world reopens.

PPI inflation may peak thanks to global industrial normalization. Overall supply chain improvement is also expected as no more large-scale lockdown in other major economies. Alleviated PPI pressure is favourable to downstream players. Consumer names with strong brand maybe able to pass through the high input cost to end consumers when consumption environment improves.

In terms of investment, new infrastructure and green-related investment will likely be the key areas of growth. Traditional infrastructure investment may also increase modestly on more supportive fiscal policy. Meanwhile, the prolonged slowdown in property investment will continue given the ongoing deleveraging, but a contagion scenario is unlikely.

The policy direction is clear, with debt reduction and narrowing income disparity the top priorities. On the other hand, industry regulation tightening appears to moderate, and its risks also seem well priced.

A key debate as to the equity market outlook in China is at what point the local authorities might reverse some of the macro policy tightening of the last 12 months to help drive a rebound in local activity. If we were to see a decisive easing of liquidity to the property development sector and a pick-up in system credit growth more generally, possibly alongside an easing of the regulatory scrutiny of the key online platform companies, then there is scope for a sharp improvement in sentiment towards the China market given how negative it is today.

The corrections in Chinese equities in 2021, which has seen valuations for many popular names pull back sharply, are throwing up more opportunities in a variety of sectors. Compared to the beginning of 2021, current valuations of Chinese equities market are much healthier, and it should provide more downside protection amid the still challenging macro environment in 2022.

Meanwhile in Taiwan, we are cautious that the market is getting closer to an inflection point owing to a potential slowing technology spending cycle, an unsustainable retail investor boom and rising geopolitical risk.

Given the uncertain outlook, portfolio construction remains focused on maintaining a healthy level of diversification across growth and value ideas. We are also

# Manulife Golden Regional China Fund

exposed to stocks that might benefit from higher inflation expectations and rates, alongside those longer-term growth ideas that are less cyclically exposed.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
China	2,657,497,682	67.61
Taiwan	677,247,228	17.23
Hong Kong	476,392,130	12.12
Australia	37,340,967	0.95
ii) <u>Industry</u>		
Information Technology	1,144,205,850	29.11
Consumer Discretionary	703,582,436	17.90
Financials	426,080,090	10.84
Industrials	413,502,080	10.52
Communication Services	370,658,233	9.43
Materials	351,005,092	8.93
Health Care	236,230,751	6.01
Consumer Staples	202,427,349	5.15
Real Estate	786,126	0.02
iii) <u>Asset Class</u>		
Equities	3,848,478,007	97.91
Liquid Assets	82,150,128	2.09
iv) <u>Credit Rating</u>		
Not Applicable		

### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
Taiwan Semiconductor Manufacturing Co Ltd	384,415,432	9.78
Tencent Holdings Ltd	312,878,000	7.96
Alibaba Group Holding Ltd	228,762,557	5.82
HSBC Holdings PLC	131,676,043	3.35
AIA Group Ltd	128,924,603	3.28
MediaTek Inc	125,780,100	3.20
Hong Kong Exchanges & Clearing Ltd	102,196,332	2.60
Kweichow Moutai Co Ltd	82,543,191	2.10
NIO Inc	79,005,626	2.01
Thunder Software Technology Co Ltd	73,502,746	1.87

### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$ millions)	% of NAV
Taiwan Semiconductor Manufacturing Co Ltd	258,628,566	7.89
Alibaba Group Holding Ltd	201,592,608	6.15
Tencent Holdings Ltd	157,668,365	4.81
AIA Group Ltd	119,644,394	3.65
MediaTek Inc	93,093,172	2.84
China Pacific Insurance Group Co Ltd	73,097,808	2.23
Sands China Ltd	72,770,015	2.22
China Life Insurance Co Ltd	69,164,293	2.11
PRADA SpA	61,297,265	1.87
Great Wall Motor Co Ltd	57,035,958	1.74

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

**C) Exposure to Derivatives**

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

**D) Amount and percentage of NAV invested in collective investment schemes**

100% invested in Schroder International Selection Fund – Greater China Fund

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$109,843,323.31
Total Redemptions	S\$69,517,463.70

**G) Amount and terms of related-party transactions**

Not Applicable

**H) Expense Ratio**

31 December 2021 : 1.75%

31 December 2020 : 1.75%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

31 December 2021 : 92.04%

31 December 2020 : 85.09%

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife Golden Singapore Growth Fund

## Fund Facts

Launch Date / Price : 1 September 2000 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.6276 (Bid/NAV) / ^S\$2.7659 / ^^S\$2.7089  
 Fund Size : S\$270,882,344.11  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.  
 Sub-Manager : Schroder Investment Management (Singapore) Ltd  
 CPFIS Risk Classification : Higher Risk - Narrowly Focused – Country - Singapore  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the ILP Sub-Funds and Schroder Investment Management (Singapore) Ltd as the Sub-Manager.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Schroder Singapore Trust (the “Underlying Trust”) which is a unit trust constituted in Singapore.

The investment objective of the Underlying Trust is to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The portfolio of the Underlying Trust will be broadly diversified with no specific industry or sectoral emphasis.

The Fund Manager’s investment approach is based on the belief that fundamental analysis of companies using its local research resources gives it a competitive advantage and that companies with consistent above average growth produce superior stock market returns.

The CPFIS Guidelines issued by the CPF Board, which guidelines may be amended from time to time, shall apply to the Underlying Trust.

The Underlying Trust currently does not intend to carry out securities lending or repurchase transactions but may do so in the future, in accordance with the applicable provisions of the Code on Collective Investment Schemes.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Singapore Growth Fund	Benchmark*
3 months	-0.15%	+0.16%
6 months	+0.79%	+1.14%
1 year	+11.02%	+12.52%
3 years	+3.71%	+5.10%
5 years	+4.84%	+6.11%
10 years	+5.03%	+5.55%
Since Inception	+4.88%	+4.68%

Inception date: 7 September 2000

\*Straits Times Index

On 1 December 2021, the benchmark for Manulife Golden Singapore Growth Fund was changed from MSCI Singapore Free Index to Straits Times Index.

Source of Information on ILP sub-fund’s performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Schroder Investment Management (Singapore) Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Over the period, the Singapore equity market posted robust returns, as investors basked in expectations of a return to economic normality on the global rollout of Covid-19 vaccines. However, gains were tempered

near the end of the year, as rising inflation indicators impacted market sentiment as this would mean the US Federal Reserve would have to commence tapering more aggressively than previously expected.

The Underlying Fund returned 11.46% (SGD, A Dis share class), behind the benchmark which posted 12.52%. Negative stock selection within Communication Services and negative allocation to banks (underweight) were the main detractors from performance while strong stock selection in Diversified Financials contributed positively. On the other hand, robust stock selection within Financials and underweight allocation to Consumer Discretionary contributed value.

Banks did well over the period given market optimism for return to economic normality on the back of the global roll-out of Covid-19 vaccines. In addition, rising long bond yields, supportive credit cost/asset quality guidance, and expectations of the lifting in dividend payout limits also supported performance of the sector. Our underweight allocation to the sector thus detracted from relative performance. Additionally, the Underlying Fund's allocation to Sea Ltd. was another key detractor from performance, largely in December 2021, as shares did poorly on concerns over a slowdown in gaming as well as further losses over investments in new markets. Additionally, the Underlying Fund's underweight position in the stock prior to its benchmark change in December 2021 negatively impacted relative performance, as Sea was a major index component and shares did well over that period.

Conversely, the Underlying Fund's exposure to iFAST was the top contributor as shares performed strongly on market expectations of robust earnings growth from its involvement in digitising the Hong Kong pension scheme and continued growth in its assets under management. The Underlying Fund's underweight position in Jardine Matheson was another key contributor to performance, with shares performing poorly as its businesses which are exposed to hospitality, retail, and office demand in the region were expected to be impacted a set-back in re-opening given the Omicron variant. For similar reasons, our underweight position in Hongkong Land outperformed as well. The Underlying Fund's underweight allocation to Genting Singapore also outperformed as shares did poorly on delayed expectations of an economic re-opening to tourism, given rising domestic COVID case counts.

## Market Outlook and Investment Strategy\*\*\*

As we await further indication as to whether the US Federal Reserve will start hiking rates after completing its asset purchases tapering in March 2022, the market has begun to price in the possibility of the upcoming rate hikes. While this has yet to materially impact funding costs for borrowers, equity markets have started to price this in for interest rate-sensitive sectors.

The REIT sector is heavily reliant on low cost of funding and low capitalisation rates for assets in order to maintain both earnings and valuations. While both factors were tailwinds when rates were low over the past decade, rising rates would result in a higher cost of debt and higher capitalisation rates, thus working against them. The market has started adjusting for this, as the FTSE ST REIT Index has underperformed the STI index since the start of 2022, with the pressure likely to build if the Fed does confirm the start of a rate hike cycle. On the other hand, banks have been faced with downwards net interest margin (NIM) pressure over the past decade due to the low-rate environment. Previous expectations of persistently low interest rates had resulted in a very flat interest rate curve, which make it difficult for banks to profit from the rate differential between short-term deposits they collect, and the long-term loans that they issue. As such, as expectations of a higher rate environment build up going forward, a steeper yield curve would be positive for overall earnings for the banks.

However, it is still not a foregone conclusion that the Fed will be raising rates, as that would depend heavily on the state of the US economy at that point in time, as well as whether there is any respite in sight for the various inflationary pressures currently plaguing the system, such as low unemployment rates, supply chain bottlenecks, and component shortages, to name a few. Furthermore, with the global economy so used to a decade of loose monetary policy, a reversal towards tightening could cause further volatility in financial markets as the world starts to place a higher value on the cost of capital. For example, considering that a large part of the tech unicorn space where valuations had been based on ample sources of cheap capital, such a shift could have a profound impact on how such firms are valued going forward.

Given these factors, we continue to favour companies that are taking active steps to reposition to operate flexibly in a post-COVID economic system.

# Manulife Golden Singapore Growth Fund

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Singapore	839,159,586	98.65
ii) <u>Industry</u>		
Agriculture	43,537,134	5.12
Bank	392,308,902	46.12
Computer/Software	31,580,283	3.71
Diversified Operations	39,173,632	4.61
Finance	42,454,560	4.99
Food & Beverage	7,735,739	0.91
Health Care/Pharmaceuticals	6,258,368	0.74
Industrial And Transportation	13,273,458	1.56
Miscellaneous	2,426,082	0.29
Real Estate	173,221,443	20.35
Semiconductor	6,037,428	0.71
Technology Hardware & Equipment	15,827,164	1.86
Telecommunications	61,315,373	7.21
Transportation & Logistics	4,010,020	0.47
iii) <u>Asset Class</u>		
Equities	839,159,586	98.65
Other net assets/(liabilities)	11,460,289	1.35
(iv) <u>Credit Rating</u>		
Not Applicable		

### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
DBS Group Hldg Ltd	176,063,920	20.70
Oversea-Chinese Banking Corp Ltd	108,742,844	12.78
United Overseas Bank Ltd	107,502,138	12.64
Singapore Telecommunications Ltd	61,315,373	7.21
Keppel Corp Ltd	39,173,632	4.61
Wilmar Intl Ltd	36,688,680	4.31
Capitaland Investment Ltd/ Singapore	30,773,204	3.61
Singapore Exchange Ltd	30,563,520	3.59
Sea Ltd ADR	21,891,850	2.57
Ascendas Real Estate Investment Trust	19,689,781	2.30

### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
DBS Group Hldg Ltd	124,907,333	15.51
Oversea-Chinese Banking Corp Ltd	94,112,769	11.69
United Overseas Bank Ltd	88,350,891	10.97
Singapore Telecommunications Ltd	69,709,424	8.66
Wilmar Intl Ltd	41,208,300	5.12
Keppel Corp Ltd	38,434,182	4.77
CapitaLand Ltd	25,170,392	3.13
Singapore Exchange Ltd	24,534,464	3.05
Ascendas Real Estate Investment Trust	21,160,986	2.63
Frasers Logistics & Industrial Trust	20,972,918	2.60

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

**C) Exposure to Derivatives**

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

**D) Amount and percentage of NAV invested in collective investment schemes**

100% invested in Schroder Singapore Trust Class M

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$18,182,901.13
Total Redemptions	S\$15,810,423.47

**G) Amount and terms of related-party transactions\*\*\***

Not Applicable

**H) Expense Ratio**

31 December 2021 : 1.73 %

31 December 2020 : 1.73 %

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

31 December 2021 : 10.89%

31 December 2020 : 10.28%

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager.

# Manulife Golden International Bond Fund

## Fund Facts

Launch Date / Price : 10 January 1997 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.4617 (Bid/NAV) /  
 ^S\$2.5913 / ^^S\$2.5378  
 Fund Size : S\$76,504,197.59  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Legg Mason Asset Management  
 Singapore Pte. Limited  
 CPFIS Risk : Low - Medium Risk - Broadly  
 Classification : Diversified  
 Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

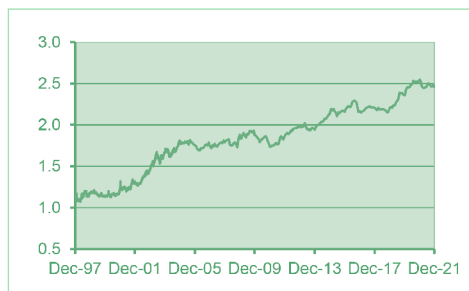
On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the ILP Sub-Funds and Legg Mason Asset Management Singapore Pte. Limited as the Sub-Manager.

On 3 September 2018, the Manager of Manulife Golden International Bond Fund was changed from Western Asset Management Company Pte. Ltd. to Legg Mason Asset Management Singapore Pte. Limited.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust ("Underlying Fund"), which is a unit trust constituted in Singapore and inception on 2 November 1998. The investment objective of the Underlying Fund is to maximize total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries and Australia and New Zealand. The Underlying Fund aims to outperform the benchmark.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden International Bond Fund	Benchmark*
3 months	-0.26%	+0.18%
6 months	-0.32%	+0.13%
1 year	-3.39%	-2.68%
3 years	+3.78%	+4.02%
5 years	+2.60%	+3.13%
10 years	+2.80%	+3.56%
Since Inception	+3.89%	+4.99%

Inception date: 10 January 1997

\*FTSE World Government Bond Index ex Japan (hedged to S\$).

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Legg Mason Asset Management Singapore Pte. Limited.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Notwithstanding some intra-month volatility, global developed market (DM) government bond yields ended the month higher. Markets were buoyed by reports showing considerably lower hospitalization and death rates associated with the new Covid omicron variant. At the European Central Bank (ECB) meeting, the Governing Council started a gradual reduction of monetary policy



stimulus. For 1Q22 (first quarter of 2022), it signalled a reduction in purchases under the Pandemic Emergency Purchase Programme (PEPP) compared to the previous quarter and affirmed that the PEPP will end after March as expected.

For the rest of 2022, the ECB plans to temporarily increase purchases under the standard Asset Purchase Program (APP) from its current €20 billion per month to €40 billion in 2Q, €30 billion in 3Q and back to €\$20 billion from 4Q22 onward if and as long as necessary. Elsewhere, the Bank of England (BoE) surprised markets by raising the Bank Rate to 0.25%—up 15 basis points (bps)—as Monetary Policy Committee members voted 8-1 in favour of the hike. In the US, at the Federal Open Market Committee (FOMC) meeting, the committee announced that it would double the pace of its tapering program to US\$30 billion per month as had been widely expected. This will see the tapering completed by the end of 1Q22. Moreover, the FOMC median member revised up their interest rate forecast to now see three hikes in 2022.

## Market Outlook and Investment Strategy\*\*\*

We expect global growth to decelerate from the robust 2021 levels as we move into 2022. Contributing factors include a sharp reduction in global fiscal stimulus, a reduction in monetary accommodation by key central banks such as the Federal Reserve (Fed), ECB and BoE, and the persistence of secular-related headwinds that include rising global debt burdens, aging demographics and technology displacement. Inflation overshoots have proven more persistent than anticipated, and remain challenging for policymakers. We expect, however, that the impact of leading inflationary components may ease meaningfully through the course of 2022. While Covid continues to bedevil global populations, as vaccination rates improve around the world, we remain optimistic that the worst is behind us. While the new omicron variant has delayed the reopening of global economies, the recovery has not been derailed and we remain optimistic about spread product performance. In Europe, after a temporary setback due to renewed Covid restrictions, we are looking at a likely growth recovery and rising bond yields as net supply increases in 2022. Portfolios maintain modest exposures to longer-dated US Treasuries (UST) for diversification, and to select high-quality EM issues. Following the significant market repricing of inflation in recent months, global portfolios have initiated short positions in breakeven inflation spreads in the US and

Europe to benefit from a decline in inflation expectations. The Firm's bias is to remain modestly overweight corporate bonds, with a bias to banks, select reopening industries where valuations have yet to fully recover and rising-star candidates, where allowed.

## Schedule of Investments as at 31 December 2021 (unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Belgium	4,971,745	1.53
Canada	3,996,893	1.23
France	13,160,501	4.05
Germany	35,582,096	10.95
Great Britain	15,922,582	4.90
Italy	8,448,717	2.60
Japan	9,716,024	2.99
Mexico	16,410,008	5.05
Spain	23,786,387	7.32
Supra-National	4,029,388	1.24
United Arab Emirates	9,683,529	2.98
USA	155,976,309	48.00
ii) <u>Industry</u>		
Government	297,882,256	91.67
Financials	4,029,388	1.24
iii) <u>Asset Class</u>		
Fixed Income	301,684,178	92.84
Cash	23,266,466	7.16

# Manulife Golden International Bond Fund

## iv) Credit Rating

A	4,581,804	1.41
A+	5,069,230	1.56
AA	22,844,030	7.03
AA-	14,492,799	4.46
AA+	5,199,210	1.60
AAA	185,091,887	56.96
BBB-	24,761,239	7.62
BBB+	5,199,210	1.60
NR	34,444,768	10.60

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
US Treasury N/B 2.125% 29/02/2024	24,377,355	6.95
US Treasury N/B 1.625% 15/11/2022	23,570,556	6.72
Bundesrepub. Deutschland (Br) 1.75% 15/02/2024	22,212,740	6.33
US Treasury N/B 2.250% 15/11/2024	15,777,143	4.50
US Treasury N/B 2% 31/10/2022	12,328,459	3.52
US Treasury 2.875% 15/05/2049	10,699,490	3.05
Bundesrepublik Deutschland Bundesanleihe (Reg S) (Br) .25% 15/02/2029	10,647,444	3.04
Mex Bonds Desarr Fix Rt Ser M7.75% 13/11/2042	10,441,879	2.98
UK Treasury 4.25% 07/12/2040	9,530,806	2.72
Bonos Y Oblig Del Estado (Reg S) 5.9% 30/07/2026	9,022,797	2.57

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
US Treasury N/B 2.125% 29/02/2024	24,078,843	7.41
US Treasury N/B 1.625% 15/11/2022	23,623,912	7.27
Bundesrepub. Deutschland (Br) 1.75% 15/02/2024	20,536,881	6.32
US Treasury N/B 2.250% 15/11/2024	15,500,146	4.77
US Treasury N/B 2% 31/10/2022	12,315,629	3.79
US Treasury 2.875% 15/05/2049	10,170,955	3.13
Bundesrepublik Deutschland Bundesanleihe (Reg S) (Br) .25% 15/02/2029	9,781,014	3.01
Mex Bonds Desarr Fix Rt Ser M7.75% 13/11/2042	9,553,549	2.94
UK Treasury 4.25% 07/12/2040	9,521,054	2.93
Bonos Y Oblig Del Estado (Reg S) 5.9% 30/07/2026	9,033,628	2.78

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Legg Mason Western Asset Global Bond Trust

## E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$21,910,511.30
Total Redemptions	S\$17,488,465.21

G) Amount and terms of related-party transactions  
Not Applicable

H) Expense Ratio

31 December 2021 : 0.92%

31 December 2020 : 0.92%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) Turnover Ratio\*\*\*

31 December 2021 : 10.07% (unaudited)

31 December 2020 : 19.24% (unaudited)

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes.

J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include

travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager.

# Manulife Golden Asia Fund

## Fund Facts

Launch Date / Price : 1 September 2000 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.7733 (Bid/NAV) / ^S\$1.8666 / ^^S\$1.8281  
 Fund Size : S\$41,920,054.02  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.  
 Underlying Manager : Schroder Investment Management (Singapore) Ltd  
 CPFIS Risk Classification : Higher Risk - Narrowly Focused - Regional - Asia  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

From 3 May 2021, the Underlying Fund has changed from BlackRock Global Funds - ASEAN Leaders Fund to Schroder Asian Growth Fund and the name of the ILP Sub-Fund changed to Manulife Golden Asia Fund. BlackRock (Luxembourg) S.A. will also cease to be the Sub-Manager.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and BlackRock (Luxembourg) S.A. as the Sub-Manager.

The Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to BlackRock (Luxembourg) S.A. with effect from 8 October 2018. The name of the ILP Sub-fund was changed from Golden Southeast Asia Special Situations Fund to Golden Southeast Asia Fund.

The Manager was changed from Western Asset Management Company Pte. Ltd to Legg Mason Asset Management Singapore Pte. Limited with effect from 3 April 2017.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Schroder Asian Growth Fund (the “Underlying Fund”). The Underlying Fund aims to achieve long term capital growth primarily (i.e. approximately two-third of its assets) through investing in securities of companies quoted on some or all of the stock markets in countries in Asia (including Australia and New Zealand but excluding Japan). The portfolio of the Underlying Fund will be broadly diversified with no specific industry or sectoral emphasis.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Asia Fund	Benchmark*
3 months	-1.52%	-1.92%
6 months	-8.38%	-10.19%
1 year	-4.81%	-6.47%
3 years	-2.74%	-2.69%
5 years	-2.18%	+0.72%
10 years	-0.70%	+2.25%
Since Inception	+2.97%	+5.44%

Inception date: 1 September 2000

\*MSCI AC Asia Ex Japan NR Index

From 3 May 2021, the benchmark was changed from MSCI AC ASEAN (Net Total Return) Index to MSCI AC Asia ex Japan NR Index.

The benchmark has been changed from MSCI AC ASEAN Index (Gross) to MSCI AC ASEAN Index (Net Total Return) on 8 October 2018. The full track record of the previous index has been kept and chainlinked to the new one.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

2021 was a difficult year for Asian equities, with negative returns for regional indices and performances that significantly lagged global averages. This was particularly disappointing given that China and most of north Asia had so successfully navigated the initial Covid shocks in the previous year. Additionally, the region's exporters have been seeing record orders as the global demand for goods has boomed over the last 18 months. The worst performing markets in the region last year, and main culprits for the regional declines, were China and Hong Kong. Part of this disappointment was due to China's "zero-COVID" policy that had triggered a series of sporadic lockdowns in major cities and depressed domestic demand during the year. Another major drag on Chinese equity performance in the last 12 months has been the very tough regulatory stance adopted towards the local internet and the property development sectors, causing material correction to the Chinese index, and therefore regional indexes as well.

Despite the challenging market backdrop for the most part, the Underlying Fund managed to stay ahead of the regional benchmark. The outperformance was thanks to the strong stock selection both from a market and sector perspective. Our exposure to Hong Kong, China and India were notably positive and contributed to the bulk of outperformance over the period. These included our global exporter plays such as Techtronics in Hong Kong, as well as our hospital and bank holdings in India which benefited from improved Covid situation and recovery in domestic activities of the market. In China, we are running an underweight position in the major internet / ecommerce sector (Alibaba, Meituan, Baidu, etc.) given our view that the increased government regulations and intensifying competitive landscape will likely weigh on the long-term profitability trajectory of these companies, and this has proven correct so far this year and added to our relative return of the Underlying Fund.

On the negative side, offsetting some of our positive performance was the exposure to China's New Oriental Education. The stock sold off on the back of the worsening regulatory backdrop of the sector. While this has been very painful to the Underlying Fund's performance in 1H21, we did manage to fully exit the position before another announcement made by the authorities in July which effectively shut down the AST sector by forcing a conversion to a non-profit operation and banning access to foreign capital, driving share price down another 70% after our decision to exit the position. Another area that was under pressure, again related to policy

risks in China, was Macau gaming operators including Galaxy Entertainment which saw sharp share price declines alongside the sector following the government's consultation on a tighter set regulation. This will likely bring increased government oversight on the long-term development of the industry and may impair its ability to maintain attractive dividend payout to shareholders over the longer term.

## Market Outlook and Investment Strategy\*\*\*

As we enter 2022, the near-term outlook for domestic growth in China is weak, given headwinds from Covid restrictions and weakness in the property market. This is, in turn, feeding through to a weaker operating outlook for the key domestic demand plays. That said, although China clearly has many near-term headwinds, the breadth and depth of the market is unrivalled within the region and therefore still offers interesting opportunities for bottom-up stock pickers. As the market has corrected in recent months and valuations have become more interesting, we have gradually increased weightings in selected areas. This includes domestic A-shares, which are less exposed to the potential disruptions within the US-ADR market, especially those sectors more closely aligned with the authorities' strategic priorities in the next five-year plan – such as renewable energy. We have also, very selectively, increased positions in certain stocks that have been caught up in the sharp downdraft triggered by regulatory tightening in the internet and healthcare sectors. This includes companies in which we still consider the longer-term potential to be attractive and the risk-reward profile much more alluring after the pullback in valuations.

More generally, debate still centres on the outlook for inflation and nominal GDP growth; whether after the pandemic and the considerable policy response, we are transitioning into a 'new normal'; and whether this could shift equity market performance away from its very one-dimensional focus on secular growth themes, back towards some of the more value-oriented sectors including financials, energy, industrials and materials. However, it still feels too soon to make such definitive longer-term calls. Much will depend on politics and policy decisions over the coming months and years. Given the uncertain outlook for growth and inflation in the coming quarters, portfolio construction remains focused on maintaining a healthy level of diversification. This is spread across growth and value ideas, as well as those stocks that might benefit from higher inflation expectations and rates, and those longer-term growth ideas that are less cyclically exposed.

# Manulife Golden Asia Fund

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
China	885,290,970	38.27
Hong Kong	253,711,031	10.97
India	340,143,852	14.71
Macao	22,124,787	0.96
Philippines	25,315,206	1.09
Singapore	46,008,724	1.99
South Korea	281,911,538	12.19
Sri Lanka	10,299,398	0.45
Switzerland	12,631,034	0.55
Taiwan	389,399,072	16.83
United Kingdom	38,711,737	1.67
United States of America	32,015,199	1.38

### ii) Industry

Automobiles & Components	36,963,204	1.60
Bank	234,820,269	10.15
Chemicals/Petrochemicals	56,728,865	2.45
Computer/Software	83,999,966	3.63
Consumer Durables	127,747,147	5.52
Diversified Financial Services	8,617,926	0.37
Diversified Operations	10,299,398	0.45
Finance	32,798,781	1.42
Food & Beverage	97,158,935	4.20
Health Care/ Pharmaceuticals	145,599,663	6.29
Hotel & Leisure	79,953,277	3.46

Industrial Machinery	106,049,073	4.58
Insurance	103,678,516	4.48
Internet Services	282,431,604	12.21
Material	64,025,162	2.77
Media	15,423,207	0.67
Miscellaneous	26,743,477	1.16
Oil & Gas	32,898,073	1.42
Real Estate	118,808,137	5.14
Retail	84,337,399	3.65
Semiconductor	360,662,130	15.59
Technology Hardware & Equipment	210,997,152	9.12
Telecommunications	16,821,187	0.73

### iii) Asset Class

Cash	2,337,562,548	101.06
Equities	(24,494,056)	(1.06)

### iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 31 December 2021\*\*\*

	Market Value (S\$)	% of NAV
Securities		
Taiwan Semiconductor Manufacturing Co Ltd	233,546,390	10.09
Samsung Electronics Co Ltd	192,465,869	8.32
Tencent Hldg Ltd	112,222,038	4.84
AIA Group Ltd	74,433,319	3.21
Techtronic Ind Co Ltd	68,180,564	2.95
Infosys Ltd	66,981,584	2.89
HDFC Bank Ltd	65,629,208	2.84
MediaTek Inc	64,770,355	2.80

ICICI Bank Ltd	63,965,618	2.77
Apollo Hospitals Enterprise Ltd	63,958,645	2.77

#### Top 10 Holdings as at 31 December 2020^^^

Securities	Market Value (US\$ millions)	% of NAV
Bank Central Asia Tbk Pt	4.26	7.37
Oversea-Chinese Banking Corporation Ltd	3.38	5.84
United Overseas Bank Ltd	3.15	5.45
DBS Group Holdings Ltd	2.72	4.71
PTT Pcl	2.30	3.98
Bank Mandiri (Persero) Tbk Pt	1.91	3.31
UOL Group Ltd	1.91	3.30
Ascendas Real Estate Investment Trust	1.79	3.10
CP All Pcl	1.78	3.08
SM Prime Holdings Inc	1.60	2.78

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Schroder Asian Growth Fund

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S\$6,621,402.97
Total Redemptions	\$S\$5,989,248.59

#### G) Amount and terms of related-party transactions

Not Applicable

#### H) Expense Ratio

31 December 2021 : 1.57%

31 December 2020 : 1.63%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*/^^^

31 December 2021 : 16.20%

31 December 2020 : 89.45%

#### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

#### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including

# Manulife Golden Asia Fund

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office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Manager.

^^^Information given relates to the previous Underlying Fund (BlackRock Global Funds - ASEAN Leaders Fund) and is provided by the previous Sub-Fund Manager (BlackRock (Luxembourg) S.A.).



# Manulife Japan Growth Fund

## Fund Facts

Launch Date / Price : 10 January 2005 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.2570 (Bid/NAV) /  
 ^S\$1.3232 / ^^S\$1.2959  
 Fund Size : S\$6,711,453.34  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Nikko Asset Management Asia  
 Limited  
 CPFIS Risk : Higher Risk - Narrowly Focused  
 Classification : Country - Japan  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and Nikko Asset Management Asia Limited as the Sub-Manager.

## Fund Objective

The investment objective of Japan Growth Fund is to achieve medium to long-term capital appreciation by investing in a diversified portfolio of equity investments listed in Japan. The ILP Sub-Fund achieves this by investing all or substantially all its assets into Nikko AM Shenton Japan Fund ("Underlying Fund"), which is a unit trust constituted in Singapore.

The Underlying Fund may also invest in bonds, money market and other instruments (including instruments included under the CPFIS). There is no target industry or sector.

The Fund Manager believes that active investment management can add value to investors. The Fund Manager seeks to add value by selectively over/under weighting benchmark components to achieve relative outperformance and carefully blending the mix with a selection of non-benchmark components to deliver absolute outperformance.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Japan Growth Fund	Benchmark*
3 months	-5.15%	-5.44%
6 months	-0.72%	-0.07%
1 year	+10.19%	+2.78%
3 years	+12.06%	+10.06%
5 years	+6.80%	+6.24%
10 years	+8.33%	+7.56%
Since Inception	+1.66%	+2.03%

Inception date: 10 January 2005

\*Topix PR JPY

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Nikko Asset Management Asia Limited.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

# Manulife Japan Growth Fund

## Investment and Market Review\*\*\*

The market started off 2021 strong, as investors continued to harbour growing expectations for a normalisation of the economy as COVID-19 vaccination efforts gathered pace in the US. However, by mid-year Japanese equities were more mixed as the country's vaccination roll-out was slower than expected and ultimately metropolitan areas of the country would remain under a state of emergency until the end of September. Stocks rallied following the ruling party's election victory at the end of October based on expectations for new economic stimulus measures, although the emergence of the Omicron variant tempered this rise. As a result, the TOPIX (including dividends) ended the year up 12.74% in JPY terms.

In terms of portfolio performance, the investment portfolio outperformed the benchmark by about 8.0% in 2021. This was due largely to tailwinds in the first half of the year when the portfolio benefited as investors focused their attention on buying back undervalued stocks. Although performance dipped in the July-September quarter when the portfolio was impacted by the risk-off sentiment in the market amid a resurgence of COVID-19 cases, it outperformed again slightly in the October-December period due as a rise in US long-term interest rates in October benefited Value stocks.

## Market Outlook and Investment Strategy\*\*\*

The potential for market volatility has increased, triggered by changes to US monetary policy. However, our view remains intact that Japanese equities are highly attractive relative to other asset classes and continue to offer significant upside as they remain undervalued and notably lagging behind their global counterparts.

We also continue to believe that Value stocks are poised for a strong turnaround going forward. We are now increasingly convinced that Value strategies such as ours have the potential to generate significant alpha over the medium term, as we expect valuation spreads between growth and Value stocks to narrow further going forward on the back of rising interest rates.

While we believe that the global economy will stage a gradual recovery towards normalisation going forward, we also expect things will be changed in many aspects when the COVID-19 pandemic comes to end in the future. We will continue to explore opportunities related to promising investment themes and strive to identify significant sources of alpha in 2022.

## Schedule of Investments as at 31 December 2021 (unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (JPY'000)	% of NAV
i) <u>Country</u>		
Japan	5,688,788	96.90
ii) <u>Industry</u>		
Aerospace/Defense	49,872	0.85
Apparel	86,700	1.48
Auto Manufacturers	511,614	8.71
Auto Parts & Equipment	168,907	2.88
Banks	372,780	6.35
Building Materials	70,109	1.19
Chemicals	126,636	2.16
Commercial Services	26,673	0.45
Computers	73,001	1.24
Distribution/Wholesale	205,130	3.49
Diversified Financial Services	132,564	2.26
Electric	72,720	1.24
Electrical Component & Equipment	59,847	1.02
Electronics	420,624	7.16
Engineering and Construction	175,955	3.00
Environmental Control	27,300	0.47
Food	190,593	3.25
Hand/Machine Tools	49,425	0.84
Home Builders	47,966	0.82
Home Furnishings	399,672	6.81
Insurance	115,380	1.96
Internet	108,180	1.84
Iron/Steel	71,410	1.22

Leisure Time	63,336	1.08
Machinery Construction & Mining	308,605	5.26
Machinery Diversified	181,621	3.09
Media	26,880	0.46
Metal Fabricate/Hardware	15,344	0.26
Mining	165,338	2.82
Office/Business Equipment	105,069	1.79
Oil and Gas	85,360	1.45
Pharmaceuticals	120,693	2.06
Real Estate	98,674	1.68
Retail	214,147	3.65
Semiconductors	140,337	2.39
Telecommunications	203,285	4.06
Toys/Games/Hobbies	203,285	3.46
Transportation	158,732	2.70

iii) Asset Class

Quoted Equities	5,688,788	96.90
Other Net Assets	181,903	3.10

iv) Credit Rating

Not Applicable

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (JPY'000)	% of NAV
Sony Group Corporation	354,638	6.04
Toyota Motor Corporation	269,504	4.59
Hitachi Limited	199,360	3.40
Nintendo Company Limited	177,045	3.02
Mitsubishi UFJ Financial Group Incorporated	141,227	2.41

Mitsui & Company Limited	132,090	2.25
Nippon Telegraph & Telephone Corporation	130,725	2.23
Murata Manufacturing Company Limited	109,884	1.87
Dowa Holdings Company Limited	108,788	1.85
KDDI Corporation	107,584	1.83

Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (JPY'000)	% of NAV
Sony Corporation	403,172	5.37
Nintendo Company Limited	335,733	4.47
Toyota Motor Corporation	258,603	3.44
Hitachi Limited	174,795	2.33
Mitsui OSK Lines Limited	170,100	2.26
NSK Limited	163,968	2.18
Kubota Corporation	150,142	2.00
Mitsubishi UFJ Financial Group Incorporated	147,138	1.96
Sumitomo Metal Mining Company Limited	141,949	1.89
Mitsui & Company Limited	138,878	1.85

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment

100% invested in Nikko AM Shenton Japan Fund

# Manulife Japan Growth Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$3,031,417.29
Total Redemptions	S\$2,386,250.66

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.67%

31 December 2020 : 1.52%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : 20.14% (unaudited)

31 December 2020 : 29.90%

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar

commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Fund Sub-Manager.

# Manulife Singapore Bond Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (Offer)  
Unit Price\* : S\$1.5765 (Bid/NAV) /  
^S\$1.6595 / ^^S\$1.6253

Fund Size : S\$111,223,524.02  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk : Low to Medium Risk – Narrowly  
Classification : Focused – Country - Singapore  
Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

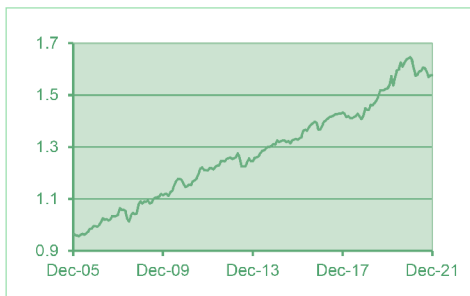
On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

On 3 April 2017, the Manager was changed from Western Asset Management Company Pte. Ltd to Legg Mason Asset Management Singapore Pte. Limited.

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into Manulife Funds - Manulife Singapore Bond Fund ("Underlying Fund"), a sub-fund of Manulife Funds, which is a unit trust constituted in Singapore. The investment objective of the Underlying Fund is to provide you with a stable medium to long term return with capital preservation, through investing in primarily investment-grade SGD denominated fixed income and money markets instruments issued by Singapore and non-Singapore entities.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Singapore Bond Fund	Benchmark*
3 months	-0.81%	-0.58%
6 months	-1.09%	-0.81%
1 year	-4.28%	-4.06%
3 years	+2.85%	+2.68%
5 years	+2.86%	+2.91%
10 years	+2.68%	+2.24%
Since Inception	+2.88%	+0.98%

Inception date: 18 February 2004

\* Markit iBoxx ALBI Singapore Index

On 2 September 2019, the benchmark was changed from Markit iBoxx ALBI Singapore Government Index to Markit iBoxx ALBI Singapore Index.

The benchmark has been changed from J.P Morgan Singapore Government Bond Index (S\$) to Markit iBoxx ALBI Singapore Government Index on 8 October 2018. The full track record of the previous index has been kept and chainlinked to the new one.

The benchmark has been changed from UOB Singapore Government Bond Index (S\$) to J.P Morgan Singapore Government Bond Index (S\$) on 3 April 2017, as the benchmark data for the UOB Singapore Government Bond Index (S\$) has been discontinued by the index provider.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

2021 has been another challenging year for financial markets dominated by the COVID-19 pandemic and the Delta and Omicron variants which produced gyrations in the markets. Overall, the global economy continued to recover from the pandemic induced recession in 2020 initially due to the rollout of vaccination campaigns but was met with obstacles such as the new Omicron variant and supply chain disruptions which eventually led to persistent inflationary pressures. Both US treasury yields and Singapore sovereign yields ended the year broadly higher driven by an improvement in global growth as well as an anticipation of monetary policy normalizations.

# Manulife Singapore Bond Fund

Most major central banks maintained their accommodative monetary policies throughout the year. However, and towards the end of the year, there were indications of persistent inflationary pressures building on the back of a much-improved global economy as well as dislocations in the global supply chain. The Federal Reserve (Fed) made no changes to its benchmark policy rate over the year, maintaining it in the range of 0% to 0.25% with asset purchases of \$120 billion a month until November. The Fed announced the start of the tapering of their assets in November and has quickened their pace of tapering with plans to conclude the program in early 2022. Singapore also moved pre-emptively to tighten policy with the Monetary Authority of Singapore (MAS) appreciating the slope of the SGD nominal effective exchange rate (NEER) slightly while leaving the midpoint and width unchanged in their October meeting. The MAS noted that growth is likely to remain above trend and cited an accumulation in both external and domestic cost pressures and see core inflation close to 2% in the medium term. This suggests that the MAS expects cost pressures to persist for some time amidst a recovering economy.

Credit wise, the first half of 2021 saw spreads grinding tighter against a backdrop of accommodative monetary policies as well as a recovery economy. However, spreads widened out in the second half of the year driven mainly by weakness in the higher yielding corporate bond segment, particularly the Chinese property sector. Concerns over the liquidity crunch in the higher yielding China property space and multiple idiosyncratic headlines resulted in investors rotating out of higher yielding risk assets. Comparatively, investment grade spreads remained resilient throughout the year with investors continuing to deploy cash into higher quality names.

Global equities continued to rally in 2021 driven by the continued stimulus from the COVID-19 pandemic and easy monetary policies from global central banks to keep liquidity flushed and interest rates low. The S&P Index ended the year 26.9% higher, which is the biggest annual percentage gain since 2019. On the commodities front, oil ended the year higher as demand revved up with increasing COVID-19 vaccination rates, loosening pandemic-related restrictions, and growing economies.

In 2021, the Underlying Fund returned -4.25%<sup>1</sup> on a NAV-to-NAV basis and -3.16% on a gross return basis. Overall, the Underlying Fund outperformed on a gross return basis but underperformed on a NAV-to-NAV basis. The benchmark returned -4.06%<sup>1</sup> for the year. The main contributor to the outperformance was asset allocation as the portfolio held an overweight in SGD-denominated corporate bonds which outperformed. The portfolio's

underweight in duration relative to the benchmark also contributed to outperformance amidst a broadly rising interest rate environment throughout 2021.

## Market Outlook and Investment Strategy\*\*\*

Global economic recovery made significant progress with increasing vaccination rates especially across developed economies that allowed for re-openings of economies and borders globally. However, recovery has also been tested with the emergence and widespread transmission of variants such as Delta and Omicron which contributed to waves of increased caseloads across the world. Uncertainties remain as countries hold back on further re-opening on the back of the omicron variant and are likely to be fueled by ongoing geopolitical risks in the backdrop especially between the US and China. Going into 2022, the continuation of the global economic recovery hinges largely on an acceleration in the administration of booster shots to increase the vaccine's efficacy in developed countries while increasing availability of vaccines in developing countries. This should reduce the probability of severe illnesses globally due to the omicron variant and as such, help maintain or even accelerate economic activities. The ongoing tapering of asset purchases by the Fed and further policy normalization steps will drain global liquidity at the margins over the next few months into 2022. However, risk assets in Asia should remain attractive given relatively higher nominal yields even amidst a rising interest rate environment.

Singapore's near-term economic recovery is likely to remain gradual and uneven across sectors given the uncertain global economic backdrop. With an impending Omicron led wave, further recoveries in domestic demand and consumption will likely be limited and be offset by the weakness in aviation and tourism-related sectors. Additionally, consumer-facing sectors such as retail will continue to face pressures given the continued local domestic restrictions that are in place and lack of travelers. That said, mitigation of severe outcomes and strain on the healthcare system will be key in the economy's reopening plans. Furthermore, Singapore's high vaccination rate and steady rollout of booster shots will continue to facilitate progressive easing of restrictions. Singapore's 2022 growth is likely to come in the range of 3.0% to 5.0% as indicated by the government driven by a continuation of a loosening of both domestic and border restrictions.

In terms of credits, spread widening in 2021 has been driven mainly by volatility in the higher yielding corporate

bond space with idiosyncratic headlines in the China property segment driving most of the weakness in the Asia credit markets in the second half of the year. Investment grade spreads have outperformed higher yielding spreads with much of the investment grade universe trading at relatively richer levels. Volatility in the China property space is unlikely to go away in the short term with more developers in China facing cash crunches and impending maturities in 2022. However, there has been evidence of progressive and targeted easing measures by the Chinese government for the property sector which should lend support to stronger and better placed developers. Hence, continuing to manage downside risks prudently with a focus on deep bottom-up fundamentals to avoid cases of defaults and spill-over effects will be key in the new year as well. That said, any further market weakness is likely to bring out value opportunities in stronger issuers that can navigate through this episode unscathed, which will help generate further potential returns.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021

<sup>1</sup> Class A. The class returned -9.04% on offer-to-bid basis in 2021. Since inception (14 September 2009), the class returned 2.62% (annualised) on NAV-to-NAV basis and 2.20% (annualised) on offer-to-bid basis, with net income & dividends reinvested. The reference benchmark is the Markit iBoxx ALBI Singapore Index.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	3,064,180	2.35
China	14,397,271	11.03
France	529,255	0.41
Hong Kong	7,536,002	5.78
India	275,360	0.21
Indonesia	1,585,849	1.21
Japan	391,638	0.30
Macao	257,834	0.20
Malaysia	3,658,561	2.81

Philippines	2,044,520	1.56
Singapore	87,557,952	67.01
South Korea	2,936,048	2.24
Taiwan	2,167,750	1.66
Thailand	1,080,006	0.83

### ii) Industry

Automotive	2,073,000	1.59
Banks	12,070,685	9.24
Commercial Services	2,734,636	2.09
Computers	1,248,894	0.96
Construction	512,827	0.39
Electronic	598,293	0.46
Energy	403,939	0.31
Engineering	490,369	0.38
Finance	7,948,726	6.08
Food	1,972,509	1.51
Government	41,231,588	31.57
Insurance	5,695,954	4.36
Internet	283,318	0.22
Investments	677,491	0.52
Iron & Steel	541,282	0.41
Lodging	257,834	0.20
Metal	275,697	0.21
Oil & Gas	2,386,642	1.83
Real Estate	6,685,822	5.12
Real Estate Investment Trust	24,622,947	18.85
Semiconductors	2,840,518	2.17
Telecommunications	6,088,388	4.66
Transport	5,576,502	4.27
Utilities	264,365	0.20

# Manulife Singapore Bond Fund

## iii) Asset Class

Fixed income securities	127,482,226	97.60
Accrued interest on fixed income securities	1,044,751	0.80
Other net assets	2,096,131	1.60

## iv) Credit Rating

AAA	2,251,201	1.72
AA-	2,755,048	2.11
A+	1,123,738	0.86
A	2,810,913	2.15
A-	14,228,827	10.89
BBB+	8,731,983	6.69
BBB	3,250,770	2.49
BBB-	3,536,369	2.70
BB	275,697	0.21
BB-	498,816	0.38
B+	184,359	0.14
Not rated	87,834,505	67.26

NTUC Income Insurance Series MTN Var 20/07/2050	2,810,913	2.15
Housing and Development Board 2.315% 18/09/2034	2,336,445	1.79
National Environment Agency 2.5% 15/09/2051	2,257,751	1.73
Starhub Limited EMTN 3.55% 08/06/2026	2,106,120	1.61
CCT MTN Pte Limited Series MTN (BR) 3.327% 21/03/2025	2,101,441	1.61

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Government of Singapore 2.25% 01/08/2036	13,865,238	9.81
Government of Singapore 2.75% 01/04/2042	10,098,281	7.15
Government of Singapore 3.375% 01/09/2033	7,070,040	5.00
Government of Singapore 2.75% 01/04/2046	4,339,140	3.07
Land Transport Authority Ser MTN (BR) 3.38% 30/01/2059	3,730,320	2.64
Government of Singapore 3.125% 01/09/2022	3,350,688	2.37
Huarong Finance 2017 Co 3.2% 27/04/2021	2,769,580	1.96
Housing and Development Board 2.315% 18/09/2034	2,504,610	1.77
NTUC Income Insurance Series MTN Var 20/07/2050	2,395,406	1.70
Starhill Global REIT Ser MTN (BR) 26/02/2021	2,259,450	1.60

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
Government of Singapore 2.25% 01/08/2036	10,110,213	7.74
Government of Singapore 2.75% 01/04/2042	8,760,116	6.71
Government of Singapore 3.375% 01/09/2033	5,722,045	4.38
Land Transport Authority Ser MTN (BR) 3.38% 30/01/2059	3,093,865	2.37
Government of Singapore 2.875% 01/09/2030	2,917,855	2.23



**C) Exposure to Derivatives**

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

**D) Amount and percentage of NAV invested in collective investment schemes**

100% invested in Manulife Funds - Manulife Singapore Bond Fund

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	\$53,368,730.22
Total Redemptions	\$52,403,712.34

**G) Amount and terms of related-party transactions**

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

**H) Expense Ratio**

31 December 2021 : 0.94%

31 December 2020 : 0.94%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

31 December 2021 : 36.18%

31 December 2020 : 53.59%

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

# Manulife European Equity Fund

## Fund Facts

Launch Date / Price : 10 January 2005 / S\$1.00 (Offer)  
Unit Price\* : S\$1.2764 (Bid/NAV) /  
^S\$1.3436 / ^^S\$1.3159

Fund Size : S\$13,184,853.02

Manager : Manulife Investment Management (Singapore) Pte. Ltd.

Sub-Manager : FIL Investment Management (Singapore) Limited

CPFIS Risk Classification : Higher Risk – Narrowly Focused  
– Regional - Europe

Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium plans & Easi-Investor Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and FIL Investment Management (Singapore) Limited as the Sub-Manager.

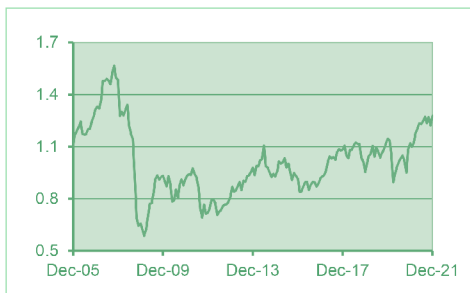
The Manager was changed from Aberdeen Asset Management Asia. Limited to FIL Investment Management (Singapore) Limited with effect from 17 July 2017.

The Manager was changed from Deutsche Asset Management (Asia) Limited to Aberdeen Asset Management Asia. Limited with effect from 2 May 2013.

## Fund Objective

The fund feeds into the Fidelity Funds – European Growth Fund SR ACC- SGD (the “Underlying Fund”). The Underlying Fund invests principally in equity securities quoted on European stock exchanges.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife European Equity Fund	Benchmark*
3 months	+3.40%	+4.92%
6 months	+3.86%	+4.33%
1 year	+14.08%	+18.63%
3 years	+10.21%	+14.73%
5 years	+6.82%	+9.04%
10 years	+5.91%	+9.10%
Since Inception	+1.76%	+4.88%

Inception date: 10 January 2005.

\*MSCI Europe (N) Index

The benchmark was changed from MSCI Europe (RI) Index to FTSE World Europe on 2 May 2013 and again changed to MSCI Europe (N) Index on 31 Dec 2019. The full track record of the previous index has been kept and chainlinked to the new one.

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: FIL Investment Management (Singapore) Limited

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

### Market Environment

European equities delivered very strong results during 2021. At the start of the year, markets were concerned about more virulent strains of COVID-19, rising infection cases, and the economic fallout from subsequent lockdowns. Positively, increasing hopes for a global economic recovery led by vaccine rollouts buoyed equities. Additional fiscal stimulus in the US, strong corporate earnings and improving economic data also supported investor sentiment. Over the second quarter, a decline in new COVID-19 cases and an acceleration in vaccine rollouts led to a gradual lifting of restrictions across the region. During the second half of 2021, European equities continued to receive support from strong quarterly earnings and increasing optimism over economic recovery. However, increasing concerns around inflation, higher bond yields and threat of a further wave of infections across the European Union along with the prospect of tighter restrictions proved to be a deterrent

for market optimism. Towards the end of the year, rising Omicron variant infections across the region and concerns around efficacy of existing vaccines against the new variant also hurt sentiment. On the policy front, the European Central Bank (ECB) judged that the progress in economic recovery permits a gradual reduction in the pace of its asset purchases over the coming quarters but indicated that policy would remain flexible to counter any unexpected negative future shocks. Net asset purchases under the Pandemic Emergency Purchase Programme will be conducted at a lower pace in the first quarter of 2022 than in the previous quarter before being discontinued at the end of March 2022. However, to support the 2% inflation target, the Governing Council expects the key ECB interest rates to remain at their present or lower levels.

#### Fund Performance

The Underlying Fund generated strong positive returns over the year, underperforming the index. While the Underlying Fund's quality growth bias supported performance, the underperformance was largely driven by weak stock selection in the health care, consumer staples and energy sectors. The underweight position in consumer discretionary also hampered performance. Conservatively, robust stock picking within communication services and financials, added notable value.

At the stock level, the largest detractor over the period was JustEatTakeaway (JET) which sold off heavily during the period, reflecting the market's perception that JET was a "stay at home" winner, so the prospect of economic and societal reopening raised fears of a reduction in demand. Additionally, competition has forced JET to invest to win new customers, which pressures margins in the short term.

Health care equipment and consumer product manufacturer Philips declined as investors were concerned about the product recall on the DreamStation One sleep aid device. Litigation risk increased during the quarter as the US Food and Drug Administration (FDA) issued a Form 483, which documents an FDA inspector's observations of manufacturing facilities. This pointed to a higher risk of punitive damages given indications that the company may have known about the issue, or at least failed to respond to signals, for several years prior to the announcement of the recall. Meanwhile, dialysis equipment manufacturer Fresenius Medical Care suffered despite in line Q3 results as the company pointed to pressures in all regions with weak revenue and continued decline in treatment volumes. The company remains impacted by COVID as mortality in its patient population

rose again in Q3. Treatment growth was negative in the US and EMEA while the cost impact and inflation remained headwinds in the quarter. Although guidance was maintained for the year, the company is indicating the lower end of the range with some impact following through into 2022.

On a positive note, holding in French information services and consulting company Capgemini supported performance over the year, benefitting from strong second and third quarter results. The firm's Digital and Cloud services divisions primarily underpinned this performance, accounting for around two-thirds of the activity and recording strong double-digit year-on-year growth. The potential synergies in revenues and costs from the Altran acquisition further supported the stock. Shares in the UK aerospace equipment supplier Meggitt also contributed notably over the period, as it was subject to a bidding war between Parker Hannifin and peer US-based company Transdigm. The position in Advertising Agency Publicis benefitted from rallied on very strong half year results and encouraging FY21 guidance. The company consistently beat organic growth and margin estimates throughout the year. Meanwhile, shares in Enterprise Software Company Sage advanced on strong FY21 results and a rise in organic revenue driven by growth in Sage Business Cloud and new customer acquisitions.

### **Market Outlook and Investment Strategy\*\*\***

The outlook for European equities is optimistic over the medium to long term as vaccine rollouts support the reopening of economies. Albeit confidence is relatively fragile given the ongoing risk of new variants of COVID-19 and the inflationary backdrop. In the shorter term, the balance between lessening stimulus as we continue to recover from the pandemic and tightening wage markets is difficult to predict. Fundamentals have started to slow as stimulus measures are eased and this is impacting consumer confidence in both the US and China, particularly in the housing market. Long term, the world is at a demographic turning point as the working age population is starting to decline for much of the global economy. Labour markets are already tightening, with the US and UK seeing record vacancies and accelerating wages. We are also seeing a changing global political landscape with 'common prosperity' in China, 'progressive' policies of the Democrats in the US and 'levelling up' in the UK. Our assumption is that growth will be harder for companies to achieve with this backdrop and companies will need either strong penetration of markets or have

# Manulife European Equity Fund

an attractive premiumisation story that enables pricing power. As the interest rate environment normalises, our valuation discipline will become even more important as discount rates rise. We continue to find ideas in the 'sweet spot' across a multitude of different sectors as valuation gaps remain at record highs. This opportunity set is why the team are so optimistic about the potential for future outperformance.

The managers continue to believe that businesses that deliver better earnings growth, less volatility and higher cash generation over the medium term, while trading on unusually large discounts to the market. With high growth stocks and cyclical on record valuations, good businesses on reasonable valuations are the sweet spot, offering a range of opportunities across and within sectors. We have also enhanced our existing analysis of the Underlying Fund's environmental footprint. Consequently, the Underlying Fund's carbon footprint has fallen materially in recent months and is well below the index.

The Underlying Fund is overweight in high-quality sectors such as software (in information technology), consumer staples and health care, but holds cheaper names within these areas. The portfolio is underweight in banks and cyclical capital goods, and has no exposure to automobiles. Conversely, we are overweight in a few attractively valued quality insurance names (as recovery plays) with resilient earnings and strong balance sheet positions. The Underlying Fund also owns better quality names in most sectors. The team reiterate their belief that owning companies with better quality fundamentals and buying them on decent valuations is a better recipe for long term returns.

Recently, the managers added a new position Vonovia, a high-quality German residential real estate company. The company's mature modernisation arm, which invests in its housing stock to drive rental growth at attractive returns, and financial synergies from acquisitions of smaller players should support the stock going forward. The managers used share price weakness in quality value names such as Reckitt Benckiser to increase the exposure to the stock. They also raised positions in selected financials, including asset management company St. James's Place and reinsurer SCOR. Conversely, within industrials, the managers took profits in Meggit following the sharp rally in August as the Parker Hannifin deal is over a year from completion and not without risks. The position in Arcelor Mittal was also reduced, partly to reduce the Underlying Fund's carbon footprint, but also due to limited upside potential post the recent rally.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
UK	4,438,799,070.09	39.59
France	2,069,358,921.61	18.46
Germany	1,539,715,570.06	13.73
Netherlands	1,338,706,214.96	11.94
Switzerland	855,891,160.75	7.63
Spain	446,445,146.24	3.98
Sweden	225,388,954.09	2.01
Ireland	127,715,522.40	1.14
USA	89,110,616.31	0.79
ii) <u>Industry</u>		
Consumer Staples	2,383,756,311.15	21.26
Health Care	1,934,481,326.22	17.25
Financials	1,824,634,669.19	16.27
Information Technology	1,318,093,646.10	11.76
Consumer Discretionary	1,308,771,334.45	11.67
Industrials	895,670,218.02	7.99
Communication Services	618,630,303.79	5.52
Energy	454,880,386.52	4.06
Utilities	202,279,796.51	1.80
Real Estate	189,933,184.57	1.69
iii) <u>Asset Class</u>		
Common Stock	11,131,131,176.52	99.28
Open Ended Fund	93,913,577.36	0.84
Forward Rate Contracts	(2,992,042.09)	(0.03)
Cash	(9,672,572.15)	(0.09)

iv) Credit Rating

Not Applicable

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
Sanofi	578,837,542.36	5.16
Roche Holdings (Genusscheine) Chf	566,505,539.28	5.05
Sap Se	481,342,587.56	4.29
Publicis Groupe	473,534,433.07	4.22
Reckitt Benckiser Group	452,734,691.24	4.04
Unilever Ord	439,129,442.55	3.92
Capgemini (FF40) (FF40)	396,852,909.78	3.54
AXA	377,005,318.55	3.36
Tesco	354,077,239.45	3.16
Associated British Foods	344,424,782.95	3.07

Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Roche Holdings (Genusscheine) Chf	532,221,298.51	5.07
Sanofi	495,187,214.51	4.72
Sap Se	457,305,046.43	4.35
Publicis Groupe	440,029,691.82	4.19
Unilever Ord	419,832,630.37	4.00
Koninklijke Philips Nv	404,226,671.36	3.85
AXA	377,003,875.98	3.59
Prosus	342,351,599.36	3.26
Legal & General Group	341,222,194.58	3.25
Prudential (UK)	316,674,299.40	3.02

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

C) Exposure to Derivatives

- i) Market value of derivative contract  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Fidelity Funds – European Growth Fund SRACC - SGD

E) Amount and percentage of debt to NAV  
Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$5,165,258.60
Total Redemptions	S\$1,652,118.64

G) Amount and terms of related-party transactions  
Not Applicable

H) Expense Ratio

31 December 2021 : 1.73%  
31 December 2020 : 1.73%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage & other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) Turnover Ratio\*\*\*/#

31 October 2021 : 35.89%  
31 October 2020 : 39.84%

J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

# Manulife European Equity Fund

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## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

\*\*\*Information given relates to the Underlying Fund and is provided by the Fund Sub-Manager.

\*Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife India Equity Fund

## Fund Facts

Launch Date / Price : 10 January 2005 / S\$1.00 (Offer)  
 Unit Price\* : S\$4.0339 (Bid/NAV) /  
 ^S\$4.2462 / ^^S\$4.1587  
 Fund Size : S\$184,637,909.03  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Aberdeen Standard Investments  
 (Asia) Limited  
 CPFIS Risk : Higher Risk – Narrowly Focused  
 Classification : – Country – Others  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and Aberdeen Standard Investments (Asia) Limited as the Sub-Manager.

Aberdeen Standard Investments (Asia) Limited was appointed the Manager of the Manulife India Equity Fund on November 2009.

## Fund Objective

Aims to achieve long term capital growth by investing all or substantially all of its assets in the Aberdeen Standard SICAV I – Indian Equity Fund\* (the “underlying fund”), a Sub-Fund of the Luxembourg-registered Aberdeen Standard SICAV I, which invests at least two-thirds of its assets in equities and equity related securities of companies with their registered office in India; and/ or, of companies which have the preponderance of their business activities in India; and/or, of holding companies that have the preponderance of their assets in companies with their registered office in India.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife India Equity Fund	Benchmark*
3 months	-2.67%	-0.85%
6 months	+8.89%	+12.87%
1 year	+19.77%	+29.20%
3 years	+11.79%	+16.01%
5 years	+10.99%	+13.63%
10 years	+11.17%	+11.35%
Since Inception	+8.89%	+9.63%

Inception date: 10 January 2005.

\*MSCI India Index

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Aberdeen Standard Investments (Asia) Limited.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Indian equities ended lower in Singapore dollar terms in the fourth quarter, as investors paused for breath following the rally since the year started. Positive corporate results and progress in vaccinations counterbalanced rising concerns over the impact of the new Omicron coronavirus variant on mobility and economic activity. Additionally, foreign investor flows turned negative towards the end of the year, which also dented the market. This was due to non-domestic investors turning risk averse following the US Federal Reserve's policy tapering signals going into 2022, as well as uncertainties over the impact of Omicron. Profit-taking after an upbeat third-quarter earnings season also led to Underlying Fund outflows over the period.

Several new firms made their market debut over the quarter, with a significant portion of the capital raised going to tech companies, including several start-ups. These listings drew renewed investor interest in larger-cap companies over smaller and mid-cap ones.

## Market Outlook and Investment Strategy\*\*\*

### Sector allocation

The portfolio fell by 2.18% in Singapore dollars in the

# Manulife India Equity Fund

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fourth quarter, lagging the benchmark MSCI India index's -0.84% decline. From a sectoral perspective, financials, real estate, energy and consumer staples were notable laggards, whereas IT, industrials and consumer discretionary performed well.

Our largest detractor was financials, which is our largest sector position. We are also overweight the benchmark, and the sector has seen mixed performance with some of higher-leveraged players enjoying stronger share price momentum versus higher-quality lenders that were relatively more defensive during the crisis. Our exposure to real estate stocks was also a drag on performance due to profit taking after a strong start to the year.

Consumer holdings were a mixed bag. We are overweight the consumer staples sector, choosing to invest in brand owners that have strong, national portfolios that cater across price points. These helped the Underlying Fund earlier in the year, and at the peak of the pandemic period, but lagged a strong growth driven domestic rally on inflationary fears. While our holdings have managed margins better than their peers in the sector, they need to see volume growth on the back of sustainable economic recovery.

Elsewhere, our underweight to consumer discretionary stocks proved costly on both asset allocation and stock selection. This was mainly due to not owning Tata Motors which, despite lacklustre results, enjoyed a strong run on the back of new investments into electric vehicle (EV) capacity. Tata Motors secured private equity backing and announced its intention to invest about US\$2 billion in EVs over the next five years. EVs currently make up less than 0.5% of the passenger vehicle market in India, due to underinvested infrastructure and we expect this will be a longer-term story. However, we own Maruti Suzuki which also outperformed the benchmark over the period but to a lesser extent than Tata Motors

## Stock selection

At the stock level, our core holdings in HDFC Bank and Kotak Mahindra Bank underperformed the broader banking sector, where the more leveraged banks benefited more from the impending recovery trend. Not owning ICICI Bank for most of the quarter was also a detractor. We had been monitoring the lender for some time and initiated the stock at the end of the year once we were satisfied that it met the fundamentals that we look for in financial holdings, such as good asset quality, sound non-performing loans management and quality growth.

Among property holdings, Godrej Properties detracted in the fourth quarter, but outperformed the benchmark on a full-year basis. From an outlook perspective, the Indian

property market still looks attractive as affordability remains high, and inventories are low relative to previous years. Paytm's IPO went under water on the first day of trading. Aware that this IPO had polarised views, we took a much longer-term view and decided to take a toehold position in this company with an entrepreneurial spirit and unique positioning in a market that is still nascent. Clearly, as with any pre-profit business, Paytm's management has to prove itself to the market. We will be monitoring the company's progress.

Another detractor was Hindustan Unilever, which was among the consumer stocks that were beneficiaries of mobility restrictions during the pandemic as they own their own logistics networks and could make their products available to consumers via the local mom and pop stores at a time when modern retail was forced to close. They also accelerated their various e-commerce initiatives to take advantage of growing internet penetration in India. Unilever, in line with other staples stocks, are cautious on the inflationary risk to margins as the economy reopens. This has seen share prices correct from record highs for the sector.

What helped us this quarter was not owning Reliance, which was the single largest stock contributor. We also benefited from the IT services companies Infosys and Mphasis, which were buoyed by an improving demand outlook. Not owning Bajaj Finance and Bajaj Finserv was positive for performance, as was the case for Tata Steel.

## Outlook

A recent spike in daily Covid-19 case counts appears to signal the arrival of a third wave in India, given the more infectious Omicron variant. While we continue to monitor the Omicron outbreak closely, it is worth noting that vaccination rates today are far higher than when the Delta variant surfaced. This should help keep severe case counts low. For instance, more than 60% of India's adult population has had both vaccination shots, and the hope is that vaccinations reduce hospitalisation and fatality rates.

We expect market sentiment to be driven by whether the third wave results in a significant hit to mobility and economic activity, albeit Omicron appears more infectious but less deadly. Investors will also have an eye on the looming federal budget, quarterly results reporting season and some key state elections over the coming months. Meanwhile, confidence appears to be returning across industries. Policy reform is also picking up pace, helped by an improving fiscal position. With better job creation and government schemes to attract more manufacturing, the economy could be in the early stages of a capital expenditure investment cycle. Meanwhile, we



are monitoring inflation, particularly in view of the recent spike in the oil price. We are confident that the portfolio holdings' pricing power and ability to sustain margins provide a measure of comfort.

Over the longer term, we believe India remains alluring to investors. The domestic market benefits from a rapidly growing middle class that is increasingly affluent. Digital adoption has accelerated, and we expect to see more listed investment opportunities in the new-economy space. India is home to many of Asia's most successful companies that have been tested by prior economic crises. We remain highly selective in our portfolio positioning, preferring high-quality companies with robust balance sheets led by good management. This should help them weather storms better than most. We remain focused on identifying companies with clear prospects for earnings growth, a secure competitive position and prudent capital management. These companies should deliver sustainable returns over time.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments as at 30 September 2021\*\*\*/#

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
India	2,011,650,890	98.1
ii) <u>Industry</u>		
Financials	550,340,549.48	26.8
Information Technology	426,802,516.40	20.8
Consumer Staples	268,135,774.40	13.1
Materials	163,802,658.01	8.0
Healthcare	99,287,642.47	4.8
Consumer Discretionary	115,526,156.94	5.6
Industrials	116,928,358.35	5.7
Communication Services	95,704,421.30	4.7
Utilities	90,624,946.21	4.4
Real Estate	84,497,866.32	4.1

### iii) Asset Class

Equity	2,011,650,889.88	98.1
Cash	39,598,649.46	1.9

### iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 30 September 2021\*\*\*/#

Securities	Market Value (S\$)	% of NAV
HDFC	194,323,767.00	9.5
Infosys	193,999,415.00	9.5
Tata Consultancy Services	162,404,415.00	7.9
Hindustan Unilever	127,856,005.00	6.2
Kotak Mahindra Bank	93,048,743.00	4.5
Godrej Properties	84,497,866.00	4.1
Ultratech Cement	78,859,987.00	3.8
HDFC Bank	77,820,122.00	3.8
SBI Life Insurance	71,260,736.00	3.5
Asian Paints	64,919,775.00	3.2

### Top 10 Holdings as at 30 September 2020\*\*\*/#

Securities	Market Value (S\$)	% of NAV
Tata Consultancy Services	591,824,139	9.7
Housing Development Finance	566,182,801	9.2
Infosys	499,117,898	8.1
Hindustan Unilever	422,685,045	6.9
Kotak Mahindra Bank	325,666,401	5.3
Asian Paints	303,720,099	5.0
ITC	268,250,265	4.4
HDFC Bank	256,059,378	4.2
Mphasis	242,596,534	4.0
Nestle India	233,337,157	3.8

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

# Manulife India Equity Fund

## C) Exposure to Derivatives

- i) Market value of derivative contract  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Aberdeen Standard India Opportunities Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S\$32,843,016.08
Total Redemptions	\$S\$30,705,750.99

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.75%

31 December 2020 : 1.74%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*/#

30 September 2021 : 12.12% (unaudited)

30 September 2020 : 15.32% (unaudited)

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

### Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager. Information provided are based on Luxembourg registered Aberdeen Standard SICAV I – Indian Equity Fund\*, the Underlying Fund of Aberdeen Standard India Opportunities Fund which Manulife India Equity Fund invests in.

Fund renamed from Aberdeen Global – Indian Equity Fund to Aberdeen Standard SICAV I – Indian Equity Fund effective 11 February 2019

\*Not authorised for sale to the public in Singapore.

#Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife Golden Balanced Growth Fund

## Fund Facts

Launch Date / Price : 18 February 1997 / S\$1.00 (Offer)  
Unit Price\* : S\$3.3100 (Bid/NAV) /  
^S\$3.4842 / ^^S\$3.4124

Fund Size : S\$288,737,937.13  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk : Medium - High Risk - Narrowly  
Classification : Focused – Country - Singapore  
Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

On 1 May 2019, the Sub-Manager of the Manulife Golden Balanced Growth Fund was removed and the rebalancing responsibility transferred to the Manager, Manulife Asset Management (Singapore) Pte. Ltd.

On 1 February 2019, the Manager of the Manulife Golden International Bond Fund was changed from Legg Mason Asset Management Singapore Pte. Limited to Manulife Asset Management (Singapore) Pte. Ltd. and Legg Mason Asset Management Singapore Pte. Limited was appointed the Sub-Manager.

On 1 February 2019, the Manager of the Manulife Golden Singapore Growth Fund was changed from Schroder Investment Management (Singapore) Ltd to Manulife Asset Management (Singapore) Pte. Ltd. and Schroder Investment Management (Singapore) Ltd was appointed the Sub-Manager.

Prior to 3 September 2018, the Manager was Western Asset Management Company Pte. Ltd.

## Fund Objective

The investment objective of the ILP Sub-Fund is to achieve medium to long term capital growth by investing in a portfolio consisting of 60% equities and 40% fixed income securities primarily through investing in other ILP Sub-Funds.

The ILP Sub-Fund will invest 60% of its assets into Manulife Golden Singapore Growth Fund and 40% of its assets into Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund.

**For equities:** Manulife Golden Singapore Growth Fund aims to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited, by investing substantially into Schroder Singapore Trust. This portfolio will be broadly diversified with no specific industry or sectoral emphasis.

**For bonds:** Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund seeks to maximize total returns from a combination of capital appreciation and income generation through investing primarily in a diversified portfolio of investment grade debt securities issued by governments, agencies, supranationals and corporate issuers in the Asia Pacific region.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Balanced Growth Fund	Benchmark*
3 months	-0.14%	+0.15%
6 months	+0.60%	+0.84%
1 year	+7.51%	+7.49%
3 years	+4.61%	+4.26%
5 years	+4.61%	+4.76%
10 years	+4.49%	+4.80%
Since Inception	+5.15%	+4.92%

# Manulife Golden Balanced Growth Fund

Inception date: 18 February 1997

\*Benchmark: 60% of Straits Times Index + 40% of (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)).

On 1 December 2021, the benchmark for Manulife Golden Singapore Growth Fund was changed from MSCI Singapore Free Index to Straits Times Index.

Prior to 13 August 2019, the benchmark was 60% of MSCI Singapore Free Index + 40% of FTSE World Government Bond Index ex Japan (hedged to S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook and Investment Strategy\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable

- Net gains/losses on outstanding derivative contracts  
Not Applicable

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Golden Singapore Growth Fund	S\$170,847,703.01	59.17%
Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund	S\$117,890,234.12	40.83%

### E) Amount and percentage of debt to NAV

Not Applicable

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$93,032,796.06
Total Redemptions	S\$45,031,455.74

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 1.30%

31 December 2020 : 1.35%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Please refer to respective ILP sub-funds/underlying funds (see appendix).

#### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Manager.

# Manulife Golden Global Balanced Fund

## Fund Facts

Launch Date / Price : 30 October 2001 / S\$1.00 (Offer)  
Unit Price\* : S\$1.9189 (Bid/NAV) /  
^S\$2.0199 / ^^S\$1.9782

Fund Size : S\$73,308,380.25  
Manager : Manulife Investment Management  
(Singapore) Pte. Ltd.

CPFIS Risk : Medium - High Risk - Broadly  
Classification : Diversified  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

Effective 1 May 2019, the Sub-Manager of the Manulife Golden Global Balanced Fund was removed and the rebalancing responsibility transferred to the Manager, Manulife Asset Management (Singapore) Pte. Ltd.

Effective 1 February 2019, the Manager of the Manulife Golden International Bond Fund was changed from Legg Mason Asset Management Singapore Pte. Limited to Manulife Asset Management (Singapore) Pte. Ltd. and Legg Mason Asset Management Singapore Pte. Limited was appointed the Sub-Manager.

Prior to 3 September 2018, the Manager was Western Asset Management Company Pte. Ltd.

Effective 2 October 2017, the Manager of the Manulife Golden Worldwide Equity Fund was changed from UOB Asset Management Ltd to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

The investment objective of the ILP Sub-Fund is to achieve medium to long term capital growth by investing in a portfolio consisting of 60% equities and 40% fixed income securities primarily through investing in other ILP Sub-Funds.

The ILP Sub-Fund will invest 60% of its assets into Manulife Golden Worldwide Equity Fund and 40% of its assets into Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

**For equities:** Manulife Golden Worldwide Equity Fund invests all or substantially all its assets into Manulife

Global Fund – Global Equity Fund (“Underlying Fund”), which is a sub-fund of Manulife Global Fund (“MGF”). MGF is constituted in Luxembourg. The investment objective of the Underlying Fund is to achieve capital growth from a balanced portfolio of international securities. The Underlying Fund is designed as a relatively lower risk way of participating in world stock markets and offers an alternative to the other, more aggressive, regional investments.

**For bonds:** Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund seeks to maximize total returns from a combination of capital appreciation and income generation through investing primarily in a diversified portfolio of investment grade debt securities issued by governments, agencies, supranationals and corporate issuers in the Asia Pacific region.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Golden Global Balanced Fund	Benchmark*
3 months	+3.19%	+4.27%
6 months	+4.29%	+5.02%
1 year	+14.37%	+14.18%
3 years	+12.68%	+14.97%
5 years	+7.69%	+9.99%
10 years	+6.96%	+9.54%
Since Inception	+3.55%	+6.11%

Inception date: 30 October 2001

\*60% MSCI World Index + 40% of (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)). The full track record of the previous index has been kept and chain-linked to the new one.

Prior to 13 August 2019, the benchmark was 60% MSCI World Index+ 40% FTSE World Government Bond Index ex Japan (hedged to S\$).

Prior to 2 October 2017, the benchmark was 60% MSCI AC World Index+ 40% Citigroup World Government Bond Index ex Japan (hedged to S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook and Investment Strategy\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable

- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Golden Worldwide Equity Fund	S\$44,142,658.86	60.22%
Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund	S\$29,165,721.39	39.78%

### E) Amount and percentage of debt to NAV Not Applicable

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,851,709.42
Total Redemptions	S\$6,750,345.90

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 1.50%

31 December 2020 : 1.40%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio\*\*\*

Please refer to respective ILP sub-funds/underlying funds (see appendix).

# Manulife Golden Global Balanced Fund

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J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Please refer to respective ILP sub-funds/underlying funds (see appendix).

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Manager.



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# Manulife Lifestyle Portfolios - Aggressive Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (Offer)  
Unit Price\* : S\$2.0844 (Bid/NAV) /  
^S\$2.1941 / ^^S\$2.1489

Fund Size : S\$8,588,137.02  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk Classification : Higher Risk – Broadly Diversified  
Subscription : SRS/ Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 3 May 2021, the Underlying Fund for Manulife Golden Southeast Asia Fund has changed from BlackRock Global Funds - ASEAN Leaders Fund to Schroder Asian Growth Fund and the name of the ILP Sub-Fund changed to Manulife Golden Asia Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

This Portfolio Fund seeks to achieve maximum growth over the long run with considerable risk in the short run. The ILP sub-fund generally invests 100% in equities.

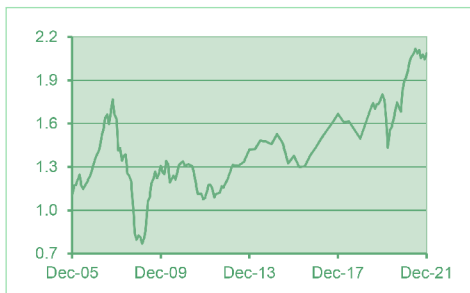
The Portfolio Fund feeds into:

50% Manulife Golden Worldwide Equity Fund

30% Manulife Golden Asia Growth Fund

20% Manulife Golden Asia Fund

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Lifestyle Portfolios - Aggressive Fund	Benchmark*
3 months	+1.51%	+2.50%
6 months	-1.61%	-1.33%
1 year	+9.54%	+9.48%
3 years	+11.69%	+13.80%
5 years	+7.73%	+10.58%
10 years	+6.75%	+10.27%
Since Inception	+4.50%	+7.13%

Inception date: 18 February 2004

\*50% MSCI World Net Index + 50% MSCI AC Asia ex JP Index. The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 3 May 2021, the benchmark was 50% MSCI World Net Index + 30% MSCI AC Asia ex JP Index + 20% MSCI ASEAN Index.

Prior to 2 October 2017, the benchmark was 50% MSCI AC World Index + 50% MSCI AC Asia ex Japan Index.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds.

## Market Outlook And Investment Strategy

Please refer to respective ILP sub-funds.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds.

**B) Top 10 Holdings as at 31 December 2021 & 31 December 2020**

Please refer to respective ILP sub-funds.

**C) Exposure to Derivatives**

Please refer to respective ILP sub-funds.

**D) Amount and percentage of NAV invested in collective investment schemes**

Manulife Golden Worldwide Equity Fund	S\$4,521,784.54	52.65%
Manulife Golden Asia Growth Fund	S\$2,437,451.32	28.38%
Manulife Golden Asia Fund	S\$1,628,901.16	18.97%

**E) Amount and percentage of debt to NAV**

Please refer to respective ILP sub-funds.

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$943,931.15
Total Redemptions	S\$1,734,696.40

**G) Amount and terms of related-party transactions**

Please refer to respective ILP sub-funds.

**H) Expense Ratio**

31 December 2021 : 1.63%

31 December 2020 : 1.71%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio**

Please refer to respective ILP sub-funds.

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Please refer to respective ILP sub-funds.

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

# Manulife Lifestyle Portfolios - Growth Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (Offer)  
Unit Price\* : S\$1.9822 (Bid/NAV) /  
^S\$2.0865 / ^^S\$2.0435

Fund Size : S\$11,916,032.70

Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk Classification : Higher Risk - Broadly Diversified  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 3 May 2021, the Underlying Fund for Manulife Golden Southeast Asia Fund has changed from BlackRock Global Funds - ASEAN Leaders Fund to Schroder Asian Growth Fund and the name of the ILP Sub-Fund changed to Manulife Golden Asia Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

This Portfolio Fund seeks to achieve growth over the long term with some limit on risk exposure. The ILP sub-fund generally invests 80% in equities and 20% in bonds.

The Portfolio Fund feeds into:

50% Manulife Golden Worldwide Equity Fund

20% Manulife Golden Asia Growth Fund

10% Manulife Golden Asia Fund

10% Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

10% Manulife Singapore Bond Fund

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Lifestyle Portfolios - Growth Fund	Benchmark*
3 months	+1.94%	+2.87%
6 months	+0.12%	+0.77%
1 year	+9.61%	+10.05%
3 years	+11.44%	+13.75%
5 years	+7.42%	+10.02%
10 years	+6.60%	+9.54%
Since Inception	+4.20%	+6.61%

Inception date: 18 February 2004

\*50% MSCI World Index + 30% MSCI AC Asia ex Japan Index + 10% (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 10% Markit iBoxx ALBI Singapore Index. The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 3 May 2021, the benchmark was 50% MSCI World Index + 20% MSCI AC Asia ex Japan Index + 10% MSCI ASEAN Index + 10% (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 10% Markit iBoxx ALBI Singapore Index.

Prior to 13 August 2019, the benchmark was 50% MSCI World Index + 30% MSCI AC Asia ex Japan Index + 10% FTSE World Govt Bond (ex Japan) (hedged to S\$) + 10% J.P Morgan Singapore Government Bond Index (S\$).

Prior to 2 October 2017, the benchmark was 50% MSCI AC World Index + 30% MSCI AC Asia ex Japan Index + 10% Citigroup World Govt Bond (ex Japan) (hedged to S\$) + 10% J.P Morgan Singapore Government Bond Index (S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook And Investment Strategy

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund	S\$1,059,545.33	8.89%
Manulife Singapore Bond Fund	S\$1,016,838.86	8.53%
Manulife Golden Worldwide Equity Fund	S\$6,519,575.24	54.72%
Manulife Golden Asia Growth Fund	S\$2,437,763.90	20.46%
Manulife Golden Asia Fund	S\$882,309.37	7.40%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$833,062.92
Total Redemptions	S\$1,132,550.71

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 1.65%

31 December 2020 : 1.66%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

# Manulife Lifestyle Portfolios - Growth Fund

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I) **Turnover Ratio**

Please refer to respective ILP sub-funds/underlying funds (see appendix).

J) **Any material information that shall adversely impact the valuation of the ILP sub-fund**

Please refer to respective ILP sub-funds/underlying funds (see appendix).

K) **Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

# Manulife Lifestyle Portfolios - Moderate Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (offer)  
Unit Price\* : S\$1.9650 (Bid/NAV) /  
^S\$2.0684 / ^^S\$2.0258

Fund Size : S\$63,182,887.87

Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk : Medium to High Risk/Narrowly  
Classification : Focused-Asia

Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

On 3 May 2021, the Underlying Fund for Manulife Golden Southeast Asia Fund has changed from BlackRock Global Funds - ASEAN Leaders Fund to Schroder Asian Growth Fund and the name of the ILP Sub-Fund changed to Manulife Golden Asia Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

This Portfolio Fund seeks to achieve moderate growth over the long term with moderate risk exposure. The ILP sub-fund generally invests up to 60% in equities and 40% in bonds.

The Portfolio Fund feeds into:

40% Manulife Golden Worldwide Equity Fund

15% Manulife Golden Asia Growth Fund

20% Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund

20% Manulife Singapore Bond Fund

5% Manulife Golden Asia Fund

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Lifestyle Portfolios - Moderate Fund	Benchmark*
3 months	+1.30%	+2.33%
6 months	+0.32%	+1.03%
1 year	+7.64%	+7.72%
3 years	+10.01%	+11.95%
5 years	+6.77%	+8.71%
10 years	+5.97%	+8.18%
Since Inception	+4.15%	+5.87%

Inception dates: 18 February 2004

\*40% MSCI World Index + 25% MSCI AC Asia ex Japan Index + 20% (70% JP Morgan Asian Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 20% Markit iBoxx ALBI Singapore Index. The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 3 May 2021, the benchmark was 40% MSCI World Index + 20% MSCI AC Asia ex Japan Index + 5% MSCI ASEAN Index + 20% (70% JP Morgan Asian Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 20% Markit iBoxx ALBI Singapore Index.

Prior to 13 August 2019, the benchmark was 40% MSCI World Index + 20% MSCI AC Asia ex Japan Index + 20% FTSE World Govt Bond (ex Japan) (hedged to S\$) + 20% J.P Morgan Singapore Government Bond Index (S\$).

# Manulife Lifestyle Portfolios - Moderate Fund

Prior to 2 October 2017, the benchmark was 40% MSCI AC World Index + 20% MSCI AC Asia ex Japan Index + 20% Citigroup World GovtBond (ex Japan) (hedged to S\$) + 20% J.P Morgan Singapore Government Bond Index (S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook And Investment Strategy

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund	S\$12,581,331.40	19.91%
Manulife Singapore Bond Fund	S\$12,468,826.00	19.73%
Manulife Golden Worldwide Equity Fund	S\$26,047,373.31	41.23%
Manulife Golden Asia Growth Fund	S\$9,086,088.65	14.38%
Manulife Golden Asia Fund	S\$2,999,268.51	4.75%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,117,763.38
Total Redemptions	S\$5,978,172.61

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 1.44%

31 December 2020 : 1.46%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.



I) **Turnover Ratio**

Please refer to respective ILP sub-funds/underlying funds (see appendix).

J) **Any material information that shall adversely impact the valuation of the ILP sub-fund**

Please refer to respective ILP sub-funds/underlying funds (see appendix).

K) **Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

# Manulife Lifestyle Portfolios - Secure Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (Offer)  
Unit Price\* : S\$1.7289 (Bid/NAV) /  
^S\$1.8199 / ^^S\$1.7824

Fund Size : S\$2,730,467.38  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk : Medium to High Risk/Narrowly  
Classification : Focused-Asia  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

This Portfolio Fund seeks to achieve a modest level of growth over the long term with low risk exposure. The ILP sub-fund generally invests up to 40% in equities and 60% in bonds.

The Portfolio Fund feeds into:

- 30% Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund
- 30% Manulife Singapore Bond Fund
- 40% Manulife Golden Worldwide Equity Fund

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Lifestyle Portfolios - Secure Fund	Benchmark*
3 months	+1.78%	+2.67%
6 months	+2.39%	+3.11%
1 year	+7.87%	+7.95%
3 years	+9.09%	+10.96%
5 years	+5.86%	+7.70%
10 years	+5.46%	+7.18%
Since Inception	+3.41%	+5.05%

Inception date: 18 February 2004

\*40% MSCI World Index + 30% (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 30% Markit iBoxx ALBI Singapore Index. The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 13 August 2019, the benchmark was 40% MSCI World Index + 30% FTSE World Govt Bond (ex Japan) hedged to S\$ + 30% J.P Morgan Singapore Government Bond Index (S\$).

Prior to 2 October 2017, the benchmark was 40% MSCI AC World Index + 30% Citigroup World Govt Bond (ex Japan) hedged to S\$ + 30% J.P Morgan Singapore Government Bond Index (S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook And Investment Strategy

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund	S\$790,381.98	28.95%
Manulife Singapore Bond Fund	S\$780,273.74	28.58%
Manulife Golden Worldwide Equity Fund	S\$1,159,811.66	42.47%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$233,155.50
Total Redemptions	S\$407,061.06

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 1.40%  
31 December 2020 : 1.41%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

# Manulife Lifestyle Portfolios - Conservative Fund

## Fund Facts

Launch Date / Price : 18 February 2004 / S\$1.00 (Offer)  
Unit Price\* : S\$1.5893 (Bid/NAV) /  
^S\$1.6729 / ^^S\$1.6385

Fund Size : S\$3,061,053.56  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk : Low to Medium Risk/Narrowly  
Classification : Focused – Asia  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 13 August 2019, the allocation into Manulife Golden International Bond Fund will be replaced with Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund.

On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

This Portfolio Fund seeks to achieve stable growth over the long term with minimum risk exposure. The ILP sub-fund generally invests up to 20% in equities and 80% in bonds.

The Portfolio Fund feeds into:

40% Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

40% Manulife Singapore Bond Fund

20% Manulife Golden Worldwide Equity Fund

Fund Performance/ Benchmark returns	Manulife Lifestyle Portfolios - Conservative Fund	Benchmark*
3 months	+0.68%	+1.23%
6 months	+1.01%	+1.46%
1 year	+3.60%	+2.91%
3 years	+6.86%	+7.43%
5 years	+4.71%	+5.54%
10 years	+4.18%	+5.13%
Since Inception	+2.92%	+4.04%

Inception date: 18 February 2004

\*20% MSCI World Index + 40% (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) + 40% Markit iBoxx ALBI Singapore Index. The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 13 August 2019, the benchmark was 20% MSCI World Index + 40% FTSE World Govt Bond (ex Japan) hedged to S\$ + 40% J.P Morgan Singapore Government Bond Index (S\$).

Prior to 2 October 2017, the benchmark was 20% MSCI AC World Index + 40% Citigroup World Govt Bond (ex Japan) hedged to S\$ + 40% J.P Morgan Singapore Government Bond Index (S\$).

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Fund Performance



## Investment and Market Review

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Market Outlook And Investment Strategy

Please refer to respective ILP sub-funds/underlying funds (see appendix).

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### B) Top 10 Holdings as at 31 December 2021 & 31 December 2020

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### D) Amount and percentage of NAV invested in collective investment schemes

Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund	S\$1,189,659.00	38.86%
Manulife Singapore Bond Fund	S\$1,126,951.99	36.82%
Manulife Golden Worldwide Equity Fund	S\$744,442.57	24.32%

### E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$99,265.68
Total Redemptions	S\$397,938.25

### G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### H) Expense Ratio

31 December 2021 : 0.87%  
31 December 2020 : 0.91%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Please refer to respective ILP sub-funds/underlying funds (see appendix).

### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

# Manulife Global Emerging Markets Fund

## Fund Facts

Launch Date / Price : 31 May 2006 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.3762 (Bid/NAV) /  
 ^S\$2.5013 / ^^S\$2.4497  
 Fund Size : S\$106,465,038.90  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Aberdeen Standard Investments  
 (Asia) Limited  
 CPFIS Risk : Higher Risk – Narrowly Focused  
 Classification : – Regional – Emerging Markets  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and Aberdeen Standard Investments (Asia) Limited as the Sub-Manager.

## Fund Objective

The ILP Sub-Fund feeds into Aberdeen Standard Select Portfolio - Aberdeen Standard Global Emerging Markets Fund (the "Underlying Fund"), which is a Singapore-authorized open-ended unit trust.

The Underlying Fund investment objective is to provide long-term capital gain by investing in authorised investments which are direct or indirect investments in emerging stock markets worldwide or companies with significant activities in emerging markets, or as a feeder fund to invest in the Aberdeen Standard SICAV I – Emerging Markets Equity Fund\* (the "Underlying Fund"), a sub-fund of Luxembourg-registered Aberdeen Standard SICAV I, which invests at least two-thirds of its assets in equities and equity-related securities of companies with their registered office in an Emerging Market country; and/or, of holding companies which have the preponderance of their business activities in an Emerging Market country; and/or, of holding companies that have the preponderance of their assets in companies with their registered office in an Emerging Market country. The Aberdeen Standard SICAV I – Emerging Markets Equity Fund may invest up to 30% of its net assets in Mainland China equity and equity-related securities, although only up to 10% of its net assets may be invested directly through QFI regime, the Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect programme or by any other available means.

(\*The Aberdeen Standard SICAV I – Emerging Markets Equity Fund is not authorised for public sale in Singapore)

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Global Emerging Markets Fund	Benchmark*
3 months	-4.03%	-1.93%
6 months	-10.35%	-8.85%
1 year	-3.80%	-0.26%
3 years	+11.42%	+10.91%
5 years	+7.04%	+8.74%
10 years	+5.27%	+6.27%
Since Inception	+6.06%	+4.97%

Inception date: 31 May 2006.

\*MSCI Emerging Markets Index

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Aberdeen Standard Investments (Asia) Limited.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Emerging market equities fell in the fourth quarter, lagging developed markets, which rose. Gains at the start of the quarter proved short-lived after sentiment was hit by the emergence of the highly transmissible Omicron coronavirus variant, persistent inflation and the hawkish monetary policy environment. The Omicron outbreak

prompted renewed lockdowns and fresh travel curbs, and stoked concerns about further supply chain disruptions. However, fears abated towards the period-end as Omicron cases appeared less severe compared with earlier strains. Investors had to contend with the prospect of policy tightening by major central banks amid mounting inflationary pressures over the quarter; the US Federal Reserve now projects three interest rate hikes in 2022. Several emerging economies, including Russia, Brazil and Mexico, also raised rates, though policy in emerging markets is diverging. The Reserve Bank of India kept rates steady to support growth while it outlined plans to keep excess liquidity in check. Turkey bucked the trend with a rate cut despite soaring inflation.

Against this backdrop, Asian market performance was mixed. Taiwanese equities fared well, boosted by robust global demand for consumer electronics. Indian stocks also outpaced the wider asset class amid the economy's recovery. China was a notable laggard. Stocks there struggled on the back of several negative developments. These included persistent tensions with the US, weak corporate earnings amid regulatory pressures and a power crunch. Investors also fretted over the property market downturn and a resurgence in Covid-19 cases, particularly given the country's zero tolerance approach. Policy was a bright spot, however, thanks to subdued inflation. The People's Bank of China lowered its benchmark lending rate and cut the reserve requirement ratio for banks, while policymakers signalled further action to stabilise the economy.

Elsewhere, Latin American markets underperformed. Brazilian equities weakened and the economy entered a technical recession in the third quarter following two consecutive quarters of negative growth. Conversely, Mexican shares were helped by sharp gains towards the period-end as markets welcomed the central bank's rate hike to combat rising inflation.

Emerging Europe, Middle East and African shares also lagged. This was largely due to political ructions in Turkey and Russia, though Middle Eastern markets benefited from rising oil prices.

## Market Outlook and Investment Strategy\*\*\*

2021 was a year of stark underperformance and lacklustre absolute returns for emerging markets, despite a very strong earnings recovery over the year. This has left the asset class at an extreme relative discount to global developed markets and US equities, indicating a

potentially attractive entry point.

Looking ahead, investors will be pondering how stubborn inflation is likely to be, after being surprised by its persistence in 2021. With supply chain pressure easing and stimulus effects fading, inflation may normalise over the year, though this should be balanced against rising wages, which may indicate stickier inflation. At present, bond markets are pricing in a significant tightening cycle in the US, perhaps overlooking the transitory nature of some inflation drivers.

In China, further support to the economy is likely over the first quarter of 2022. With muted consumer inflation and a flagging property market, policymakers have made clear their intentions to support growth. However, the current zero tolerance approach to Covid may be tested by the highly transmissible Omicron variant.

Globally, the investment cycle is turning after years of decline. Green infrastructure should feature heavily in renewed investment, and this is an area in which emerging market companies are especially prominent. There are a number of positions in our portfolios that should benefit from these trends, including renewable energy and technology hardware companies.

The Underlying Fund is driven by a belief that over the long term, a focused portfolio of high-quality companies selected at the right price will outperform the wider market. The market often systematically underestimates the sustainability of returns from such high-quality companies.

We take a long-term quality (LTQ) approach by focusing on companies that our research analysts identify as high quality. This involves assessing each company on five key factors, namely the durability of the business model and moat, the attractiveness of the industry, the strength of financials, the capability of management, and our assessment of the company's environmental, social and governance credentials. Consequently, the financial characteristics of the portfolio offer superior returns, growth and balance sheets to the broader market, giving the potential to deliver attractive risk-adjusted returns.

We trust our own research, and take a long-term view, exemplified by our 'buy and hold' investment style and, as bottom-up stock pickers, our country and sector allocations are driven by where we can find quality companies with attractive valuations. Therefore, when we invest in a business, we do so for the long term and behave like owners. We are able to actively engage with companies to improve how they are run.

# Manulife Global Emerging Markets Fund

Over time, the strategy's positioning has evolved, although certain sectors and countries have offered more consistent attraction. For example, we are underweight sectors that are plagued with national service risk, such as energy and utilities. Meanwhile, we have had long periods of being overweight consumer sectors where we have tended to find companies with stronger competitive advantages and pricing power, and beneficiaries of growing consumption. As a result, we have preferred the deeper emerging equity markets with larger consumer economies and supportive demographics where we see structural underpinnings for the growth of domestic consumption. More recently, as emerging market constituents have gone through a rapid transformation, we have taken exposure to themes that span across sectors, including renewable energy companies, where the long-term economics is compelling. We also find many compelling opportunities in the IT sector, where there are multiple structural drivers.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments as at 30 September 2021\*\*\*/#

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
China/Hong Kong	1,005,398,300.54	36.5
India	350,727,067.67	12.7
Taiwan	340,571,765.15	12.4
South Korea	337,127,323.29	12.2
Russia	183,949,488.80	6.7
Brazil	155,311,078.84	5.6
Mexico	122,769,785.66	4.5
Netherlands	64,533,945.55	2.3
Indonesia	62,019,086.81	2.3
South Africa	26,816,053.00	1.0
Poland	20,469,512.71	0.7
Philippines	12,235,802.64	0.4

### ii) Industry

Information Technology	791,444,290.76	28.8
Financials	553,906,264.35	20.1
Consumer Discretionary	368,277,271.13	13.4
Materials	245,249,180.00	8.9
Communication Services	210,135,396.42	7.6
Industrials	152,473,308.45	5.5
Consumer Staples	136,506,446.22	5.0
Energy	105,058,063.03	3.8
Healthcare	83,170,193.76	3.0
Real Estate	41,164,927.31	1.5
Utilities	31,540,236.36	1.1

### iii) Asset Class

Equity	2,718,925,578	98.8
Cash	33,240,709	1.2

### iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 30 September 2021\*\*\*/#

	Market Value (S\$)	% of NAV
<u>Securities</u>		
Taiwan Semiconductor Manufacturing Company	251,319,701	9.1
Samsung Electronics	232,718,037	8.5
Tencent	142,028,408	5.2
Alibaba Group	104,596,890	3.8
Housing Development Finance Corporation	82,404,372	3.0
Tata Consultancy Services	71,589,276	2.6
WuXi Biologics	63,511,897	2.3
Longi Green Energy Technology	59,991,439	2.2



Novatek	58,143,253	2.1
LG Chem	53,350,617	1.9

#### Top 10 Holdings as at 30 September 2020\*\*\*/#

Securities	Market Value (\$)	% of NAV
Taiwan Semiconductor Manufacturing	221,654,800	8.6
Tencent	216,235,760	8.4
Samsung Electronics	203,302,472	7.9
Aberdeen Standard SICAV I - China A Share Equity Fund	144,410,411	5.6
Ping An Insurance	90,956,986	3.5
Meituan Dianping	74,572,222	2.9
Housing Development Finance	61,532,137	2.4
Naspers	59,119,285	2.3
LG Chem	57,976,030	2.3
Prosus	57,791,705	2.2

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Aberdeen Standard Global Emerging Markets Fund

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$24,717,643.32
Total Redemptions	S\$21,232,467.40

#### G) Amount and terms of related-party transactions

Not Applicable

#### H) Expense Ratio

31 December 2021 : 1.75%

31 December 2020 : 1.75%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*/#

30 September 2021 : 18.13% (unaudited)

30 September 2020 : 17.17% (unaudited)

#### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

#### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including

# Manulife Global Emerging Markets Fund

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office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

**Note:**

\*\*\* Information given relates to the Underlying Fund and is provided by the Sub-Manager. Information provided are based on Luxembourg registered Aberdeen Standard SICAV I – Emerging Markets Equity Fund\*, the Underlying Fund of Aberdeen Standard Global Emerging Markets Fund which Manulife Global Emerging Markets Fund invests in.

Fund renamed from Aberdeen Global – Emerging Markets Equity Fund to Aberdeen Standard SICAV I – Emerging Markets Equity Fund effective 11 February 2019

\*Not authorised for sale to the public in Singapore.

#Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife Pacific Equity Fund

## Fund Facts

Launch Date / Price : 31 May 2006 / S\$1.00 (Offer)  
 Unit Price\* : S\$2.3909 (Bid/NAV) /  
 ^S\$2.5167 / ^^S\$2.4648  
 Fund Size : S\$74,594,011.99  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Schroder Investment  
 Management (Singapore) Ltd  
 CPFIS Risk : Higher Risk - Narrowly Focused –  
 Classification : Regional - Asia  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

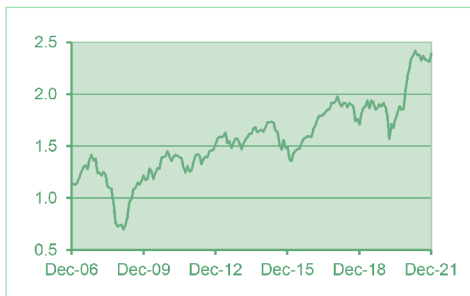
On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the ILP Sub-Funds and Schroder Investment Management (Singapore) Ltd as the Sub-Manager.

On 22 February 2017, the Manager was changed from Aberdeen Asset Management Asia Limited to Schroder Investment Management (Singapore) Ltd.

## Fund Objective

The Fund invests all or substantially all its assets into Schroder Asian Equity Yield Fund (“Underlying Fund”), a Singapore-authorized unit trust, which aims to provide capital growth and income through investment in equity and equity related securities of Asian companies which offer attractive yields and sustainable dividend payments.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Pacific Equity Fund	Benchmark*
3 months	+2.48%	-1.46%
6 months	+0.42%	-8.86%
1 year	+9.69%	-1.48%
3 years	+11.89%	+12.24%
5 years	+8.50%	+9.32%
10 years	+6.55%	+8.10%
Since Inception	+6.10%	+7.04%

Inception date: 31 May 2006

\*MSCI AC Pacific Free ex Japan Index

The benchmark was changed from MSCI AC Asia Pacific Ex-Japan Index to MSCI AC Pacific Free ex Japan on 22 February 2017. The full track record of the previous index has been kept and chainlinked to the new one.

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Schroder Investment Management (Singapore) Ltd

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Asia Pacific ex Japan equities started the year off strong, with market sentiment positive on a supportive global growth backdrop and the rollout of vaccines globally. However, markets consolidated in the last few months of the year on the back of hawkish rhetoric by the US Federal Reserve and concurrently high inflation prints. China was the weakest index market over the period, as regulatory tightening across various sectors and credit concerns over its property sector spooked investors.

The Underlying Fund returned 9.73% (SGD, A Dis share class), ahead of the benchmark which posted -1.46%. From a regional perspective, both stock selection and allocation were positive for the Underlying Fund's relative performance. In particular, positive stock selection in China and Taiwan and positive allocation (underweight and overweight respectively) drove most of the outperformance. Conversely, weak stock selection in Hong Kong and negative allocation to India (underweight) detracted value.

# Manulife Pacific Equity Fund

Our nil exposure to Alibaba and Tencent were key contributors to relative performance over the period, as the crackdown on Chinese internet platforms and VIE structures soured sentiment on the sector. Our exposure to select Taiwanese technology names (e.g. Mediatek, Novatek) also supported outperformance on market expectations that these companies will benefit from a sustained demand outlook from a wide range of sectors.

Conversely, our exposure to select names in the Macau gaming sector (Sands, Galaxy Entertainment) were key detractors as they underperformed on the back of tighter regulations on the sector which raised concerns on the sustainability of dividends and increased government oversight. Our exposure to New Oriental Education was another key detractor on the back of growing regulatory and policy risks as the authorities have moved to crack down on the after-school tutoring industry which led to a severe correction in the share price.

## Market Outlook and Investment Strategy\*\*\*

We continue to expect long-term interest rates to stay lower for longer, given the 4 'D's (ageing Demographics, technological Disruption, income Disparity and still-elevated Debt levels), as well as financial repression. As economic growth returns, there will inevitably be short-term inflationary fears and expectations of monetary tightening, as recently experienced. This is unlikely to be sustained, as policymakers realise that fragile economies and high levels of debt mean that higher rates would be unbearable.

We are seeing dividend growth resume, reflecting companies' increasing confidence in the near-term operating outlook, on the back of the economic recovery and a pick-up in the pace of vaccinations globally. These factors should be supportive for share prices, going forward.

We remain positive on technology stocks in Taiwan given strong secular growth trends, select reflatory plays like Indonesian financials, and the Indian IT consultancy/software sector on attractive growth prospects.

We continue to keep our portfolio diversified across Dividend Cows, Growers, and Surprises, ensuring that there will always be categories of dividend stocks that will outperform at different stages of the market cycle.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	49,344,287	20.38
China	33,191,047	13.71
Hong Kong	19,573,382	8.09
India	15,708,242	6.49
Indonesia	2,007,581	0.83
New Zealand	4,421,771	1.83
Philippines	2,084,151	0.86
Singapore	19,917,755	8.23
South Korea	28,047,020	11.59
Taiwan	70,235,895	29.00
ii) <u>Industry</u>		
Bank	25,620,378	10.58
Chemicals/Petrochemicals	2,705,403	1.12
Computer/Software	9,970,318	4.12
Construction & Engineering	4,242,264	1.75
Consumer Durables	10,923,576	4.51
Finance	9,310,299	3.85
Health Care/ Pharmaceuticals	10,515,742	4.34
Hotel & Leisure	9,478,019	3.91
Industrial And Transportation	1,576,228	0.65
Insurance	7,998,336	3.30
Internet Services	7,253,602	3.00
Metals & Mining	14,271,097	5.90

Oil & Gas	2,265,642	0.93
Real Estate	12,679,258	5.24
Retail	1,386,011	0.57
Semiconductor	43,059,570	17.79
Technology Hardware & Equipment	47,133,993	19.47
Telecommunications	13,160,090	5.44
Utilities	10,981,305	4.54

iii) Asset Class

Equities	244,531,131	101.01
Other net assets/(liabilities)	(2,446,631)	(1.01)

iv) Credit Rating

Not Applicable

Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Samsung Electronics Co Ltd	33,461,329	9.47
Taiwan Semiconductor Manufacturing Co Ltd	23,558,558	6.67
Voltronic Power Technology Corp	11,746,261	3.33
BHP Group Ltd	11,071,861	3.13
Midea Group Co Ltd A Shares	10,334,582	2.93
China Yangtze Power Co Ltd A Shares	9,310,255	2.64
China Construction Bank Corp H Shares	9,121,938	2.58
Getac Technology Corp	8,505,832	2.41
Medibank Private Ltd	7,842,991	2.22
LG Electronics Inc	7,571,675	2.14

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
Taiwan Semiconductor Manufacturing Co Ltd	19,748,616	8.16
Samsung Electronics Co Ltd	18,567,505	7.67
Voltronic Power Technology Corp	10,160,901	4.20
China Yangtze Power Co Ltd A Shares	8,025,711	3.32
Mediatek Inc	7,770,123	3.21
BHP Group PLC	7,474,358	3.09
Novatek Microelectronics Corp	6,854,968	2.83
CSL Ltd	6,588,747	2.72
Getac Hldg Corp	6,269,650	2.59
Aristocrat Leisure Ltd	5,934,356	2.45

C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes  
100% invested in Schroder Asian Equity Yield Fund

E) Amount and percentage of debt to NAV  
Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$14,800,388.28
Total Redemptions	S\$13,330,186.80

# Manulife Pacific Equity Fund

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## G) Amount and terms of related-party transactions\*\*\*

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.71%

31 December 2020 : 1.72%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager.

## I) Turnover Ratio\*\*\*

31 December 2021 : 21.76%

31 December 2020 : 35.34%

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management

# Manulife Asian Small Cap Equity Fund

## Fund Facts

Launch Date / Price : 23 September 2013 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.3894 (Bid/NAV) / ^S\$1.4625 / ^^S\$1.4324  
 Fund Size : S\$42,623,427.80  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.  
 Underlying Fund Manager : PineBridge Investments Ireland Limited  
 CPFIS Risk Classification : Higher Risk – Narrowly Focused – Regional - Asia  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

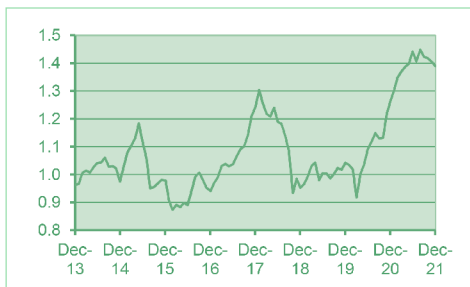
On 15 November 2019, the Underlying Fund was changed from Manulife Funds-Manulife Asian Small Cap Equity Fund to PineBridge Asia Ex Japan Small Cap Equity Fund, with PineBridge Investments Ireland Limited as Underlying Fund Manager.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

## Fund Objective

The investment objective of the Manulife Asian Small Cap Equity Fund is to seek long term capital appreciation by investing in smaller to medium-sized companies in the Asian Region, i.e. companies whose assets, products or operations are in the Asian Region. At least 50% of the Underlying Fund's investments will be in companies whose free float adjusted market capitalization at the time of purchase is less than USD 1.5 billion.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Asian Small Cap Equity Fund	Benchmark*
3 months	-2.40%	+2.47%
6 months	-3.61%	+2.11%
1 year	+9.54%	+21.17%
3 years	+13.42%	+17.95%
5 years	+8.11%	+11.12%
10 years	Not Applicable	Not Applicable
Since Inception	+4.76%	+8.12%

Inception date: 28 October 2013

\*MSCI All Country Asia Pacific ex Japan Small Cap Daily Total Return Net Index

On 15 November 2019, the benchmark was changed from MSCI Asia Pacific ex Japan Small Cap Index to MSCI All Country Asia Pacific ex Japan Small Cap Daily Total Return Net Index. The returns of the old benchmark are chain-linked to the new one.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Regional markets saw a modest decline in 4Q 2021. China witnessed a broad sell-off with continued scrutiny and uncertainty of its policy decisions and a liquidity crunch in its real estate sector. The market retreated as the fears of lockdown led by Omicron concerns and China's 'zero-tolerance COVID policy' amplified investor concerns. Its neighbor, Hong Kong, also was affected by the spillover effects. India and Korea also reported some share price declines due to fears that the government might have to scale back some recently relaxed curbs on economic activity in the region. Taiwan came out on top with strong macro numbers and supporting export growth. The Association of Southeast Asian Nations (ASEAN) was another positive story, with Thailand and Philippines ending the quarter on a higher edge. Investor concerns centered upon multiple fronts, including: the emergence of the Omicron variant of COVID-19, which could derail the global economic recovery, and the potential stagflation and regulatory unrest against a backdrop of probable lockdowns on economic activities; all of which negatively impacted market appetite during the quarter.

# Manulife Asian Small Cap Equity Fund

## Market Outlook and Investment Strategy\*\*\*

The last quarter of 2021 ended with regional markets reporting modest declines. The broad-based sell-off came majorly on the back of the emergence of a new-COVID variant called Omicron which investors feared might instigate new lockdown restrictions and disrupt the recovery story. However, the dust seems to have settled, at least for the time being, as economies and businesses this time around are better equipped, and investors remain optimistic that Omicron is unlikely to cause any major economic derailment entering the new year. Moving ahead, the momentum of increasing COVID-cases might shape up expectations; however, economies seem to be more prepared this time around, and investors remain optimistic that Omicron would not derail the economic recovery as data shows that it is spreading fast but is not as fatal as its predecessors. Therefore, the chances of widespread lockdowns are reduced significantly. This means that economic growth can be sustained, especially for late openers such as ASEAN. As far as skepticism around China is concerned, China's policy measures are expected to be less draconian and more pro-growth, given the impact on property sector fall out from Evergrande woes will affect construction activity. Inflationary pressure seems to be a common concern across the market, but it remains below the tolerance level of most central banks. Nonetheless, we may see some hikes, thereby having implications on return expectations. From a bottom-up perspective, there are opportunities in automation, digitalization and urbanization areas. However, valuations for certain emerging markets in the small cap arena are at rich levels and, thus, caution is warranted.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
Australia	158,577,955	5.98
China	516,654,177	19.49
Hong Kong	394,558,861	14.88

India	360,312,828	13.59
Indonesia	57,190,975	2.16
Korea	310,554,661	11.72
Malaysia	26,724,591	1.01
Philippines	4,954,861	0.19
Singapore	64,970,153	2.45
Taiwan	509,229,181	19.21
Thailand	77,247,817	2.91
Vietnam	68,344,068	2.58

### ii) Industry

Communication Services	45,612,757	1.72
Consumer Discretionary	382,530,044	14.43
Consumer Staples	76,805,122	2.90
Energy	11,373,912	0.43
Financials	108,497,899	4.09
Health Care	170,511,762	6.43
Industrials	707,727,663	26.70
Information Technology	624,686,680	23.57
Materials	336,269,742	12.69
Real Estate	69,596,948	2.63
Utilities	15,707,599	0.59

### iii) Asset Class

Equity	2,549,320,128	96.17
Cash	101,551,392	3.83

### iv) Credit Rating

Not Applicable



#### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (US\$)	% of NAV
Techtronic Industries Co., Ltd.	98,041,384	3.70
Sinbon Electronics Co., Ltd.	92,302,305	3.48
SITC International Holdings Co., Ltd.	91,154,550	3.44
Divi's Laboratories Limited	80,107,697	3.02
Voltronic Power Technology Corp.	72,633,539	2.74
Alchip Technologies Ltd.	71,448,298	2.70
Hansol Chemical Co., Ltd.	70,988,323	2.68
Nantong Jianghai Capacitor Co., Ltd. Class A	59,597,044	2.25
Shenzhou International Group Holdings Limited	59,528,931	2.25
Hoa Phat Group JSC	59,459,370	2.24

#### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$)	% of NAV
Shenzhou International Group Holdings Limited	65,047,222	3.31
Techtronic Industries Co., Ltd.	61,997,963	3.16
Divi's Laboratories Limited	61,367,604	3.12
Sinbon Electronics Co., Ltd.	60,538,118	3.08
Appen Ltd.	59,333,381	3.02
Alchip Technologies Ltd.	54,147,983	2.76
SITC International Holdings Co., Ltd.	54,117,833	2.76
Airtac International Group	52,547,086	2.68
Voltronic Power Technology Corp.	47,062,523	2.40
Shree Cement Limited	45,289,121	2.31

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- i) Market value of derivative contract  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in PineBridge Asia Ex Japan Small Cap Equity Fund.

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$10,227,523.26
Total Redemptions	S\$8,579,850.89

#### G) Amount and terms of related-party transactions\*\*\*

Not Applicable

#### H) Expense Ratio

31 December 2021 : 1.67%

31 December 2020 : 1.65%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*

31 December 2021 : 25.43%

31 December 2020 : 17.73%

#### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

# Manulife Asian Small Cap Equity Fund

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## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife Income Series – Singapore Fund

## Fund Facts

Launch Date / Price : 26 April 2012 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.9113 (Bid/NAV) /  
 ^S\$0.9593 / ^^S\$0.9395  
 Fund Size : S\$18,297,107.16  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.

CPFIS Risk  
 Classification : Not Applicable  
 Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

## Fund Objective

The investment objective of the Manulife Income Series – Singapore Fund is to provide medium to long term capital appreciation and income by investing primarily into Singapore bonds and equities. The ILP Sub-Fund achieves this by primarily investing 60% into the Manulife Funds – Manulife Singapore Bond Fund (“Underlying Bond Fund”) and 40% into the Manulife Funds – Manulife Singapore Equity Fund (“Underlying Equity Fund”), and the Fund Manager will actively allocate the assets of the Underlying Funds.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series - Singapore Fund	Benchmark*
3 months	-2.26%	-1.89%
6 months	-1.57%	-1.63%
1 year	+0.23%	+0.75%
3 years	+3.38%	+3.58%
5 years	+3.32%	+4.25%
10 years	Not Applicable	Not Applicable
Since Inception	+2.97%	+3.42%

Inception date: 28 May 2012

\*60% Markit iBoxx ALBI Singapore Index + 40% MSCI Singapore Total Return Index

On 2 September 2019, the benchmark was changed from Markit iBoxx ALBI Singapore Government Index to Markit iBoxx ALBI Singapore Index.

On 1 May 2017, the benchmark was changed from 60% Singapore Government Bond Index All UOB + 40% MSCI Singapore Total Return Index to 60% Markit iBoxx ALBI Singapore Government + 40% MSCI Singapore Total Return Index.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

### Manulife Singapore Bond Fund (MSBF)

2021 has been another challenging year for financial markets dominated by the COVID-19 pandemic and the Delta and Omicron variants which produced gyrations in the markets. Overall, the global economy continued to recover from the pandemic induced recession in 2020 initially due to the rollout of vaccination campaigns but was met with obstacles such as the new Omicron variant and supply chain disruptions which eventually led to persistent inflationary pressures. Both US treasury yields and Singapore sovereign yields ended the year broadly higher driven by an improvement in global growth as well as an anticipation of monetary policy normalizations.

Most major central banks maintained their accommodative monetary policies throughout the year. However, and

# Manulife Income Series – Singapore Fund

towards the end of the year, there were indications of persistent inflationary pressures building on the back of a much-improved global economy as well as dislocations in the global supply chain. The Federal Reserve (Fed) made no changes to its benchmark policy rate over the year, maintaining it in the range of 0% to 0.25% with asset purchases of \$120 billion a month until November. The Fed announced the start of the tapering of their assets in November and has quickened their pace of tapering with plans to conclude the program in early 2022. Singapore also moved pre-emptively to tighten policy with the Monetary Authority of Singapore (MAS) appreciating the slope of the SGD nominal effective exchange rate (NEER) slightly while leaving the midpoint and width unchanged in their October meeting. The MAS noted that growth is likely to remain above trend and cited an accumulation in both external and domestic cost pressures and see core inflation close to 2% in the medium term. This suggests that the MAS expects cost pressures to persist for some time amidst a recovering economy.

Credit wise, the first half of 2021 saw spreads grinding tighter against a backdrop of accommodative monetary policies as well as a recovery economy. However, spreads widened out in the second half of the year driven mainly by weakness in the higher yielding corporate bond segment, particularly the Chinese property sector. Concerns over the liquidity crunch in the higher yielding China property space and multiple idiosyncratic headlines resulted in investors rotating out of higher yielding risk assets. Comparatively, investment grade spreads remained resilient throughout the year with investors continuing to deploy cash into higher quality names.

Global equities continued to rally in 2021 driven by the continued stimulus from the COVID-19 pandemic and easy monetary policies from global central banks to keep liquidity flushed and interest rates low. The S&P Index ended the year 26.9% higher, which is the biggest annual percentage gain since 2019. On the commodities front, oil ended the year higher as demand revved up with increasing COVID-19 vaccination rates, loosening pandemic-related restrictions, and growing economies.

In 2021, the Fund returned -4.25%<sup>1</sup> on a NAV-to-NAV basis and -3.16% on a gross return basis. Overall, the fund outperformed on a gross return basis but underperformed on a NAV-to-NAV basis. The benchmark returned -4.06%<sup>2</sup> for the year. The main contributor to the outperformance was asset allocation as the portfolio held an overweight in SGD-denominated corporate bonds which outperformed. The portfolio's underweight in duration relative to the benchmark also contributed to outperformance amidst a broadly rising interest rate environment throughout 2021.

## Manulife Singapore Equity Fund (MSEF)

For the period under review, the Singapore equity market gained strength with the Fund's benchmark<sup>2</sup> up 7.9%. Market sentiment was relatively positive in the first quarter of 2021 when the COVID-19 situation remained well contained and vaccinations was on the roll-out. However, surges in community cases in the second quarter led to tightened measures, which impacted economic activities and weak economic sentiments, along with most of Singapore's ASEAN peers. Third quarter saw mild rebound unlike the region, as high vaccination rates in Singapore increased the confidence of the government to push for further border relaxation regardless of the high infection cases. Emergence of the new Omicron variant raised concerns and uncertainties in the fourth quarter. Given the already high vaccination rate and less severe complications from the new variant, the Singapore market rebounded in December, broadly ahead of the ASEAN region.

On the economic front, The Monetary Authority of Singapore (MAS) unexpectedly tightened its monetary policy settings at its half-yearly review, citing "accumulating" external and domestic cost pressures. Headline and core inflation continued its upward trajectory, owing to higher services and food inflation. The MAS has also moved to "raise slightly the slope" of the Singapore dollar nominal effective exchange rate (S\$NEER) policy band, up from a flat or "zero" slope to 0.5. On the back of resilient economic data, the Ministry of Trade & Industry (MTI) announced that Singapore's 2021 full year GDP growth could come at "around 7%", higher than the previous forecast of 4-6%.

CapitaLand Limited (delisted in September relisted as CapitaLand Investment Limited) was one of the top performers in 2021, upon successful restructuring and renewed interests on the company. Against the backdrop of the US Federal Reserve's (the "Fed") monetary tightening policy and rising interest rates, the local banks also outperformed during the year. On the other hand, City Developments was the worst performer during the year as tighter property measures and potential margin compressions on rising construction costs were headwinds to the company.

The Fund outperformed the benchmark<sup>2</sup> by 0.16% on NAV-to-NAV<sup>3</sup> basis for the period under review. Key contributor to performance was our overweight in Yangzijiang Shipbuilding as the company performed well on rising optimism in the shipping sector and strong orderbook gained against the pandemic situation. Our overweight position in First Resources Limited also gained value

as the stock rallied in tandem with the strong crude palm oil price. Given the prolonged pandemic crisis, our overweight in ComfortDelgro Corporation detracted value from performance as the company's outlook remains bleak and uncertain.

## Market Outlook and Investment Strategy\*\*\*

### Manulife Singapore Bond Fund (MSBF)

Global economic recovery made significant progress with increasing vaccination rates especially across developed economies that allowed for re-openings of economies and borders globally. However, recovery has also been tested with the emergence and widespread transmission of variants such as Delta and Omicron which contributed to waves of increased caseloads across the world. Uncertainties remain as countries hold back on further re-opening on the back of the Omicron variant and are likely to be fueled by ongoing geopolitical risks in the backdrop especially between the US and China. Going into 2022, the continuation of the global economic recovery hinges largely on an acceleration in the administration of booster shots to increase the vaccine's efficacy in developed countries while increasing availability of vaccines in developing countries. This should reduce the probability of severe illnesses globally due to the Omicron variant and as such, help maintain or even accelerate economic activities. The ongoing tapering of asset purchases by the Fed and further policy normalization steps will drain global liquidity at the margins over the next few months into 2022. However, risk assets in Asia should remain attractive given relatively higher nominal yields even amidst a rising interest rate environment.

Singapore's near-term economic recovery is likely to remain gradual and uneven across sectors given the uncertain global economic backdrop. With an impending Omicron led wave, further recoveries in domestic demand and consumption will likely be limited and be offset by the weakness in aviation and tourism-related sectors. Additionally, consumer-facing sectors such as retail will continue to face pressures given the continued local domestic restrictions that are in place and lack of travelers. That said, mitigation of severe outcomes and strain on the healthcare system will be key in the economy's reopening plans. Furthermore, Singapore's high vaccination rate and steady rollout of booster shots will continue to facilitate progressive easing of restrictions. Singapore's 2022 growth is likely to come in the range of 3.0% to 5.0% as indicated by the government driven by a continuation of a loosening of both domestic and border restrictions.

In terms of credits, spread widening in 2021 has been driven mainly by volatility in the higher yielding corporate bond space with idiosyncratic headlines in the China property segment driving most of the weakness in the Asia credit markets in the second half of the year. Investment grade spreads have outperformed higher yielding spreads with much of the investment grade universe trading at relatively richer levels. Volatility in the China property space is unlikely to go away in the short term with more developers in China facing cash crunches and impending maturities in 2022. However, there has been evidence of progressive and targeted easing measures by the Chinese government for the property sector which should lend support to stronger and better placed developers. Hence, continuing to manage downside risks prudently with a focus on deep bottom-up fundamentals to avoid cases of defaults and spill-over effects will be key in the new year as well. That said, any further market weakness is likely to bring out value opportunities in stronger issuers that can navigate through this episode unscathed, which will help generate further potential returns.

### Manulife Singapore Equity Fund (MSEF)

Despite the multiple challenges of COVID-19 resurgence, supply chain constraints, inflation and the Fed's monetary tightening policy, 2021 turned out mostly positive for global equities markets. Notably, the U.S. had another year of strong performance, while the China/Hong Kong markets sunk on regulatory crackdown in Beijing. It is clear the COVID-19 vaccine success has been the single most important factor to combat and contain the virus, which allowed economies to steadily reopen. Additionally, the unprecedented monetary and fiscal responses have all helped to cushion the economic pain and supported markets. Going into 2022, barring another nasty virus variant, we expect most economies to continue its path of continued gradual recovery. However, risk factors to keep an eye on include inflation trajectory and speed of interest rate normalization. Our strategy is to be selective in our recovery thematic, while emphasizing bottom-up restructuring opportunities to drive value.

Source: Bloomberg and Manulife Investment Management as of 31 December 2021

<sup>1</sup> Class A. The class returned -9.04% on offer-to-bid basis in 2021. Since inception (14 September 2009), the class returned 2.62% (annualised) on NAV-to-NAV basis and 2.20% (annualised) on offer-to-bid basis, with net income & dividends reinvested. The reference benchmark is the Markit iBoxx ALBI Singapore Index.

<sup>2</sup> MSCI Singapore Total Return Index

<sup>3</sup> The Fund returned 8.00% for Class A on NAV-to-NAV basis and 2.60% on offer-to-bid basis in 2021. Since inception (14 September 2009), the class returned 3.64% (annualised) on NAV-to-NAV basis and 3.21% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

# Manulife Income Series – Singapore Fund

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
<u>MSBF</u>		
Australia	3,064,180	2.35
China	14,397,271	11.03
France	529,255	0.41
Hong Kong	7,536,002	5.78
India	275,360	0.21
Indonesia	1,585,849	1.21
Japan	391,638	0.30
Macao	257,834	0.20
Malaysia	3,658,561	2.81
Philippines	2,044,520	1.56
Singapore	87,557,952	67.01
South Korea	2,936,048	2.24
Taiwan	2,167,750	1.66
Thailand	1,080,006	0.83

#### MSEF

Cayman Islands	1,421,114	14.77
Indonesia	328,266	3.41
Singapore	7,684,583	79.85
Thailand	166,716	1.73

### ii) Industry

#### MSBF

Automotive	2,073,000	1.59
Banks	12,070,685	9.24
Commercial Services	2,734,636	2.09

Computers	1,248,894	0.96
Construction	512,827	0.39
Electronic	598,293	0.46
Energy	403,939	0.31
Engineering	490,369	0.38
Finance	7,948,726	6.08
Food	1,972,509	1.51
Government	41,231,588	31.57
Insurance	5,695,954	4.36
Internet	283,318	0.22
Investments	677,491	0.52
Iron & Steel	541,282	0.41
Lodging	257,834	0.20
Metal	275,697	0.21
Oil & Gas	2,386,642	1.83
Real Estate	6,685,822	5.12
Real Estate Investment Trust	24,622,947	18.85
Semiconductors	2,840,518	2.17
Telecommunications	6,088,388	4.66
Transport	5,576,502	4.27
Utilities	264,365	0.20

#### MSEF

Agriculture	714,031	7.42
Airlines	60,379	0.63
Banks	4,444,142	46.18
Electronic	89,719	0.93
Entertainment	15,578	0.16
Finance	137,640	1.43
Food & Beverage	166,716	1.73
Internet	1,421,114	14.77
Real Estate	683,496	7.11
Real Estate Investment Trust	493,268	5.13

Shipbuilding	706,836	7.34
Telecommunications	567,240	5.89
Transport	100,520	1.04

iii) Asset Class

MSBF

Fixed income securities	127,482,226	97.60
Accrued interest on fixed income securities	1,044,751	0.80
Other net assets	2,096,131	1.60

MSEF

Equities	9,600,679	99.76
Other net liabilities	22,952	0.24

iv) Credit Rating

MSBF

AAA	2,251,201	1.72
AA-	2,755,048	2.11
A+	1,123,738	0.86
A	2,810,913	2.15
A-	14,228,827	10.89
BBB+	8,731,983	6.69
BBB	3,250,770	2.49
BBB-	3,536,369	2.70
BB	275,697	0.21
BB-	498,816	0.38
B+	184,359	0.14
Not rated	87,834,505	67.26

MSEF

Not Applicable

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
<u>MSBF</u>		
Government of Singapore 2.25% 01/08/2036	10,110,213	7.74
Government of Singapore 2.75% 01/04/2042	8,760,116	6.71
Government of Singapore 3.375% 01/09/2033	5,722,045	4.38
Land Transport Authority Ser MTN (BR) 3.38% 30/01/2059	3,093,865	2.37
Government of Singapore 2.875% 01/09/2030	2,917,855	2.23
NTUC Income Insurance Series MTN Var 20/07/2050	2,810,913	2.15
Housing and Development Board 2.315% 18/09/2034	2,336,445	1.79
National Environment Agency 2.5% 15/09/2051	2,257,751	1.73
Starhub Limited EMTN 3.55% 08/06/2026	2,106,120	1.61
CCT MTN Pte Limited Series MTN (BR) 3.327% 21/03/2025	2,101,441	1.61
<u>MSEF</u>		
DBS Group Holdings Limited	2,028,839	21.08
Sea Limited	1,421,114	14.77
Oversea-Chinese Banking Corporation Limited	1,325,934	13.78
United Overseas Bank Limited	1,089,369	11.32
Capitaland Investment Ltd	635,965	6.61
Singapore Telecommunications Limited	567,240	5.89
Keppel Corporation Limited	374,784	3.89
Yangzijiang Shipbuilding Holdings Ltd	332,052	3.45
Bumitama Agri Limited	328,266	3.41
Ascendas REIT	288,121	2.99

# Manulife Income Series – Singapore Fund

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
<u>MSBF</u>		
Government of Singapore 2.25% 01/08/2036	13,865,238	9.81
Government of Singapore 2.75% 01/04/2042	10,098,281	7.15
Government of Singapore 3.375% 01/09/2033	7,070,040	5.00
Government of Singapore 2.75% 01/04/2046	4,339,140	3.07
Land Transport Authority Ser MTN (BR) 3.38% 30/01/2059	3,730,320	2.64
Government of Singapore 3.125% 01/09/2022	3,350,688	2.37
Huarong Finance 2017 Co 3.2% 27/04/2021	2,769,580	1.96
Housing and Development Board 2.315% 18/09/2034	2,504,610	1.77
NTUC Income Insurance Series MTN Var 20/07/2050	2,395,406	1.70
Starhill Global REIT Ser MTN (BR) 26/02/2021	2,259,450	1.60
<u>MSEF</u>		
DBS Group Holdings Limited	1,783,349	19.36
Oversea-Chinese Banking Corporation Limited	1,383,029	15.02
United Overseas Bank Limited	1,091,029	11.85
Singapore Telecommunications Limited	775,005	8.41
Keppel Corporation Limited	515,404	5.60
Ascendas REIT	371,213	4.03
Capitaland Mall Trust REIT	365,982	3.97
Wilmar International Limited	361,305	3.92
Capitaland Limited	350,304	3.80
First Resources Limited	257,792	2.80

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

Manulife Singapore Equity Fund	S\$7,689,445.50	42.03%
Manulife Singapore Bond Fund	S\$10,607,661.66	57.97%

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,188,941.86
Total Redemptions	S\$3,229,066.72

## G) Amount and terms of related-party transactions

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

## H) Expense Ratio

31 December 2021 : 1.66%

31 December 2020 : 1.65%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.



I) **Turnover Ratio\*\*\***

MSBF

31 December 2021 : 36.18%

31 December 2020 : 53.59%

MSEF

31 December 2021 : 74.45%

31 December 2020 : 79.02%

J) **Any material information that shall adversely impact the valuation of the ILP sub-fund**

There is no other material information that is expected to adversely impact the valuation of the Underlying Fund.

K) **Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

# Manulife Income Series – Strategic Income Fund

## Fund Facts

Launch Date / Price : 29 October 2012 / S\$1.00 (Offer)  
Unit Price\* : S\$0.7608 (Bid/NAV) /  
^S\$0.8008 / ^^S\$ 0.7843

Fund Size : S\$5,209,771.98  
Manager : Manulife Investment Management (Singapore) Pte. Ltd.

Underlying Fund : PIMCO Global Advisors (Ireland) Limited

CPFIS Risk Classification : Not Applicable

Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

On 16 March 2020, the Underlying Fund was changed from Manulife Global Fund - Strategic Income Fund to PIMCO GIS Income Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

## Fund Objective

The investment objective of the Manulife Income Series – Strategic Income Fund is to seek high current income, consistent with prudent investment management. Long-term capital appreciation is a secondary objective. The fund is diversified broadly across regions, industries, issuers, and asset classes, as well as through a varied set of sources of value, and employs independent research and prudent diversification with respect to industries and issuers in order to seek to achieve its investment objective.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – Strategic Income Fund	Benchmark*
3 months	-0.14%	+0.05%
6 months	+0.19%	+0.12%
1 year	+1.69%	-1.46%
3 years	+6.58%	+4.59%
5 years	+3.12%	+3.23%
10 years	Not Applicable	Not Applicable
Since Inception	+2.02%	+2.67%

Inception date: 3 December 2012

\* Bloomberg U.S. Aggregate (SGD Hedged) Index

Effective 16 March 2020, the benchmark was changed from Barclays Capital U.S. Aggregate Bond Index (SGD Hedged) to Bloomberg Barclays U.S. Aggregate (SGD Hedged) Index due to change of underlying fund. The performance of the new benchmark was chain linked to the old benchmark.

On 1 May 2017, the benchmark was changed from Barclays Capital US Aggregate Bond Index (SGD) to Barclays Capital US Aggregate Bond Index (SGD Hedged) and the change was retrospectively applied from inception.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Following a sanguine end to 2021, January 2022 was a month to forget for many investors. Bonds and equities sold off and volatility spiked as central banks continued their hawkish trend and traders priced an accelerated pace of interest rate rises, particularly in the US where five rate rises are priced in 2022. This compares with only three US rate hikes priced as of year-end.

This precipitated a tricky environment for nominal bonds, particularly at the front end of yield curves which rose markedly. 2Y US Treasuries, German bunds and UK gilt yields rose +45bps, +10bps and +37bps to 1.18%, -0.54% and 1.04%, respectively. Curves bear-flattened with long ends rising by less than front ends, as growth

and inflation are expected to come down over time with rate rises. The German 10-year Bund yield rose +19bps, finishing the month at 0.01%, the first positive close since May 2019. Meanwhile, 10Y US Treasuries and UK gilt yields rose +27bps and +33bps to 1.78% and 1.30%, respectively.

Rising rates also weakened most risk assets. Equities declined, with MSCI World finishing the month down -5.3%. In investment grade credit, US and European spreads widened by +12bps and +10bps, respectively. Likewise, in high yield credit markets, US and European spreads widened by +59bps and +36bps, respectively.

Monetary policy dominated headlines with continued hawkishness the overriding theme, culminating in the Fed meeting. The FOMC's statement was in line with expectations, as it indicated that rates would rise soon, and that balance sheet reduction would be undertaken through existing bonds rolling off, rather than asset sales. The press conference saw a hawkish surprise, however, as Chair Powell did not rule out a faster pace of rate hikes than currently expected, given the current tightness in the labour market.

ECB President Lagarde also moved in a hawkish direction. Having previously pushed back against earlier policy tightening, stating that the ECB had "every reason to not react as quickly and as abruptly as we could imagine the Fed might", subsequent to month-end, Lagarde affirmed that the "risks to the inflation outlook are tilted to the upside, particularly in the near term." With Lagarde no longer ruling out rate hikes this year, markets have moved to price in multiple rate hikes for 2022.

## Market Outlook and Investment Strategy\*\*\*

Looking to 2022, we expect positive global economic growth and elevated inflation that moderates over the course of the year, though we see upside risks to our inflation forecast. As we believe the global economy is mid-cycle, we remain overweight overall risk.

The standalone views on interest rates, credit, and currencies are more nuanced at this part of the cycle. We expect government bond yields to trend higher over the cycle as central banks raise rates and we believe in the role duration can play as a diversifier. Consequently, we continue to maintain some duration exposure. We maintain a modest overweight position in U.S. TIPS (Treasury Inflation-Protected Securities). Although

inflation breakevens have moved significantly higher, in our view they still do not fully price in an appropriate inflation risk premium given the potential for a right tail outcome over the months to come.

On spread sectors, we find corporate credit appears fully valued and at this stage of the cycle, residual economic performance will tend to accrue to equities over credit. As such, we see little opportunity for spread compression outside of unique opportunities identified by our credit analysts. Securitized credit, on the other hand, still offers attractive value in our view, particularly in non-agency U.S. mortgages, where a strong consumer balance sheet and housing market underpin improving credit quality at spreads that we see as cheap relative to corporate bonds. Lastly, on foreign exchange, the U.S. dollar still screens rich on our valuation models, particularly against emerging market (EM) currencies, but we should not presume the dollar is destined to weaken in an environment where EM economies and central bankers continue to face challenges.

In emerging markets, we continue to be constructive on select exposures within Asia. Simultaneously, we are closely monitoring regulatory developments in China and evolving geopolitical tensions in the region. We remain overweight emerging Asia, with an emphasis on hardware technology and equipment that will be foundational to regional as well as global growth.

We expect to remain neutral on commodities broadly, but we continue to monitor the markets for opportunities. We acknowledge the positive roll yield in commodities such as oil as a supportive factor for potential returns, but the overall outlook depends heavily on the near-term supply-demand balance. On precious metals, we believe gold is fairly valued in relation to real yields.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
United States	75,416,228,395	102.6
Mexico	4,003,440,315	5.4

# Manulife Income Series – Strategic Income Fund

Ireland	3,897,595,326	5.3	Austria	60,000,876	0.1
United Kingdom	3,663,817,806	5.0	Bermuda	34,577,304	0.0
Em Index Product	2,438,655,977	3.3	South Korea	28,161,690	0.0
Italy	2,138,553,829	2.9	Sweden	27,401,979	0.0
Russia	1,901,697,629	2.6	Venezuela	22,476,145	0.0
Australia	1,792,615,460	2.4	Supranational	14,168,453	0.0
Brazil	1,686,853,736	2.3	Panama	14,081,080	0.0
South Africa	1,525,774,010	2.1	Serbia & Montenegro	11,875,993	0.0
China	1,443,509,039	2.0	Slovenia	7,006,883	0.0
Luxembourg	1,115,740,921	1.5	Gibraltar	5,858,049	0.0
Turkey	913,015,440	1.2	Hong Kong	968,505	0.0
Netherlands	574,142,788	0.8	Guernsey	912,978	0.0
Switzerland	542,746,483	0.7	Cyprus	559,975	0.0
Peru	536,105,622	0.7	Singapore	76,006	0.0
Argentina	532,460,515	0.7	New Zealand	5,621	0.0
Israel	476,372,860	0.6	Norway	(485,660)	0.0
Macao	430,360,548	0.6	Denmark	(530,297)	0.0
France	390,650,629	0.5	Chile	(9,346,861)	0.0
Canada	324,701,532	0.4	Germany	(180,277,552)	(0.2)
Puerto Rico	296,686,534	0.4	Japan	(6,467,075,910)	(8.8)
Spain	283,695,668	0.4			
State Of Qatar	258,426,569	0.4	ii) <u>Industry</u>		
Romania	232,671,303	0.3	Not Applicable		
Colombia	160,317,254	0.2			
Portugal	115,543,302	0.2	iii) <u>Asset Class</u>		
Greece	96,124,867	0.1	Fixed Income	73,477,915,604	100.0
Indonesia	89,060,377	0.1			
India	76,224,395	0.1	iv) <u>Credit Rating</u>		
Czech Republic	73,878,076	0.1	Not Applicable		
United Arab Emirates	68,599,959	0.1			

#### B) Top 10 Holdings as at 30 September 2021\*\*\*/#

Securities	Market Value (US\$)	% of NAV
Fnma Tba 3.5% Dec 30Yr	3,794,178,573	5.15
Fnma Tba 3.0% Dec 30Yr	2,077,589,044	2.82
Bnp Paribas Issuance Bv Sr Sec **Abs**	1,819,732,248	2.47
US Treasury Inflate Prot Bd	1,090,365,881	1.48
US Treasury Note	1,082,998,544	1.47
South Africa (Rep) Bd Ser R186	898,815,118	1.22
Fnma Tba 2.5% Dec 30Yr	611,488,974	0.83
US Treasury Bond	582,019,626	0.79
Fnma Tba 3.5% Nob 30Yr	582,019,626	0.79
US Treasury Note	574,652,289	0.78

#### Top 10 Holdings as at 30 September 2020\*\*\*/#

Securities	Market Value (US\$)	% of NAV
Fnma Tba 2.5% Nov 30Yr	5,850,350,048	8.71
Fnma Tba 2.0% Dec 30Yr	4,970,446,654	7.40
Fnma Tba 3.0% Nov 30Yr	4,950,296,194	7.37
Fnma Tba 3.5% Nov 30Yr	3,049,436,190	4.54
Bnp Paribas Issuance Bv Sr Sec **Abs**	1,961,311,382	2.92
Fnma Tba 2.5% Dec 30Yr	1,853,842,265	2.76
Fnma Tba 3.5% Oct 30Yr	1,746,373,149	2.60
US Treasury Note	1,128,425,727	1.68
US Treasury Inflate Prot Bd	1,041,107,069	1.55
US Treasury Bond	664,965,160	0.99

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- i) Market value of derivative contract  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in PIMCO GIS Income Fund

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,019,227.10
Total Redemptions	S\$917,016.44

#### G) Amount and terms of related-party transactions

Not Applicable

#### H) Expense Ratio

31 December 2021 : 1.41%

31 December 2020 : 1.41%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*/#

31 December 2020 : 414.00%

31 December 2019 : 342.00%

#### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

# Manulife Income Series – Strategic Income Fund

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## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

### Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

\*Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife Income Series – Asian Balanced Fund

## Fund Facts

Launch Date / Price : 18 April 2013 / S\$1.00 (Offer)  
 Unit Price\* : S\$ 1.0120 (Bid/NAV) /  
 ^S\$1.0653 / ^^S\$1.0433  
 Fund Size : S\$450,435,743.82  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd  
 CPFIS Risk : Medium to High Risk – Narrowly  
 Classification : Focused – Regional - Asia  
 Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 15 March 2021, the underlying fund has been changed from Schroder Asian Equity Yield Fund to FSSA Dividend Advantage Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 17 July 2017, the Manager was changed from Schroder Investment Management (Singapore) Ltd to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

The investment objective of the Manulife Income Series - Asian Balanced Fund is to provide medium to long term capital appreciation and income by investing primarily into Asian ex Japan (equities and bonds).

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – Asian Balanced Fund	Benchmark*
3 months	-1.16%	-0.74%
6 months	-1.82%	-5.05%
1 year	+5.68%	-0.26%
3 years	+8.86%	+10.10%
5 years	+6.03%	+7.54%
10 years	Not Applicable	Not Applicable
Since Inception	+4.34%	+5.85%

Inception date: 22 May 2013

\*60% MSCI AC Asia Pacific ex Japan Index + 40% (70% JACI Investment Grade Index SGD Hedged + 30% JPMorgan ELMI Plus Asia Index). The full track record of the previous index has been kept and chainlinked to the new one.

Prior to 15 March 2021, The benchmark of the ILP sub-fund is 40% (70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged) + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)) and 60% MSCI AC Pacific Free ex Japan (Gross) Index.

Prior to 17 July 2017, the benchmark of the ILP sub-fund was 40% CPFIS-OA + 100 basis points per annum and 60% MSCI AC Pacific Free ex Japan (Gross) Index

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

### FSSA Dividend Advantage Fund

Over the past 12 months, the top contributors to performance included Taiwan Semiconductor (TSMC), driven by improved profitability and solid sales growth guidance. As a leader in advanced nodes, the company continues to see strong customer demand and capacity remains full. Mphasis rose to a record high after acquiring US-based Blink UX, a user experience research, strategy and design firm, for a total consideration of USD 94m. The acquisition is expected to provide access to Blink's top-tier clients, strengthen Mphasis' experience business and leadership team, and is revenue accretive. On the negative side, Tencent weakened on concerns about the regulatory environment and a slowdown in revenue

# Manulife Income Series – Asian Balanced Fund

growth. LG Household & Health Care posted lower than expected operating margins after heavy spending in the China online marketing channel.

New additions over the year included JD.com, a Chinese e-commerce retailer that owns the bulk of its own infrastructure (rather than just facilitating third-party sales). The company is still growing strongly, and profitability should continue to improve with economies of scale. The Fund also purchased Ping An Insurance Group, a leading financial holding company with diversified business segments in life insurance, banking, securities, trust services and asset management, and others. We believe the risk-reward profile looks reasonable, as the insurance business is good quality and seems undervalued.

The Fund disposed of Jardine Matheson to consolidate the portfolio into higher-conviction holdings. Axis Bank was sold to consolidate the portfolio's holdings into higher quality Indian private banks such as ICICI Bank.

## Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund

In the United States, treasury yields moved higher over the year on the back of positive economic data, continued inflationary pressure and a hawkish US Federal Reserve Board (Fed). The Biden administration passed new fiscal packages in the first half of 2021, supporting the economy while US economic data came in stronger-than-expected; consumer price inflation continued its upward trajectory and surpassed 6% year-on-year in October, reaching its highest level since November 1990. On the monetary policy front, the Fed said it would end its pandemic-era bond purchase programme by March 2022, paving the way for three rate hikes of 25 basis points (bps) in 2022 as expected by most of the Fed members. Over the period, the 10-year Treasury yield trended higher from 0.91% to 1.51%.

In China, economic data suggested renewed economic momentum over the year. However, economic data pointed to a slowdown amid sluggish consumption recovery and property sales slump; the Caixin Manufacturing Purchasing Managers' Index closed at the contraction territory at 49.9 in November. The People's Bank of China signalled a more dovish tone, cutting the bank reserve requirement ratio by 50 bps, releasing US\$188 billion worth of long-term liquidity into the interbank system, and cut its one-year loan prime rate by 5 bps to 3.80%. China's onshore government bond yields fell over the period. In India, local government bond yields trended higher as the Reserve Bank of India began its

policy of normalisation and announced the suspension of pandemic-related quantitative easing stimulus. Moody's also upgraded its outlook on India from negative to stable due to the sustained economic recovery. In Indonesia, local government bond yields moved lower as Bank Indonesia maintained its accommodative stance and extended the "burden sharing" scheme to purchase bonds next year. The central bank cut its 2021 GDP growth forecast to 3.2%-4% from 3.5%-4.3%, but slightly upgraded its outlook for 2022 to 4.7%-5.5%.

Asian credit markets posted negative returns over the year owing to higher US Treasury yields and wider credit spreads. The Asian high yield corporate segment underperformed Asian investment grade credit; the JP Morgan Asian High Yield Corporate Bond Index decreased by 13.39%, while the JP Morgan Asian Investment Grade Corporate Bond Index decreased marginally by 0.24% in US dollar terms. Policy-wise, Chinese regulators relaxed mortgage approvals, eased onshore bond issuances for Chinese property developers and cut the reserve requirement ratio as a means to support the property market. Overall, investors' sentiment towards the Chinese property sector remained jittery with disappointing November property contract sales figures while some market participants waited for further policy easing.

The performance of Asian currencies against the US dollar was mixed. The Singapore dollar weakened by 1.99% against the US dollar. The Chinese renminbi outperformed regional peers amid twin surpluses – fiscal surplus and current account surplus. On the other hand, the Thai baht underperformed regional peers amid uncertainty over the Omicron variant on Thailand's tourism-reliant economy.

The Fund's overall security selection in Asian corporate bonds contributed to performance; US dollar-denominated bond holdings of a Chinese chemical state-owned enterprise, a Hong Kong landlord and a Singapore dollar-denominated bond of a Singapore insurance company were notable outperformers. In addition, the Fund's underweight US dollar interest rate duration contributed amid a rising US Treasury yield environment. However, the Fund's overweight to US dollar Asian corporate bonds detracted from performance amid weak investor sentiment towards the Chinese property sector. Over the period, the Fund took profit in some Indonesian local government bonds and a Singapore dollar-denominated bond of a Singapore REIT. On the other hand, the Fund added a Singapore dollar-denominated bond of a Singapore telecommunications group and a US dollar-denominated bond of a Chinese bank. Towards the end of the period, the Fund took the opportunity to add some



US dollar-denominated Chinese property developers amid attractive valuations, whilst selling some Chinese yuan-denominated (offshore) Asian corporate bonds.

## Market Outlook and Investment Strategy\*\*\*

### FSSA Dividend Advantage Fund

The outlook for Asian equities remains uncertain. Persistently high inflation, monetary tightening from the US Federal Reserve and a slowdown in global growth all have the potential to weigh on financial markets. Meanwhile, Covid variants, rolling lockdowns and border closures mean that a recovery in international tourism and consumer spending will remain challenging, though we expect the situation to normalise gradually after the pandemic-related events of the last two years.

Against this backdrop, we continue to adhere to our investment philosophy, and have ensured that the portfolio is well diversified ahead of any changes in the market climate. Our conviction in the long-term growth story for Asia remains unchanged. We believe that investing in high-quality companies across the region should deliver attractive absolute returns in the long run.

### Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund

Looking into 2022, the gradual US economic recovery and the Fed tapering process should support a higher US yield curve environment in our opinion. North Asian economies have generally fared better in terms of the economic recovery compared to South Asian counterparts in 2021. Increasingly more South Asian economies are adopting a coexisting approach with COVID-19, reopening borders with higher vaccination rates which could be positive for their growth trajectories. However, the widespread Omicron variant could spark market volatility. In China, the property sector was heavily sold-off in 2021 due to negative news flows and concerns about rising defaults. In 2022, we are likely to see greater consolidation in the sector and believe the market has priced in excessive default risks. Many quality companies are now being offered at compelling valuations; we see it as an opportune time and environment for active investors to navigate the economic cycle, as market weakness is likely to bring out value opportunities in fundamentally strong issuers. Overall, we remain cognisant of both systemic and idiosyncratic risks while seeking out attractive opportunities and believe that bottom-up credit selection will be key in generating further returns going forward.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### FSSA Dividend Advantage Fund

#### A) Distribution of Investments\*\*\*

	Market Value (S\$')	% of NAV
i) <u>Country</u>		
China	2,515,272,922	24.73
India	1,941,051,587	19.09
Taiwan	1,265,631,923	12.45
South Korea	906,785,734	8.92
Japan	708,971,188	6.97
Hong Kong	628,505,504	6.18
Indonesia	398,485,607	3.92
Singapore	378,736,884	3.72
Australia	357,935,628	3.52
Philippines	318,108,808	3.13
United States	306,599,112	3.01
New Zealand	114,552,798	1.13
Vietnam	107,901,892	1.06
Thailand	60,095,122	0.59
ii) <u>Industry</u>		
Financials	2,249,368,285	22.12
Information Technology	2,119,178,191	20.84
Consumer Staples	1,571,843,633	15.46
Consumer Discretionary	1,241,013,750	12.20
Health Care	971,309,051	9.55
Communication Services	711,975,629	7.00
Industrials	657,517,164	6.47
Real Estate	237,587,243	2.34
Utilities	204,430,296	2.01
Materials	44,411,467	0.44

# Manulife Income Series – Asian Balanced Fund

## iii) Asset Class

Equities	5,601,092,761	98.42
Other net assets/(liabilities)	90,022,260	1.58

## iv) Credit Rating

Not Applicable

NAVER Corp.	231,029,383	2.9
Housing Development Finance Corp Ltd	229,034,174	2.9
China Mengniu Dairy Co. Ltd.	227,975,252	2.9
ResMed	222,944,413	2.8

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	610,779,939	6.0
HDFC Bank Limited	512,949,386	5.0
Tencent Holdings	405,051,032	4.0
Samsung Electronics Co Ltd	372,712,034	3.7
CSL Ltd	357,966,265	3.5
Midea Group Co Ltd	338,237,442	3.3
Tata Consultancy Services Ltd	315,762,856	3.1
NAVER Corp	306,915,394	3.0
ResMed	306,610,309	3.0
Keyence Corp	304,169,630	3.0

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	552,564,696	7.0
Samsung Electronics Co Ltd	424,459,210	5.4
HDFC Bank	387,764,739	4.9
Tencent Holdings Ltd.	349,675,029	4.4
CSL	281,571,344	3.6
Midea Group	266,136,866	3.4

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund

#### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) Country		
Australia	8,777,584	1.55
British Virgin Islands	6,757,602	1.19
China	166,078,760	29.36
Germany	1,003,360	0.18
Hong Kong	126,714,159	22.40
India	16,542,433	2.93
Indonesia	45,393,785	8.03
Malaysia	20,145,615	3.56
Netherlands	4,241,617	0.75
Philippines	10,258,827	1.81
Singapore	54,540,932	9.65
South Korea	52,364,851	9.26
Supra-National	2,226,649	0.39
Taiwan	11,329,417	2.00
Thailand	5,694,719	1.01
United States of America	2,036,740	0.36

ii) Industry

Agriculture	2,854,436	0.50
Automotive	16,594,077	2.93
Banks	73,304,661	12.96
Building Materials	5,262,746	0.93
Chemical	15,706,691	2.78
City Gas	6,755,008	1.19
Commercial Services	9,080,920	1.61
Communications	5,310,309	0.94
Computers	4,563,794	0.81
Consumer, Cyclical	329,819	0.06
Diversified Resources	5,406,082	0.96
Electronics	16,221,879	2.87
Engineering	2,860,647	0.51
Entertainment	7,308,052	1.29
Finance	51,163,661	9.05
Food	13,604,610	2.41
Government	42,735,924	7.56
Hotel	6,974,924	1.23
Insurance	28,433,045	5.03
Investment	10,999,219	1.94
Iron & Steel	7,715,597	1.36
Metal	6,866,128	1.21
Mining	1,792,309	0.32
Oil & Gas	26,049,301	4.61
Real Estate	56,237,918	9.94
Real Estate Investment Trust	21,292,615	3.76
Retail	13,738,963	2.43
Semiconductors	4,919,129	0.87
Telecommunications	27,262,447	4.81
Transport	28,969,446	5.12
Utilities	13,792,693	2.44

iii) Asset Class

Fixed income securities	534,107,050	94.43
Accrued interest on fixed income securities	4,722,281	0.84
Other net assets	26,769,729	4.73

iv) Credit Rating

AAA	1,080,032	0.19
AA	6,691,694	1.18
AA-	3,922,340	0.69
A+	7,864,820	1.39
A	8,085,088	1.43
A-	56,910,295	10.08
BBB+	33,203,613	5.86
BBB	61,433,308	10.86
BBB-	44,064,861	7.80
BB	5,535,870	0.98
BB-	2,494,078	0.44
B	1,092,002	0.19
Not rated	301,729,049	53.34

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
SingTel Group Treasury Pte Limited Series MTN Var Perp	9,971,600	1.76
Government of Indonesia Series Fr82 7% 15/09/30	9,343,735	1.65
China Government Bond Series 3.13% 21/11/2029	8,595,639	1.52
Elect Global Investments Limited Var Perpetual	7,968,586	1.41
Bank of Communications Hong Kong Limited Var 08/07/2031	7,911,146	1.40
Foxconn Far East Limited 2.5% 28/10/2030	7,407,077	1.31

# Manulife Income Series – Asian Balanced Fund

Hong Kong Telecommunications 3.25% 30/09/2029	7,119,917	1.26
Perusahaan Listrik Negara 5.45% 21/05/2028	7,116,210	1.26
Busan Bank GMTN 3.625% 25/07/2026	7,018,368	1.24
GOHL Capital Limited 4.25% 24/01/2027	6,974,924	1.23

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (\$)	% of NAV
Government of Indonesia Series Fr82 7% 15/09/30	9,632,568	2.16
China Government Bond Series 3.13% 21/11/2029	8,041,908	1.80
Elect Global Investments Limited Var Perpetual	7,840,920	1.76
Foxconn Far East Limited 2.5% 28/10/2030	7,532,143	1.69
Lenovo Group Limited 3.421% 02/11/2030	7,444,054	1.67
ZhongAn Online P&C Insurance Company Limited 3.125% 16/07/2025	7,303,073	1.64
Longfor Group Holdings Limited 3.95% 16/09/2029	7,186,472	1.61
Busan Bank GMTN 3.625% 25/07/2026	7,165,557	1.61
Hong Kong Telecommunications 3.25% 30/09/2029	7,161,691	1.61
GOHL Capital Limited 4.25% 24/01/2027	7,029,526	1.58

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

FSSA Dividend Advantage Fund	\$S282,023,048.13	62.61%
Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund	\$S168,412,695.69	37.39%

## E) Amount and percentage of debt to NAV Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S389,428,022.79
Total Redemptions	\$S117,888,398.60

## G) Amount and terms of related-party transactions Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

## H) Expense Ratio

31 December 2021 : 1.48%  
31 December 2020 : 1.54%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

FSSA Dividend Advantage Fund  
31 December 2021 : 327.88% (unaudited)  
31 December 2020 : 1248.26% (unaudited)

Manulife Funds - Manulife Asia Pacific Investment Grade Bond Fund  
31 December 2021 : 23.70%  
31 December 2020 : 88.48%

- J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager/Manager.

<sup>1</sup> Do note that the Market value in SGD is derived by applying the USD/SGD exchange rate to its underlying VCC funds' holdings.

# Manulife Income Series

## – Asia Pacific Investment Grade Bond Fund

### Fund Facts

Launch Date / Price : 25 February 2014 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.9099 (Bid/NAV) /  
 ^S\$0.9578 / ^^S\$0.9380  
 Fund Size : S\$117,359,614.29  
 Fund Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 CPFIS Risk : Low to Medium Risk – Narrowly  
 Classification : Focused – Regional - Asia  
 Subscription : CPFIS-OA/SA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

### Fund Objective

The investment objective of the Manulife Income Series – Asia Pacific Investment Grade Bond Fund is to maximize total returns from a combination of capital appreciation and income generation. The ILP Sub-Fund achieves this by investing all or substantially all its assets into Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund (“Underlying Fund”), a sub-fund of Manulife Funds, which is a unit trust constituted in Singapore.

### Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – Asia Pacific Investment Grade Bond Fund	Benchmark*
3 months	-0.62%	+0.17%
6 months	-0.32%	+0.44%
1 year	+0.73%	+0.20%
3 years	+4.55%	+4.55%
5 years	+3.15%	+3.51%
10 years	Not Applicable	Not Applicable
Since Inception	+3.23%	+3.82%

Inception date: 25 March 2014

\*70% JP Morgan Asia Credit Investment Grade Index (SGD Hedged)  
 + 30% JP Morgan Emerging Local Markets Index Plus Asia (SGD)

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

### Investment and Market Review\*\*\*

In the United States, treasury yields moved higher over the year on the back of positive economic data, continued inflationary pressure and a hawkish US Federal Reserve Board (Fed). The Biden administration passed new fiscal packages in the first half of 2021, supporting the economy while US economic data came in stronger-than-expected; consumer price inflation continued its upward trajectory and surpassed 6% year-on-year in October, reaching its highest level since November 1990. On the monetary policy front, the Fed said it would end its pandemic-era bond purchase programme by March 2022, paving the way for three rate hikes of 25 basis points (bps) in 2022 as expected by most of the Fed members. Over the period, the 10-year Treasury yield trended higher from 0.91% to 1.51%.

In China, economic data suggested renewed economic momentum over the year. However, economic data pointed to a slowdown amid sluggish consumption recovery and property sales slump; the Caixin Manufacturing

Purchasing Managers' Index closed at the contraction territory at 49.9 in November. The People's Bank of China signalled a more dovish tone, cutting the bank reserve requirement ratio by 50 bps, releasing US\$188 billion worth of long-term liquidity into the interbank system, and cut its one-year loan prime rate by 5 bps to 3.80%. China's onshore government bond yields fell over the period. In India, local government bond yields trended higher as the Reserve Bank of India began its policy of normalisation and announced the suspension of pandemic-related quantitative easing stimulus. Moody's also upgraded its outlook on India from negative to stable due to the sustained economic recovery. In Indonesia, local government bond yields moved lower as Bank Indonesia maintained its accommodative stance and extended the "burden sharing" scheme to purchase bonds next year. The central bank cut its 2021 GDP growth forecast to 3.2%-4% from 3.5%-4.3%, but slightly upgraded its outlook for 2022 to 4.7%-5.5%.

Asian credit markets posted negative returns over the year owing to higher US Treasury yields and wider credit spreads. The Asian high yield corporate segment underperformed Asian investment grade credit; the JP Morgan Asian High Yield Corporate Bond Index decreased by 13.39%, while the JP Morgan Asian Investment Grade Corporate Bond Index decreased marginally by 0.24% in US dollar terms. Policy-wise, Chinese regulators relaxed mortgage approvals, eased onshore bond issuances for Chinese property developers and cut the reserve requirement ratio as a means to support the property market. Overall, investors' sentiment towards the Chinese property sector remained jittery with disappointing November property contract sales figures while some market participants waited for further policy easing.

The performance of Asian currencies against the US dollar was mixed. The Singapore dollar weakened by 1.99% against the US dollar. The Chinese renminbi outperformed regional peers amid twin surpluses – fiscal surplus and current account surplus. On the other hand, the Thai baht underperformed regional peers amid uncertainty over the Omicron variant on Thailand's tourism-reliant economy.

The Underlying Fund's overall security selection in Asian corporate bonds contributed to performance; US dollar-denominated bond holdings of a Chinese chemical state-owned-enterprise, a Hong Kong landlord and a Singapore dollar-denominated bond of a Singapore insurance

company were notable outperformers. In addition, the Underlying Fund's underweight US dollar interest rate duration contributed amid a rising US Treasury yield environment. However, the Underlying Fund's overweight to US dollar Asian corporate bonds detracted from performance amid weak investor sentiment towards the Chinese property sector. Over the period, the Underlying Fund took profit in some Indonesian local government bonds and a Singapore dollar-denominated bond of a Singapore REIT. On the other hand, the Underlying Fund added a Singapore dollar-denominated bond of a Singapore telecommunications group and a US dollar-denominated bond of a Chinese bank. Towards the end of the period, the Underlying Fund took the opportunity to add some US dollar-denominated Chinese property developers amid attractive valuations, whilst selling some Chinese yuan-denominated (offshore) Asian corporate bonds.

## Market Outlook and Investment Strategy\*\*\*

Looking into 2022, the gradual US economic recovery and the Fed tapering process should support a higher US yield curve environment in our opinion. North Asian economies have generally fared better in terms of the economic recovery compared to South Asian counterparts in 2021. Increasingly more South Asian economies are adopting a coexisting approach with COVID-19, reopening borders with higher vaccination rates which could be positive for their growth trajectories. However, the widespread Omicron variant could spark market volatility. In China, the property sector was heavily sold-off in 2021 due to negative news flows and concerns about rising defaults. In 2022, we are likely to see greater consolidation in the sector and believe the market has priced in excessive default risks. Many quality companies are now being offered at compelling valuations; we see it as an opportune time and environment for active investors to navigate the economic cycle, as market weakness is likely to bring out value opportunities in fundamentally strong issuers. Overall, we remain cognisant of both systemic and idiosyncratic risks while seeking out attractive opportunities and believe that bottom-up credit selection will be key in generating further returns going forward.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021.

# Manulife Income Series

## – Asia Pacific Investment Grade Bond Fund

### Schedule of Investments as at 31 December 2021

(unless otherwise stated)

#### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV			
i) <u>Country</u>			Communications	5,310,309	0.94
Australia	8,777,584	1.55	Computers	4,563,794	0.81
British Virgin Islands	6,757,602	1.19	Consumer, Cyclical	329,819	0.06
China	166,078,760	29.36	Diversified Resources	5,406,082	0.96
Germany	1,003,360	0.18	Electronics	16,221,879	2.87
Hong Kong	126,714,159	22.40	Engineering	2,860,647	0.51
India	16,542,433	2.93	Entertainment	7,308,052	1.29
Indonesia	45,393,785	8.03	Finance	51,163,661	9.05
Malaysia	20,145,615	3.56	Food	13,604,610	2.41
Netherlands	4,241,617	0.75	Government	42,735,924	7.56
Philippines	10,258,827	1.81	Hotel	6,974,924	1.23
Singapore	54,540,932	9.65	Insurance	28,433,045	5.03
South Korea	52,364,851	9.26	Investment	10,999,219	1.94
Supra-National	2,226,649	0.39	Iron & Steel	7,715,597	1.36
Taiwan	11,329,417	2.00	Metal	6,866,128	1.21
Thailand	5,694,719	1.01	Mining	1,792,309	0.32
United States of America	2,036,740	0.36	Oil & Gas	26,049,301	4.61
			Real Estate	56,237,918	9.94
ii) <u>Industry</u>			Real Estate Investment Trust	21,292,615	3.76
Agriculture	2,854,436	0.50	Retail	13,738,963	2.43
Automotive	16,594,077	2.93	Semiconductors	4,919,129	0.87
Banks	73,304,661	12.96	Telecommunications	27,262,447	4.81
Building Materials	5,262,746	0.93	Transport	28,969,446	5.12
Chemical	15,706,691	2.78	Utilities	13,792,693	2.44
City Gas	6,755,008	1.19			
Commercial Services	9,080,920	1.61	iii) <u>Asset Class</u>		
			Fixed income securities	534,107,050	94.43
			Accrued interest on fixed income securities	4,722,281	0.84
			Other net assets	26,769,729	4.73



iv) Credit Rating

AAA	1,080,032	0.19
AA	6,691,694	1.18
AA-	3,922,340	0.69
A+	7,864,820	1.39
A	8,085,088	1.43
A-	56,910,295	10.08
BBB+	33,203,613	5.86
BBB	61,433,308	10.86
BBB-	44,064,861	7.80
BB	5,535,870	0.98
BB-	2,494,078	0.44
B	1,092,002	0.19
Not rated	301,729,049	53.34

Busan Bank GMTN 3.625% 25/07/2026	7,018,368	1.24
GOHL Capital Limited 4.25% 24/01/2027	6,974,924	1.23

**Top 10 Holdings as at 31 December 2020\*\*\***

Securities	Market Value (S\$)	% of NAV
Government of Indonesia Series Fr82 7% 15/09/30	9,632,568	2.16
China Government Bond Series 3.13% 21/11/2029	8,041,908	1.80
Elect Global Investments Limited Var Perpetual	7,840,920	1.76
Foxconn Far East Limited 2.5% 28/10/2030	7,532,143	1.69
Lenovo Group Limited 3.421% 02/11/2030	7,444,054	1.67
ZhongAn Online P&C Insurance Company Limited 3.125% 16/07/2025	7,303,073	1.64
Longfor Group Holdings Limited 3.95% 16/09/2029	7,186,472	1.61
Busan Bank GMTN 3.625% 25/07/2026	7,165,557	1.61
Hong Kong Telecommunications 3.25% 30/09/2029	7,161,691	1.61
GOHL Capital Limited 4.25% 24/01/2027	7,029,526	1.58

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

**B) Top 10 Holdings as at 31 December 2021\*\*\***

Securities	Market Value (S\$)	% of NAV
SingTel Group Treasury Pte Limited Series MTN Var Perp	9,971,600	1.76
Government of Indonesia Series Fr82 7% 15/09/30	9,343,735	1.65
China Government Bond Series 3.13% 21/11/2029	8,595,639	1.52
Elect Global Investments Limited Var Perpetual	7,968,586	1.41
Bank of Communications Hong Kong Limited Var 08/07/2031	7,911,146	1.40
Foxconn Far East Limited 2.5% 28/10/2030	7,407,077	1.31
Hong Kong Telecommunications 3.25% 30/09/2029	7,119,917	1.26
Perusahaan Listrik Negara 5.45% 21/05/2028	7,116,210	1.26

**C) Exposure to Derivatives**

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

# Manulife Income Series

## – Asia Pacific Investment Grade Bond Fund

D) Amount and percentage of NAV invested in collective investment schemes  
100% invested in Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

E) Amount and percentage of debt to NAV  
Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$51,970,240.71
Total Redemptions	S\$27,741,573.82

G) Amount and terms of related-party transactions  
The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

H) Expense Ratio  
31 December 2021 : 0.93%  
31 December 2020 : 0.93%  
Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) Turnover Ratio\*\*\*  
31 December 2021 : 23.70%  
31 December 2020 : 88.48%

J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

# Manulife Income Series

## – Global Multi-Asset Diversified Income Fund

### Fund Facts

Launch Date / Price : 27 April 2015 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.6950 (Bid/NAV) /  
 ^S\$0.7316 / ^^S\$0.7165  
 Fund Size : S\$80,302,314.47  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.

CPFIS Risk  
 Classification : Not Applicable  
 Subscription : Cash/SRS

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

On 16 February 2021, the Underlying Fund was changed from Manulife Funds - Manulife Global Asset Allocation Growth Fund to Manulife Global Fund – Global Multi-Asset Diversified Income Fund and the name of the ILP Sub-Fund is changed to Manulife Income Series - Global Multi-Asset Diversified Income Fund.

On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

### Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Manulife Global Fund - Global Multi-Asset Diversified Income Fund ("Underlying Fund") which is a sub-fund of Manulife Global Fund. The Underlying Fund aims to achieve income generation by investing primarily in a diversified portfolio of equity, equity-related, fixed income and fixed income-related securities of companies and/or governments (which include agencies and supranationals in respect of fixed income and fixed income-related securities) globally (including emerging markets from time to time).

### Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series - Global Multi-Asset Diversified Income Fund	Benchmark*
3 months	+1.75%	Not Applicable
6 months	+1.96%	Not Applicable
1 year	+11.57%	Not Applicable
3 years	+7.85%	Not Applicable
5 years	+3.54%	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+2.95%	Not Applicable

Inception date: 27 April 2015

\*Benchmark – the performance of the ILP Sub-Fund is not measured against any benchmark as there is no suitable benchmark that reflects the dynamic asset allocation strategy of the Underlying Fund.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

### Investment and Market Review\*\*\*

December 2021 saw risk assets come back, after a softer November to end the year strongly. Once again, developed markets (DM) continued to outperform emerging markets (EM) with MSCI World Index – a DM proxy, gaining 4.3% versus MSCI EM Index gaining 1.9% – a trend that has been in place for most of 2021. MSCI World Index ended calendar year 2021 up 22.4%, whilst MSCI EM Index fell 2.2%.

Similarly, on the debt side, global high yield (Bloomberg Global High Yield Index) gained 1.9% for December 2021, US high yield (ICE BoFA US High Yield Index) gained 1.9%, whilst EM debt (Bloomberg EM USD Aggregate Bond Index) gained 1%.

China's challenges in the second half of the year proved to be the most significant detractor to EM performance, and were due to tougher regulatory actions across its important internet sector, tighter liquidity amidst a slowing macro environment, and the reverberation of a

# Manulife Income Series

## – Global Multi-Asset Diversified Income Fund

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property company's default. EM ex China, however, gained 10%.

DM equity and debt have trended well due to the prevailing strong global growth backdrop which was aided by aggressive COVID-19 vaccination programmes. Strong earnings seasons in both the first and second quarters, particularly in the US, led to an earnings upgrade cycle which was supportive for higher equity valuations. DM markets retreated in September and November 2021 due to concerns about rising inflation, supply shortages, the emergence of the new Omicron variant, and hawkish remarks by US Federal Reserve Board (Fed) Chairman Jerome Powell.

Elsewhere European equities (MSCI Europe Index) was December 2021's outperformer, gaining 6.6%, whilst on the fixed income side, global high yield broadly outperformed investment grade with broad DM outperforming EM.

Sectorally, growth-related equities were impacted as information technology and consumer discretionary gained 2.6% and 0.5% respectively, whilst the value/defensive cohort such as utilities and consumer staples gained 8.4% and 8.5% respectively. The Russell 1000 Growth Index gained 2.1%, whilst its value counterpart gained 6.3%.

Oil-related equities gained 13.9%, whilst gold gained 2.9%.

The US dollar was weaker against most majors, as the British pound appreciated 2.4%, the euro 1% whilst the renminbi was flat over December.

We continue to believe that US dollar weakness is likely to continue over the long-term, based on the persistent and rising US trade deficit, and the expansionist fiscal policy of the Biden administration.

The Chicago Board Options Exchange Volatility Index (VIX) ended December 2021 lower at 17, versus 27 at the end of November.

Governments and central banks continue to demonstrate readiness to stand-in with monetary and fiscal tools to mitigate the risk of economic damage arising from the pandemic. Fed guidance, a function of job creation and inflation expectations, at this point remains the key driver of near-term developed asset markets, whilst China policy and growth will be a key driver for the region and broad EM.

The Underlying Fund was positive<sup>1</sup> for calendar year 2021 generating respectable performance whilst also achieving a healthy distribution payout - the approximate natural underlying yield generation remained at approximately 5.3%.

**Equities:** Allocation to equities were off the 23% highs to 21% by year-end and remained the key driver of performance for calendar year 2021. The DM dominant equity sleeve helped the portfolio given the US outperformance versus broad EM and Asia. Key contributors were in US technology/communication services and financials.

**Options:** Options overwriting throughout the year has not significantly deviated over the year whilst continuing to add value through sustained premium capture, further enhancing overall portfolio yield.

**Fixed Income:** Fixed income also added value over the year, apart from the Asia credit cohort. More importantly, fixed income securities continued to generate a high yield for the portfolio over calendar year 2021.

In terms of activity, December was a relatively quiet month. In EM, the sub-Fund sold the majority of its exposure to Turkish corporates as the economic situation worsened whilst the sub-Fund holdings did not offer adequate compensation. The sub-Fund also sold exposure in a stressed Mexican non-bank consumer finance company and an energy pipeline company in Argentina. In preferred/converts, the sub-Fund added two perpetuals in the electric power generation sector.

The Underlying Fund's additions in global and US high yield were mainly to existing holdings.

Asia credits detracted over the year given exposure to China. The portfolio, however, has less than 2% exposure to China credits.

Towards year-end, the market observed the lingering Covid variant offset by the increasingly hawkish Fed rhetoric from the Federal Open Market Committee meeting under the backdrop of a consumer price index still at close to 7%.

China high yield property failed to find a bottom. The sector breathed momentary relief earlier in the month, on the combination of short-covering and expectations of more government policy relaxation. Markets turned sour thereafter, as the benchmark issuer Shimao reported

having negative headlines on its liquidity positions, dragging the whole sector down. Evergrande and Kaisa confirmed default on their principal and coupon non-payment, though this was well expected but did not help the market sentiment. Both were officially removed from the major high yield benchmark at the end of December.

Out of China property, commodity-based industrial names and bank capital were the major outperformers as investors stayed away from the high yield property space, though their gain could barely offset the property sell-off.

Most interesting is a couple of more solid China high yield property names managing to tap the market in smaller size but at longer tenor amid such a jittery market – the sub-Fund refrained from adding risk for now. The Asia fixed income sleeve remains cautiously positioned towards short-dated bonds especially in the property sector whilst maintaining a diversified book.

Yield: At the top level, contribution to yield by asset class for the month of December was 41% from options, 24% from global ex EM high yield, 19% from EM debt, 7% from global equity, 6% from preferred and the remainder from investment grade holdings, REITs and cash/cash equivalents.

Return: On a higher level by sleeve, returns were positive for the sub-Fund over the December month across the sleeves - the equity sleeve outperformed the broad MSCI ACWI whilst the fixed income sleeve also contributed to performance, albeit the Asia cohort still remained under pressure.

## Market Outlook and Investment Strategy\*\*\*

We remain in a challenging environment for global markets, not just because growth and earnings could disappoint due to growing logistical challenges, but also due to the growing pressure on policymakers to reduce their stimulus efforts in the face of rising, less transitory, inflation. Across the largest DM, fiscal tailwinds are likely to start to fade as the Fed tapers and potentially raises interest rates. Similar moves appear to be being readied by the European Union and United Kingdom monetary authorities.

Indeed, we expect the year to begin with the uncomfortable combination of sticky, high inflation and a moderation in growth before transitioning to a higher growth profile with

more moderate levels of inflation in the second half of 2022.

It is entirely possible (although not our base case) that central banks worldwide will remain hawkish in 2022 and that the Fed will raise interest rates more than two times. Such a development will weaken the likelihood of a Goldilocks economic re-emergence; however, at this point, that is not our base-case scenario.

Policy, however, will likely remain very accommodative with a very slow and gradual response in terms of rate hikes, which are expected in the second half of 2022.

Strong growth in 2021, as economies re-opened, creates a high base for 2022 and with interest rates expected to start rising in DM, and continue rising in several EM countries, it is reasonable to expect slower growth in 2022. China stands out in this regard. Monetary policy tightened through 2021, most notably in the property sector, and domestic demand is subdued. This provides the authorities with headroom to support demand in 2022 through targeted policy easing.

A big positive would be that the Omicron variant is seen as transmissible but less virulent, and may signal the beginning of the end of the pandemic, which would be hugely positive for capital markets in 2022, particularly for EM.

Markets and stock valuations will have to adjust to tighter monetary conditions globally; however, if successfully executed, economies will continue to grow despite policy normalisation. Supply chain bottlenecks are expected to diminish over the second half of 2022. This is supportive of growth, as well as relieving pressure on input prices.

Tactical positioning will be more prevalent again into 2022, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. The trade-off between generating yield, which is the primary objective of the strategy, and capital appreciation through tactical equity allocations, or tactical decision making around the options writing, will be the determinant of portfolio success in 2022.

Overall, we are tilted towards higher rates from here and stable spreads, but see yields remaining contained given the potential for macro data disappointments.

Corporate fundamentals are varied across sectors. Markets remain sensitive to a host of factors including

# Manulife Income Series

## – Global Multi-Asset Diversified Income Fund

COVID-19 vaccine success and fears of inflationary pressures. We expect global stimulus efforts to remain a focus whilst central banks' divergent policies will keep market participants second-guessing policy responses.

The strong performance in December for broad global and US high yield makes it much harder to see an above coupon year in credit for 2022. In essence, we believe it will be very challenging to see capital appreciation in credit for 2022 but we hope to earn coupon income. Corporate spreads are tight for good reasons. First, the technical picture remains very strong as demand for income has not changed and our market supply estimates for 2022 are below 2021 supply. Second, fundamentals are good as corporate leverage continues to trend lower, and there are no factors that indicate defaults will accelerate off near zero levels.

EM sovereign and corporate debt underperformed in 2021, so if there is a chance for appreciation, it is in this asset class at least from a valuation perspective. The key will be the performance of the Asian high yield market – but in essence, we expect the sector to rebound and be a strong contributor to Underlying Fund performance this year, although near-term, the Underlying Fund is cautiously positioned. The rest of the EM debt market faces the challenges of higher inflation and slowing growth rates due to COVID-19.

Vaccines and boosters are being rolled out, although COVID-19 variants are impacting the efficacy of current vaccines which governments and healthcare corporates have to try to manage.

A rising number of questions are growing around Fed policy as well as multiple questions around vaccine hesitancy in some populations. A vaccine will be a game-changer for the economies of Latin America, Indonesia, and India – however, a medical solution is unlikely to drive a robust, rapid economic solution. Fiscal stimulus is unlikely to be enough for a rapid economic recovery, as getting back to pre-COVID-19 growth rates is likely to be pushed into 2022 and beyond. The lasting impact of COVID-19 on the global economy is not the only factor to monitor. Rising geopolitical tensions, decelerating growth rates post-stimulus, supply chain disruptions and a general deglobalisation trend all raise questions about the future trajectory of global debt and equity markets.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021

<sup>1</sup> The Class AA (SGD Hedged) MDIST (G) returned 9.53% on NAV-to-NAV basis and 4.06% on offer-to-bid basis in 2021. Since inception (25 April 2019), the class returned 5.01% (annualised) on NAV-to-NAV basis and 3.03% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

### Schedule of Investments as at 31 December 2021

(unless otherwise stated)

#### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
Argentina	963,079	0.16
Australia	793,163	0.13
Austria	812,163	0.13
Bahrain	2,303,114	0.38
Belgium	910,612	0.15
Bermuda	5,049,185	0.84
Brazil	8,399,500	1.38
Canada	11,831,763	1.94
Cayman Islands	15,592,224	2.6
Chile	1,968,280	0.33
China	1,529,537	0.25
Colombia	2,987,711	0.50
Costa Rica	1,973,629	0.32
Czech Republic	531,775	0.09
Egypt	1,607,126	0.27
Finland	2,752,659	0.45
France	11,804,755	1.94
Germany	3,413,953	0.57
Ghana	1,338,249	0.22
Hong Kong	4,154,569	0.69
India	3,236,004	0.52

Indonesia	2,309,894	0.37
Ireland	5,317,429	0.88
Israel	2,217,661	0.37
Italy	1,498,582	0.25
Japan	10,356,234	1.70
Jersey - Channel Islands	1,691,313	0.28
Luxembourg	17,493,103	2.89
Malaysia	195,913	0.03
Mauritius	3,106,106	0.5
Mexico	13,466,746	2.25
Netherlands	14,020,510	2.32
Norway	161,445	0.03
Oman	1,736,496	0.29
Panama	3,284,710	0.54
Peru	1,872,298	0.31
Philippines	664,850	0.11
Republic of Korea (South)	1,825,835	0.30
Singapore	1,747,898	0.29
South Africa	726,517	0.12
Spain	1,272,332	0.21
Sweden	396,623	0.07
Switzerland	3,906,555	0.65
Thailand	261,259	0.04
Turkey	657,629	0.11
Ukraine	1,339,859	0.22
United Arab Emirates	983,531	0.16
United Kingdom	19,599,548	3.24
United States	313,279,026	51.81
Virgin Islands (British)	5,936,697	0.98

ii) Industry

Basic materials	1,952,148,000	3.23
Communications	6,944,889,700	11.48
Consumer, cyclical	5,065,338,200	8.38
Consumer, Non-cyclical	4,000,516,000	6.61
Education	61,866,300	0.10
Energy	3,760,059,200	6.22
Financials	7,321,040,700	12.11
Healthcare	2,985,440,900	4.93
Industrials	5,200,844,000	8.56
Real Estate	2,177,690,600	3.61
Supranationals, governments and local public authorities	2,641,222,500	4.37
Technology	4,108,679,200	6.79
Utilities	3,529,277,300	5.85

iii) Asset Class

Equities securities	232,253,673	38.39
Fixed income securities	283,025,976	46.79
Other net assets	89,638,248	14.82

iv) Credit Rating

Not Applicable

B) Top 10 Holdings as at 31 December 2021\*\*\*

	Market Value (US\$)	% of NAV
Securities		
United States Treasury Bill 0.000% 3/Mar/2022	11,099,354	1.82
Alphabet Inc. - A	6,911,766	1.14
Meta Platforms Inc.	5,776,823	0.95
Apple Inc.	5,068,727	0.84

# Manulife Income Series

## – Global Multi-Asset Diversified Income Fund

Lennar Corp. - A	4,599,545	0.76
Amazon.com Inc.	4,189,829	0.69
Bank of America Corp.	3,905,209	0.65
Broadcom Inc.	3,295,387	0.55
SBI Holdings Inc. - Perp. FRN	3,077,772	0.50
United States Treasury Bill 0.000% 6/Jan/2022	2,999,999	0.50

### Top 10 Holdings as at 31 December 2020^^^

Securities	Market Value (US\$)	% of NAV
iShares Core S&P 500 ETF	7,725,902	8.81
iShares Core US Aggregate Bond ETF	5,738,125	6.55
iShares USD Corp Bond UCITS ETF	5,474,671	6.25
SPDR Barclays High Yield Bond ETF	5,193,279	5.92
SPDR S&P 500 ETF Trust	5,073,925	5.79
Vanguard Total International Bond ETF	4,719,013	5.38
Invesco QQQ Trust Series 1	4,084,267	4.66
iShares MSCI Japan ETF	4,028,873	4.60
VanEck Vectors J.P. Morgan EM Local Currency Bond ETF	3,987,276	4.55
iShares Core MSCI Asia ex Japan ETF	3,717,169	4.24

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes  
100% invested in Manulife Global Fund – Global Multi-Asset Diversified Income Fund

E) Amount and percentage of debt to NAV  
Not Applicable

### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$15,590,127.11
Total Redemptions	S\$15,341,928.86

### G) Amount and terms of related-party transactions

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Investment Management International Holdings Limited in its capacities as Distributor; and
- The Investment Manager

The Distributor and the Investment Manager may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

### H) Expense Ratio

31 December 2021 : 1.77%  
31 December 2020 : 1.81%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio\*\*\*

31 December 2021 : 30.35%  
31 December 2020 : 621.20%^^^



J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

^^^Information given relates to the previous Underlying Fund - Manulife Funds - Manulife Global Asset Allocation Growth Fund.

# Manulife Income Series

## – Asian High Yield Bond Fund

### Fund Facts

Launch Date / Price : 18 April 2016 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.5813 (Bid/NAV) /  
 ^S\$0.6119 / ^^S\$0.5993  
 Fund Size : S\$59,813,162.46  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : UOB Asset Management Ltd.  
 CPFIS Risk Classification : Not Applicable  
 Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

Note:

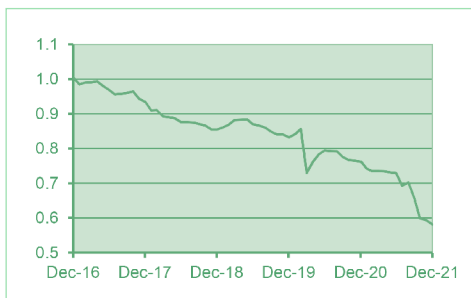
On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and UOB Asset Management Ltd. as the Sub-Manager.

### Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into UOB Asset Management (“UOBAM”) United Asian High Yield Bond Fund (“Underlying Fund”), which seeks to achieve a total return consisting of high income and capital appreciation by investing primarily in high yield fixed income or debt securities (including money market instruments) issued by Asian corporations, financial institutions, governments and their agencies.

### Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – Asian High Yield Bond Fund	*Benchmark
3 months	-9.97%	-7.49%
6 months	-17.40%	-11.92%
1 year	-18.10%	-9.26%
3 years	-4.88%	+1.35%
5 years	-3.04%	+0.33%
10 years	Not Applicable	Not Applicable
Since Inception	-1.12%	+3.19%

Inception date: 17 May 2016

\*Benchmark: (JACI) Non-Investment Grade Total Return Index

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: UOB Asset Management Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

### Investment and Market Review\*\*\*

For the six months ended 31 Dec 2021, Class SGD Acc, Class SGD Dist, Class A SGD Acc (Hedged) and Class A SGD Dist (Hedged) decreased by 17.28%, 17.24%, 17.51% and 17.45% respectively on a net-asset-value (NAV) basis, underperforming the benchmark J.P. Morgan Asia Credit Index (JACI) Non-Investment Grade Total Return Index which had decreased by 11.92% in Singapore Dollar terms. Class USD Acc and Class USD Dist decreased by 17.53% and 17.61%, underperformed the benchmark which had decreased by 12.18% in United States Dollar terms.

Key detractors versus benchmark were overweight positioning and credit selection in China Real Estate.

As at end Dec 2021, top country holdings consist of 27.07% in China, 15.06% in India and 10.23% in Hong Kong. Sector wise, top sector holdings consist of 22.24% in Real Estate, 15.56% in Financials and 11.68% in Consumer Discretionary.

Global interest rates mostly rose in 2021. Reflation trades and speculation about the potential withdrawal of monetary policy accommodation outweighed dovish FOMC rhetoric, resulting in 10-year USTs peaking at 1.74% in early 2021. However, elevated inflationary pressures buoyed by crude oil prices, global demand recovery as well as interrupted supply chains forced the hands of Fed Chair Powell to announce faster tapering and possible rate hikes in 2022 contributed to a higher 10-year UST into 4Q21. 2-year and 10-year UST closed the year at 0.73% (+61basis points) and 1.51% (+60bp), respectively.

The JP Morgan Asia Credit Index (JACI Non-Investment Grade Total Return Composite Index declined -11.92% for the 6 months ended 31 Dec 21. The optimism of Credit markets in 1H21 ended as negative headlines on China Evergrande started to surface. Volatility soon set in following a series of idiosyncratic events in the Chinese Real Estate space, such as defaults of Evergrande, Fantasia, Kaisa, as well as other China HY property names showing financial stress. Even investment grade developer, Shimao, had trust loan non-payment, which led to a downgrade to high yield territory. Regulatory pressure also increased around the tech sector in China.

The primary issuance market in 2021 was limited compared to 2020 due to (1) the volatile rates markets and (2) cautious sentiment in the China property sector due to heightened default risk in 2H21. The Asia ex-Japan G3 currency issuers printed US\$346.8 billion in 2021 (2020: US\$342.3 billion).

## Market Outlook and Investment Strategy\*\*\*

The unwinding of asset purchases by the Fed appears to be well telegraphed. The Fed is likely to start hiking interest rates as early as March 2022 with latest projections point to three hikes in each of 2022 and 2023 and two more in 2024. Market consensus forecast for 10Y USTs at end-2022 at 2% level.

On the COVID front, large parts of the world have learnt to live with the virus, although the Omicron variant could pose near-term challenges. A key issue to watch is China's evolving economic model with a focus on 'quality' of growth. Regulatory headwinds, especially to the property, technology, and gaming sectors, are likely to continue, although the chances of an abrupt growth slowdown or risks to financial stability appear low. Other market risks that need monitoring include geopolitics between US-

China rhetoric and US mid-term elections.

Looking ahead, we do not expect to see a significant turnaround in credit sentiment in the near term. The Asian credit market is still negatively affected by a cash crisis among the Chinese property developers and regulatory clampdowns by the Chinese government. However, we believe the "Three Red Lines" policy on the major developers will leave behind a more disciplined, efficient credit market. And we expect market sentiment and corporate fundamentals to improve, especially from 2nd quarter 2022 onwards. In addition, a more comprehensive economic recovery will be contingent on the speed of vaccine rollouts and a lower COVID-19 mortality rate.

While we remain cautiously optimistic on Asia High Yield Credit in 2022, credit selection and portfolio diversification remain critical in the light of rising credit events. The portfolio is positioned with a preference for defensive carry with a negative bias towards the China high yield property sector. Duration positioning is slightly short relative to the benchmark as we expect rates to trend higher over the medium term, while cash holdings is maintained at high single digits.

### Disclosures

The Underlying Fund uses financial derivative including currency futures, interest rate futures contracts and CDS contracts in order to manage the portfolio exposure. For example, the Underlying Fund uses Singapore Dollar (SGD) futures to protect investors against fluctuations in the SGD currency. The Underlying Fund's global exposure to financial derivatives is calculated using Commitment Approach with netting arrangements, and has never exceeded 100% of the Underlying Fund's NAV at all times.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Bahrain	1,283,061	0.69
Cameroon	1,471,101	0.80

# Manulife Income Series

## – Asian High Yield Bond Fund

China	50,035,371	27.07	iii) <u>Asset Class</u>		
Hong Kong	18,905,292	10.23	Quoted bonds	168,363,602	91.09
India	27,837,807	15.06	Accrued interest receivable on quoted bonds	2,474,972	1.34
Indonesia	4,501,115	2.44	Other net assets/(liabilities)	13,996,427	7.57
Macau	8,162,037	4.42			
Maldives	1,341,622	0.73	iv) <u>Credit Rating</u>		
Mongolia	2,551,287	1.38	A3	534,324	0.29
Netherlands	5,527,342	2.99	B1	17,423,149	9.43
Oman	1,689,569	0.91	B2	12,148,770	6.57
Pakistan	7,360,343	3.98	B3	23,908,366	12.93
Philippines	6,968,208	3.77	Ba1	13,360,289	7.23
Singapore	9,318,741	5.04	Ba2	10,895,182	5.89
South Korea	1,389,187	0.75	Ba3	23,701,933	12.82
Sri Lanka	6,894,470	3.73	Baa3	2,274,464	1.23
Switzerland	946,536	0.51	Caa1	1,341,622	0.73
Thailand	3,259,293	1.76	Caa2	7,536,449	4.08
United Kingdom	8,921,220	4.83	Non-rated	55,239,054	29.89
ii) <u>Industry</u>			B) <u>Top 10 Holdings as at 31 December 2021***</u>		
Communication Services	1,386,867	0.75	Securities	Market Value (\$\$)	% of NAV
Consumer Discretionary	21,602,679	11.68	Indiabulls Housing Finance Sr Secured Regs 05/22 6.375	4,943,260	2.67
Energy	10,581,873	5.73	Islamische Republic Of Pakistan Sr Unsecured Regs 04/31 7.375	3,354,787	1.81
Financials	28,754,999	15.56	Anton Oilfield Services Group/ Company Guarant Regs 01/25 8.75	2,941,194	1.59
Government	19,430,783	10.51	Melco Resorts Finance Sr Unsecured Regs 06/25 4.875	2,925,148	1.58
Industrials	10,549,554	5.71	Nwd Finance (Bvi) Ltd Company Guarant Regs 12/99 Var Isin Xs2348062899	2,913,730	1.58
Information Technology	1,117,616	0.61			
Materials	13,807,459	7.47			
Real Estate	41,106,300	22.24			
Utilities	20,025,472	10.83			

Smc Global Power Holdings Sr Unsecured Regs 12/99 Var Isin Xs2239056174	2,804,152	1.52
Mgm China Holdings Ltd Sr Unsecured Regs 06/25 5.25	2,678,936	1.45
Jsw Steel Ltd Sr Unsecured Regs 04/27 3.95	2,667,108	1.44
Glp Pte Ltd Subordinated Regs 12/99 Var	2,627,865	1.42
lfl Finance Ltd Sr Secured Regs 04/23 5.875	2,626,907	1.42

#### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Chong Hing Bank Ltd Jr Subordinated Regs 12/99 Var	7,424,959	2.66
Cfld Cayman Investment Company Guarant Regs 04/24 8.6	5,041,830	1.80
Powerlong Real Estate Sr Secured Regs 08/24 6.25	4,984,033	1.78
Baoxin Auto Finance I Ltd Company Guarant Regs 12/99 Var	4,609,254	1.65
Bank Of East Asia Ltd Jr Subordinated Regs 12/99 Var Isin Xs2049804896	4,483,037	1.60
Central China Real Estate Sr Secured Regs 08/22 6.875	4,324,516	1.55
Fantasia Holdings Group Sr Secured Regs 04/22 11.75	4,173,110	1.49
China Sce Group Holdings Ltd Sr Secured Regs 05/25 7	4,141,547	1.48
Mongolian Mortgage Corp Company Guarant Regs 01/22 9.75	4,112,891	1.47
Yuzhou Group Sr Secured Regs 10/24 8.375	4,038,302	1.44

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in UOBAM United Asian High Yield Bond Fund

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$14,078,269.70
Total Redemptions	S\$33,496,433.53

#### G) Amount and terms of related-party transactions

Not Applicable

#### H) Expense Ratio

31 December 2021 : 1.60%

31 December 2020 : 1.65%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*

31 December 2021 : 150.04%

31 December 2020 : 43.89%

Note: The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower of the total value of purchases or sales of the underlying investments divided by the average daily net asset value.

# Manulife Income Series

## – Asian High Yield Bond Fund

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- J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager.

# Manulife Income Series – SGD Income Fund

## Fund Facts

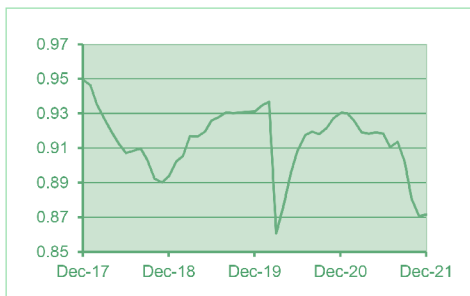
Launch Date / Price : 24 July 2017 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.8716 (Bid/NAV) /  
 ^S\$0.9175 / ^^S\$0.8986  
 Fund Size : S\$3,458,870.88  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 CPFIS Risk  
 Classification : Not Applicable  
 Subscription : SRS/Cash  
 \*Based on NAV as at 31 December 2021  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

Note:  
 On 19 August 2019, Manulife Asset Management (Singapore)  
 Pte. Ltd. has changed its legal name to Manulife Investment  
 Management (Singapore) Pte. Ltd.

## Fund Objective

Manulife Income Series – SGD Income Fund aims to provide investors with long-term capital appreciation and/or income in SGD terms through investing primarily in Asian investment grade fixed income or debt securities. The ILP Sub-Fund achieves this by investing all or substantially all its assets into the Manulife SGD Income Fund (“Underlying Fund”), a sub-fund of Manulife Funds, which is a unit trust constituted in Singapore.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – SGD Income Fund	Benchmark*
3 months	-2.40%	Not Applicable
6 months	-3.18%	Not Applicable
1 year	-2.55%	Not Applicable
3 years	+3.14%	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+1.87%	Not Applicable

Inception date: 22 August 2017

\*Benchmark – the performance of the ILP Sub-Fund is not measured against any benchmark as there is no suitable benchmark that reflects the dynamic asset allocation strategy of the Underlying Fund.

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

2021 has been another challenging year for financial markets dominated by the COVID-19 pandemic and the Delta and omicron variants which produced gyrations in the markets. Overall, the global economy continued to recover from the pandemic induced recession in 2020 initially due to the rollout of vaccination campaigns but was met with obstacles such as the new omicron variant and supply chain disruptions which eventually led to persistent inflationary pressures. Both US treasury yields and Singapore sovereign yields ended the year broadly higher driven by an improvement in global growth as well as an anticipation of monetary policy normalizations.

Most major central banks maintained their accommodative monetary policies throughout the year. However, and towards the end of the year, there were indications of persistent inflationary pressures building on the back of a much-improved global economy as well as dislocations in the global supply chain. The Federal Reserve (Fed) made no changes to its benchmark policy rate over the year, maintaining it in the range of 0% to 0.25% with asset purchases of \$120 billion a month until November. The Fed announced the start of the tapering of their assets in

# Manulife Income Series – SGD Income Fund

November and has quickened their pace of tapering with plans to conclude the program in early 2022. Singapore also moved pre-emptively to tighten policy with the Monetary Authority of Singapore (MAS) appreciating the slope of the SGD nominal effective exchange rate (NEER) slightly while leaving the midpoint and width unchanged in their October meeting. The MAS noted that growth is likely to remain above trend and cited an accumulation in both external and domestic cost pressures and see core inflation close to 2% in the medium term. This suggests that the MAS expects cost pressures to persist for some time amidst a recovering economy.

Credit wise, the first half of 2021 saw spreads grinding tighter against a backdrop of accommodative monetary policies as well as a recovery economy. However, spreads widened out in the second half of the year driven mainly by weakness in the higher yielding corporate bond segment, particularly the Chinese property sector. Concerns over the liquidity crunch in the higher yielding China property space and multiple idiosyncratic headlines resulted in investors rotating out of higher yielding risk assets. Comparatively, investment grade spreads remained resilient throughout the year with investors continuing to deploy cash into higher quality names.

Global equities continued to rally in 2021 driven by the continued stimulus from the COVID-19 pandemic and easy monetary policies from global central banks to keep liquidity flushed and interest rates low. The S&P Index ended the year 26.9% higher, which is the biggest annual percentage gain since 2019. On the commodities front, oil ended the year higher as demand revved up with increasing COVID-19 vaccination rates, loosening pandemic-related restrictions, and growing economies.

The Underlying Fund's performance was negative<sup>1</sup> for the year and was largely driven by wider credit spreads in Asian dollar corporate bonds and more particularly, in higher yielding China property names. A rising interest rate environment throughout 2021 also contributed to negative mark to market returns which were partly mitigated by the Underlying Fund's net short US treasury futures position. The Underlying Fund's negative return was partially offset by positive returns generated from the portfolio's bond carry.

## Market Outlook and Investment Strategy\*\*\*

Global economic recovery made significant progress with increasing vaccination rates especially across developed economies that allowed for re-openings of economies

and borders globally. However, recovery has also been tested with the emergence and widespread transmission of variants such as Delta and Omicron which contributed to waves of increased caseloads across the world. Uncertainties remain as countries hold back on further re-opening on the back of the omicron variant and are likely to be fueled by ongoing geopolitical risks in the backdrop especially between the US and China. Going into 2022, the continuation of the global economic recovery hinges largely on an acceleration in the administration of booster shots to increase the vaccine's efficacy in developed countries while increasing availability of vaccines in developing countries. This should reduce the probability of severe illnesses globally due to the omicron variant and as such, help maintain or even accelerate economic activities. The ongoing tapering of asset purchases by the Fed and further policy normalization steps will drain global liquidity at the margins over the next few months into 2022. However, risk assets in Asia should remain attractive given relatively higher nominal yields even amidst a rising interest rate environment.

Singapore's near-term economic recovery is likely to remain gradual and uneven across sectors given the uncertain global economic backdrop. With an impending Omicron led wave, further recoveries in domestic demand and consumption will likely be limited and be offset by the weakness in aviation and tourism-related sectors. Additionally, consumer-facing sectors such as retail will continue to face pressures given the continued local domestic restrictions that are in place and lack of travelers. That said, mitigation of severe outcomes and strain on the healthcare system will be key in the economy's reopening plans. Furthermore, Singapore's high vaccination rate and steady rollout of booster shots will continue to facilitate progressive easing of restrictions. Singapore's 2022 growth is likely to come in the range of 3.0% to 5.0% as indicated by the government driven by a continuation of a loosening of both domestic and border restrictions.

In terms of credits, spread widening in 2021 has been driven mainly by volatility in the higher yielding corporate bond space with idiosyncratic headlines in the China property segment driving most of the weakness in the Asia credit markets in the second half of the year. Investment grade spreads have outperformed higher yielding spreads with much of the investment grade universe trading at relatively richer levels. Volatility in the China property space is unlikely to go away in the short term with more developers in China facing cash crunches and impending maturities in 2022. However, there has been evidence of progressive and targeted easing measures by the Chinese government for the property sector which should lend



support to stronger and better placed developers. Hence, continuing to manage downside risks prudently with a focus on deep bottom-up fundamentals to avoid cases of defaults and spill-over effects will be key in the new year as well. That said, any further market weakness is likely to bring out value opportunities in stronger issuers that can navigate through this episode unscathed, which will help generate further potential returns.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021

<sup>1</sup> The Underlying Fund returned -2.66% for Class A-QDis SGD on NAV-to-NAV basis in 2021. The class returned -5.58% on offer-to-bid basis in 2021. Since inception (18 November 2016), the class returned 2.35% (annualised) on NAV-to-NAV basis and 1.74% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	31,474,903	4.76
Canada	9,882,915	1.50
China	137,379,563	20.79
France	5,557,178	0.84
Germany	4,515,120	0.68
Hong Kong	69,418,131	10.50
India	46,607,938	7.04
Indonesia	29,106,706	4.39
Macau	3,156,650	0.49
Malaysia	1,722,050	0.26
Netherlands	5,264,799	0.80
Philippines	9,488,478	1.44
Singapore	264,008,848	39.96
South Korea	7,760,028	1.18
Taiwan	5,386,965	0.81

Thailand	9,292,674	1.41
United States of America	2,172,522	0.33

### ii) Industry

Automotive	4,188,569	0.63
Banks	95,994,253	14.53
Chemical	4,485,302	0.68
Computers	6,651,661	1.01
Construction	11,363,567	1.72
Diversified Resources	8,086,446	1.22
Electric	5,471,373	0.83
Electronics	9,521,646	1.44
Energy	16,041,409	2.43
Engineering	8,057,319	1.22
Finance	21,379,049	3.24
Food	5,648,004	0.85
Government	20,387,596	3.09
Hotel	3,604,067	0.55
Insurance	30,551,994	4.62
Internet	3,280,826	0.50
Investment	5,264,799	0.80
Iron & Steel	10,262,303	1.55
Lodging	2,282,923	0.35
Metal	2,925,486	0.44
Mining	3,732,829	0.56
Oil & Gas	41,109,522	6.22
Real Estate	121,730,916	18.42
Real Estate Investment Trust	136,106,124	20.59
Retail	1,750,404	0.26
Telecommunications	34,602,791	5.24
Transport	16,068,370	2.43
Utilities	11,645,920	1.76

# Manulife Income Series – SGD Income Fund

iii) <u>Asset Class</u>			RCS Trust MTN 2.6% 05/06/2023	12,241,320	1.85																														
Fixed income securities	642,195,468	97.18	United Overseas Bank Limited MTN Var 27/02/2029	11,441,100	1.73																														
Accrued interest on fixed income securities	7,393,294	1.12	CCT MTN Pte Limited MTN 3.17% 05/03/2024	10,919,475	1.65																														
Other net assets	11,216,377	1.70	CMT MTN Pte Limited Series MTN (BR) 2.88% 10/11/2027	10,152,578	1.54																														
iv) <u>Credit Rating</u>			Singapore Telecommunications Limited 7.375% 01/12/2031	10,002,331	1.51																														
AA	1,640,310	0.25	Top 10 Holdings as at 31 December 2020*** <table><thead><tr><th>Securities</th><th>Market Value (S\$)</th><th>% of NAV</th></tr></thead><tbody><tr><td>Mapletree Commercial Trust EMTN (BR) 3.11% 24/08/2026</td><td>14,165,310</td><td>2.11</td></tr><tr><td>Singapore Post Limited VAR Perpetual</td><td>13,607,353</td><td>2.03</td></tr><tr><td>NTUC Income Insurance Series MTN Var 20/07/2050</td><td>12,775,500</td><td>1.91</td></tr><tr><td>United Overseas Bank Limited MTN Var 27/02/2029</td><td>11,779,570</td><td>1.76</td></tr><tr><td>RCS Trust MTN 2.6% 05/06/2023</td><td>11,364,100</td><td>1.70</td></tr><tr><td>CCT MTN Pte Limited MTN 3.17% 05/03/2024</td><td>10,527,000</td><td>1.57</td></tr><tr><td>CMT MTN Pte Limited Series MTN (BR) 2.88% 10/11/2027</td><td>10,312,868</td><td>1.54</td></tr><tr><td>Ausnet Services Holdings Pty Limited FRN 07/09/2076</td><td>8,738,255</td><td>1.30</td></tr><tr><td>Ascendas REIT MTN (BR) 3.14% 02/03/2025</td><td>8,606,080</td><td>1.28</td></tr></tbody></table>			Securities	Market Value (S\$)	% of NAV	Mapletree Commercial Trust EMTN (BR) 3.11% 24/08/2026	14,165,310	2.11	Singapore Post Limited VAR Perpetual	13,607,353	2.03	NTUC Income Insurance Series MTN Var 20/07/2050	12,775,500	1.91	United Overseas Bank Limited MTN Var 27/02/2029	11,779,570	1.76	RCS Trust MTN 2.6% 05/06/2023	11,364,100	1.70	CCT MTN Pte Limited MTN 3.17% 05/03/2024	10,527,000	1.57	CMT MTN Pte Limited Series MTN (BR) 2.88% 10/11/2027	10,312,868	1.54	Ausnet Services Holdings Pty Limited FRN 07/09/2076	8,738,255	1.30	Ascendas REIT MTN (BR) 3.14% 02/03/2025	8,606,080	1.28
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A+	7,932,332	1.21																																	
A	31,887,802	4.82																																	
A-	38,607,305	5.84																																	
BBB+	54,843,570	8.30																																	
BBB	33,839,056	5.13																																	
BBB-	36,442,869	5.52																																	
BB+	7,023,092	1.07																																	
BB	18,151,279	2.73																																	
BB-	30,521,522	4.61																																	
B+	21,071,451	3.18																																	
B	1,714,442	0.26																																	
Not rated	358,520,438	54.26																																	

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
AIA Group Limited Var Perp	14,855,864	2.25
Oversea-Chinese Banking Corporation VAR Perpetual	13,951,980	2.11
Mapletree Commercial Trust EMTN (BR) 3.11% 24/08/2026	13,812,860	2.09
NTUC Income Insurance Series MTN Var 20/07/2050	13,799,025	2.09
Singapore Post Limited VAR Perpetual	13,318,370	2.02

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

**C) Exposure to Derivatives**

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

**D) Amount and percentage of NAV invested in collective investment schemes**

100% invested in Manulife Funds – Manulife SGD Income Fund

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$ 1,126,920.30
Total Redemptions	S\$ 932,524.68

**G) Amount and terms of related-party transactions**

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

**H) Expense Ratio**

31 December 2021 : 1.23%

31 December 2020 : 1.23%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

31 December 2021 : 42.71%

31 December 2020 : 42.27%

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**  
Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

# Manulife Income Series – Global Fixed Income Fund

## Fund Facts

Launch Date / Price : 2 January 2018 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.6440 (Bid/NAV) /  
 ^S\$0.6779 / ^^S\$0.6639  
 Fund Size : S\$3,787,274.22  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Sub-Manager : Templeton Asset Management Ltd  
 CPFIS Risk  
 Classification : Not Applicable  
 Subscription : SRS/Cash  
 \*Based on NAV as at 31 December 2021  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

### Note:

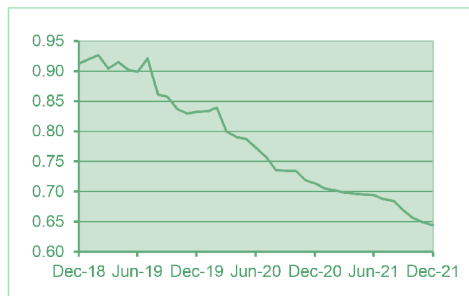
On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the Sub-Fund and Templeton Asset Management Ltd as the Sub-Manager.

## Fund Objective

The Manulife Income Series - Global Fixed Income Fund invests all or substantially all its assets into the Franklin Templeton Investment Funds - Templeton Global Total Return Fund ("Underlying Fund"). The investment objective of the Underlying Fund is to maximise total investment return consisting of a combination of interest income, capital appreciation, and currency gains by investing principally in a portfolio of fixed and/or floating rate debt securities and debt obligations issued by government and government-related issuers or corporate entities worldwide. The Fund may invest in investment grade and non-investment grade debt securities. The Fund may also use various currency-related and other transactions involving derivative instruments.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Series – Global Fixed Income Fund	Benchmark*
3 months	-2.02%	-1.39%
6 months	-3.78%	-1.31%
1 year	-3.37%	-2.59%
3 years	-4.59%	+3.33%
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	-3.21%	+2.92%

Inception date: 31 January 2018

\*Bloomberg Barclays Multiverse Index

Source of Information on ILP sub-fund's performance: Manulife Investment Management (Singapore) Pte. Ltd.

Source of Information on benchmark returns: Templeton Asset Management Ltd and Morningstar

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Rising yields strained valuations across many areas of the global fixed income markets during 2021's first three months. USD-denominated sovereign credit sectors broadly saw negative returns in January, February and March before sharply reversing to generate offsetting positive returns in April, May and June as UST yields pulled back from their late-March peaks. Sovereign bond yields generally resumed their rising trends in May and June amidst rising inflation in many areas of Europe and the Americas. In currency markets, the USD broadly strengthened against a number of developed market and emerging market currencies in the first quarter of 2021, reversing the broad-based weakening trend from the second half of 2020. Broad USD weakness returned in April and May before the strengthening pattern returned in June.

Business and consumer confidence surveys notably strengthened in multiple regions during the second quarter, despite some growing concerns over the proliferation of the Delta variant of COVID in several parts of the world in June. Economic activity continued to broadly expand in many countries in the second quarter, largely driven by strength in goods sectors and manufacturing, as well as historically high savings rates in many countries that helped fuel demand. On the whole, the second quarter would represent the largest quarterly surge in GDP (gross domestic product) for most countries in 2021.

In the second half of the year, sovereign bond yields would largely continue to rise across much of the world as central banks continued to wade deeper into monetary tightening cycles. Developed market sovereign bond yields initially declined in July and early August as the Delta variant proliferated across multiple regions. The 10-year UST note's yield dropped to 1.17% on 3 August as risk aversion resurfaced, its lowest level since mid-February. However, sovereign bond yields largely trended higher from that point through the end of the year as investor sentiments appeared to reformatify.

## Market Outlook and Investment Strategy\*\*\*

We expect the global economic recovery to largely continue in 2022 as several regions continue to benefit from high vaccination rates and public policy shifts towards "living with COVID." However, the proliferation of the Omicron variant introduces additional risks that bear monitoring. Many countries appear committed to moving

beyond the oscillating cycles of lockdowns and reopenings that profoundly damage economic activity, though some have recently returned to lockdown measures to address the winter surge. Broader global economic momentum should continue, in our view, with Omicron posing a tail risk for waves of mobility restrictions that damage economic activity. Global growth has already shown signs of moderating from the peak strength seen midway through 2021 (which was partially attributable to base effects), but nonetheless remains largely resilient, in our view.

We expect widening divergence on the monetary policy front as certain developed market central banks trend towards policy normalisation ahead of others, while certain emerging market central banks are compelled to aggressively tighten policy to contend with high inflation. Globally, several central banks have either begun hiking rates or are in the process of pivoting towards normalisation policies, ushering in a global tightening cycle after an extraordinary, highly correlated global easing cycle in 2020 and early 2021. The abrupt shift should have varying impacts on local-currency assets. Certain emerging markets that have been able to stay ahead of the curve by maintaining already high rates or hiking rates ahead of others should be in a stronger position to handle the global tightening cycle. Others appear more vulnerable to persistent inflation and weaker fundamentals that may impede the ability to keep pace.

While conditions appear broadly supportive of strategic rotations into risk assets, it remains crucial to be highly selective at the sovereign level given significant variations in economic conditions and policy responses, as well as varying vulnerabilities to high inflation, tightening cycles, negative fiscal impulses and economic headwinds associated with COVID-19 variants. Global financial markets have recently seen stretches of risk asset rallies and rising yields, as well as periods of heightened risk aversion that spark rallies in developed market sovereign bonds. These cycles are likely to continue, in our view, albeit with a broader trend of rising yields and continued economic momentum that should reward sovereign bond allocations outside of the core developed markets.

We expect inflation figures in many countries to remain elevated in the first half of 2022, driven by a combination of factors that include supply and demand imbalances, labour market mismatches, excessive monetary accommodation and massive fiscal spending. The true test will be whether any of the existing inflationary factors become persistent enough to feed into longer-term inflation expectations, which would create self-

# Manulife Income Series – Global Fixed Income Fund

sustaining price pressures. We expect inflation in several countries to peak in the first half of 2022 against the global tightening cycle but remain above historical averages for much of the year. However, we also continue to monitor risk factors that would cause high inflation to persist for longer, including potential wage acceleration spirals, sustained supply disruptions and expansive fiscal stimulus.

Structural risks associated with massive fiscal spending and excessive monetary accommodation also remain a medium- to longer-term concern in several countries. Debt levels have risen significantly in just about every country. Additionally, financial market overreliance on extraordinary monetary accommodation creates the preconditions for potential financial market disruptions when policy begins to normalise. While our base case sees well-communicated monetary tightening from the Fed and other major central banks that should avoid a repeat of the 2013 taper tantrum, we do anticipate scattered episodes of volatility as the world transitions from the massive fiscal stimulus and monetary accommodation of the last couple years.

Egypt	126,191,164	2.97
Thailand	85,841,904	2.02
India	80,796,125	1.90
Turkey	65,569,669	1.55
Supranational	23,849,689	0.56
Sri Lanka	14,708,723	0.35
El Salvador	241,892	0.01

## ii) Industry

Local Currency Government/Agency Bonds	3,774,943,153	88.95
Non-Local Currency Sovereign Bonds	210,552,011	4.96
Supranational	23,849,689	0.56
Derivatives	7,719,321	0.18

## iii) Asset Class

Fixed Income	4,017,064,174	94.66
Cash & Cash Equivalents	226,652,673	5.34

## iv) Credit Rating

AA	18.37
BBB	12.69
BB-	12.61
AAA	11.89
B	9.56
BBB+	7.51
BBB-	6.54
A+	6.50
B-	4.34
CCC	4.00
CCC+	0.47

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
South Korea	779,451,961	18.37
Indonesia	538,599,811	12.69
Brazil	469,533,319	11.06
Ghana	288,059,256	6.79
Japan	275,697,309	6.50
Singapore	262,032,540	6.17
Mexico	232,674,507	5.48
Norway	218,492,006	5.15
Colombia	196,921,193	4.64
Ecuador	175,473,448	4.13
Argentina	175,218,825	4.13

#### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (US\$)	% of NAV
Korea Monetary Stabilization Bond, SR UNSECURED, Sr Unsecured, 2304, .905%, 4/02/23	316,156,905	7.45
Korea Treasury Bond, senior note, .875%, 12/10/23	289,421,489	6.82
Korea Treasury Bond, SR UNSECURED, Sr Unsecured, 2406, 1.125%, 6/10/24	173,992,391	4.10
Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 1/01/25	151,076,320	3.56
Government of Mexico, senior bond, M, 8.00%, 12/07/23	147,256,975	3.47
Brazil Letras do Tesouro Nacional, BILLS, Unsecured, LTN, 7/01/24	138,769,541	3.27
Indonesia Treasury Bond, 5.50%, 4/15/26	131,979,594	3.11
Government of Indonesia, senior bond, FR70, 8.375%, 3/15/24	126,887,134	2.99
Government of Norway, 144A, Reg S, 2.00%, 5/24/23	119,248,443	2.81
Republic of Ecuador, senior bond, Reg S, 1.00%, 7/31/35	111,185,381	2.62

#### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$)	% of NAV
Korea Treasury Bond, senior note, 1.375%, 12/10/29	747,750,397	10.20
Government of Mexico, senior bond, M, 6.50%, 6/09/22	473,616,297	6.46

Government of Indonesia, senior bond, FR53, 8.25%, 7/15/21	339,777,933	4.64
Government of Mexico, senior bond, M, 8.00%, 12/07/23	282,020,742	3.85
Korea Treasury Bond, senior note, 1.375%, 9/10/21	172,773,161	2.36
Argentina Treasury Bond BONCER, Index Linked, 1.20%, 3/18/22	161,588,203	2.20
Government of Mexico, senior note, M, 7.25%, 12/09/21	138,617,259	1.89
Government of Indonesia, senior bond, FR70, 8.375%, 3/15/24	129,946,351	1.77
Government of Norway, 144A, Reg S, 2.00%, 5/24/23	126,032,348	1.72
Government of Mexico, senior bond, M, 6.75%, 3/09/23	117,537,350	1.60

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- Market value of derivative contract  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Franklin Templeton Investment Funds – Templeton Global Total Return Fund

#### E) Amount and percentage of debt to NAV

Not Applicable

# Manulife Income Series – Global Fixed Income Fund

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,198,484.61
Total Redemptions	S\$2,672,834.26

## G) Amount and terms of related-party transactions Not Applicable

## H) Expense Ratio

31 December 2021 : 1.68%

31 December 2020 : 1.68%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Sub-Manager.

## I) Turnover Ratio\*\*\*

31 December 2021 : 157.33% (unaudited)

31 December 2020 : 30.06% (unaudited)

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses;



# Manulife Select Balanced Fund

## Fund Facts

Launch Date / Price : 13 January 2020 / S\$1.00 (Offer)  
Unit Price\* : S\$1.0690 (Bid/NAV) /  
^S\$1.1253 / ^^S\$1.1021

Fund Size : S\$7,010,513.40  
Manager : Manulife Investment Management  
(Singapore) Pte. Ltd.

CPFIS Risk  
Classification : Not Applicable  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

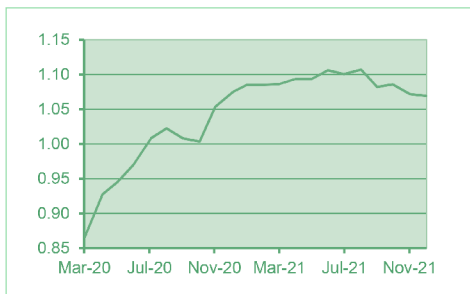
^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The objective of the Fund is to deliver long term capital growth whilst controlling risk by managing the ex-post volatility of the Fund.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Select Balanced Fund	Benchmark
3 months	-0.19%	Not Applicable
6 months	-1.31%	Not Applicable
1 year	+4.11%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+8.51%	Not Applicable

Inception date: 22 January 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

December 2021 saw risk assets come back, after a softer November to end the year strongly. Once again, developed markets (DM) continued to outperform emerging markets (EM) with MSCI World Index – a DM proxy, gaining 4.3% versus MSCI EM Index gaining 1.9% – a trend that has been in place for most of 2021. MSCI World Index ended the 4th quarter of 2021 up 8.0%, whilst MSCI EM Index fell 2.2%.

Similarly, on the debt side, global high yield (Bloomberg Global High Yield Index) gained 1.9% for December 2021, US high yield (ICE BofA US High Yield Index) gained 1.9%, whilst EM debt (Bloomberg EM USD Aggregate Bond Index) gained 1%.

China's challenges in the second half of the year proved to be the most significant detractor to EM performance, and were due to tougher regulatory actions across its important internet sector, tighter liquidity amidst a slowing macro environment, and the reverberation of a property company's default.

DM equity and debt have trended well due to the prevailing strong global growth backdrop which was aided by aggressive COVID-19 vaccination programmes. Strong earnings seasons in both the first and second quarters, particularly in the US, led to an earnings upgrade cycle which was supportive for higher equity valuations. DM markets retreated in September and November 2021 due to concerns about rising inflation, supply shortages, the emergence of the new Omicron variant, and hawkish remarks by US Federal Reserve Board (Fed) Chairman Jerome Powell.

Elsewhere European equities (MSCI Europe Index) was December 2021's outperformer, gaining 6.6%, whilst on the fixed income side, global high yield broadly outperformed investment grade (Bloomberg Global Investment Grade Corporate Bond Index) with broad DM outperforming EM.

# Manulife Select Balanced Fund

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Sectorally, growth-related equities were impacted as information technology and consumer discretionary gained 2.6% and 0.5% respectively, whilst the value/defensive cohort such as utilities and consumer staples gained 8.4% and 8.5% respectively. The Russell 1000 Growth Index gained 2.1%, whilst its value counterpart gained 6.3%. For the 4th quarter of 2021, Tech gained 13%, whilst Communication Services fell 1.7%. Oil-related equities gained 13.9%, whilst gold gained 2.9% in December 2021. For calendar year 2021, energy gained 42%, whilst utilities gained 11%.

The US dollar was weaker against most major currencies, as the British pound appreciated by 2.4%, the euro by 1% whilst the renminbi was flat over December.

We continue to believe that US dollar weakness is likely to continue over the long-term, based on the persistent and rising US trade deficit, and the expansionist fiscal policy of the Biden administration.

The Chicago Board Options Exchange Volatility Index (VIX) ended December 2021 lower at 17, versus 27 at the end of November.

Governments and central banks continue to demonstrate readiness to stand-in with monetary and fiscal tools to mitigate the risk of economic damage arising from the pandemic. Fed guidance, a function of job creation and inflation expectations, at this point remains the key driver of near-term developed asset markets, whilst China policy and growth will be a key driver for the region and broad EM.

The Underlying Fund was positive<sup>1</sup> over calendar year 2021. Both equities and fixed income contributed, most coming from equities over the 12-month period.

The Underlying Fund ended fiscal year 2021 with approximately 37% in fixed income and 62% in equity exposure and the rest in cash. There was a slight shift in weights towards fixed income over equities in the 4th quarter compared to the previous quarter.

Performance contribution on the equities side was via security selection in Asia Pacific ex Japan equities as well as on asset allocation decision-making in global equities, US equities and global bonds.

Detractors came from stock selection in US and Japanese equities. The Underlying Fund remains on the lookout for

opportunistic allocations to redeploy or trim risk, where appropriate, during what is expected to be a year where dispersion across sectors is expected to be evident.

## Market Outlook and Investment Strategy

We remain in a challenging environment for global markets, not just because growth and earnings could disappoint due to growing logistical challenges, but also due to the growing pressure on policymakers to reduce their stimulus efforts in the face of rising, less transitory, inflation. Across the largest developed markets, fiscal tailwinds are likely to start to fade as the US Federal Reserve tapers and potentially raises interest rates. Similar moves appear to be being readied by the EU and UK monetary authorities.

Indeed, we expect the year to begin with the uncomfortable combination of sticky, high inflation and a moderation in growth before transitioning to a higher growth profile with more moderate levels of inflation in the second half of 2022.

It's entirely possible (although not our base case) that central banks worldwide will remain hawkish in 2022 and that the Fed possibly will raise interest rates more than two times. Such a development will weaken the likelihood of a Goldilocks re-emergence; however, at this point, that remains not to be our base-case scenario.

Policy however will likely still remain very accommodative with a very slow and gradual response in terms of rate hikes, which are expected in 2nd half of 2022, brought forward from previous expectations in 2023.

Strong growth in 2021, as economies re-opened, creates a high base for 2022 and with interest rates expected to start rising in developed markets, and expected to continue rising in several EM countries, it is reasonable to expect slower growth in 2022. China stands out in this regard. Monetary policy tightened through 2021, most notably in the property sector, and domestic demand is subdued. This provides the authorities with headroom to support demand in 2022 through targeted policy easing.

A big positive would be that the impact of Omicron is seen as transmissible but less virulent, and may signal the beginning of the end of the pandemic which would be hugely positive for capital markets in 2022, particularly for EM.

Markets and stock valuations will have to adjust to tighter monetary conditions globally, however, if successfully executed, economies will continue to grow despite policy normalisation. Supply chain bottlenecks are expected to diminish over the second half of 2022. This is supportive of growth as well as relieving pressure on input prices.

Tactical positioning will be more prevalent again into 2022, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. Overall, we are tilted towards higher rates from here and stable spreads, but see yields keeping contained given the potential for macro data disappointments.

Corporate fundamentals are varied across sectors. Markets remain sensitive to a host of factors including COVID-19 vaccine success and fears of inflationary pressures. We expect global stimulus efforts to remain a focus whilst central banks divergent policies will keep market participants second-guessing policy responses.

Vaccines and boosters are being rolled out, although COVID variants are impacting the efficacy of current vaccines which governments and healthcare corporates have to try to manage.

A rising number of questions are growing around Fed policy as well as multiple questions around vaccine hesitancy in some populations. A vaccine will be a game-changer for the economies of Latin America, Indonesia and India - however a medical solution is unlikely to drive a robust, rapid economic solution. Fiscal stimulus is unlikely to be enough for a rapid economic recovery, as getting back to pre-COVID growth rates is likely to be pushed into 2022 and beyond. The lasting impact of COVID-19 on the global economy is not the only factor to monitor. Rising geopolitical tensions, decelerating growth rates post stimulus, supply chain disruptions and a general deglobalization trend all raise questions about the future trajectory of global debt and equity markets.

Source: Manulife Investment Management and Bloomberg, as at 31 December 2021

<sup>1</sup> The Underlying Fund returned 4.11% in 2021, on a NAV-to-NAV basis. The Underlying Fund returned -1.09% in 2021, on offer-to-bid basis. Since inception (22 January 2020), the Underlying Fund returned 8.52% (annualised) on NAV-to-NAV basis and 5.69% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

## Schedule of Investments as at 31 December 2021 (unless otherwise stated)

### A) Distribution of Investments

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Not Applicable		
ii) <u>Industry</u>		
Not Applicable		
iii) <u>Asset Class</u>		
Unit trusts/mutual funds	6,939,069.52	98.98
Cash	71,443.88	1.02
iv) <u>Credit Rating</u>		
Not applicable		

### B) Top 10 Holdings as at 31 December 2021

Securities	Market Value (S\$)	% of NAV
MGF Japan Equity Fund AA USD	538,335.48	7.68
FTIF – Franklin U.S. Opportunities A (acc) SGD-H1	508,844.96	7.26
Fidelity Funds - Emerging Markets A-Acc-SGD (H)	443,053.01	6.31
Fidelity Asia Pacific Opps A-Acc-SGD H	399,674.74	5.70
MGF European Growth Fund AA USD	396,537.21	5.66
Schroder Asian Growth SGD	386,581.23	5.51
JPM Global High Yield Bond A (dist - monthly) SGD	349,416.17	4.98
JPMorgan ASEAN (acc) - SGD	296,676.69	4.23
Allianz Europe Equity Growth AT SGD H	276,215.30	3.94
Manulife Singapore Bond A	245,280.92	3.50

# Manulife Select Balanced Fund

## Top 10 Holdings as at 31 December 2020

Securities	Market Value (S\$)	% of NAV
FSSA Regional China	274,901	10.71
Franklin US Opportunities	272,099	10.60
FSSA Asian Eq Plus	271,558	10.58
JPM Emerging Markets Investment Grade Bond	211,993	8.26
Fidelity Funds - Emerging Markets	193,333	7.53
Fidelity Funds - Global Dividend	191,506	7.46
MGF U.S. Special Opportunities Fund	165,855	6.46
Fidelity US High Yield	142,662	5.56
Schroder Asian Growth	140,786	5.49
Fidelity Funds - European Dynamic Growth	138,102	5.38

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

Cash	S\$71,443.88	1.02%
BGF Global SmallCap A2 USD	S\$104,411.49	1.49%
JPMorgan ASEAN (acc) - SGD	S\$296,676.69	4.23%
FSSA Regional China	S\$172,466.21	2.46%
Fidelity Asia Pacific Opps A-Acc-SGD H	S\$399,674.74	5.70%

Allianz US Short Duration High Income Bond SGD AM (net) SGD Hedged	S\$ 200,227.62	2.86%
Fidelity US High Yield A-MDIST-SGD	S\$198,889.92	2.84%
FTIF – Franklin U.S. Opportunities A (acc) SGD-H1	S\$508,844.96	7.26%
Ninety One GSF EM LclCcyTIRtDt A Acc SGD	S\$231,052.55	3.30%
MGF U.S. Bond Fund	S\$104,851.45	1.50%
Manulife Singapore Bond A	S\$245,280.92	3.50%
Schroder Asian Growth SGD	S\$386,581.23	5.51%
AB European Income AT SGD Hedged	S\$243,200.38	3.47%
MGF Preferred Securities Income Fund AA SGD Hedged (gross)	S\$109,356.08	1.56%
JPM Global High Yield Bond A (dist - monthly) SGD	S\$349,416.17	4.98%
MGF Japan Equity Fund AA USD	S\$538,335.48	7.68%
MGF Taiwan Equity AA USD	S\$175,194.66	2.50%
BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)	S\$243,495.01	3.47%
MGF European Growth Fund AA USD	S\$396,537.21	5.66%
MGF China Total Return Bond Fund AA Inc (net) USD	S\$235,172.26	3.35%
Fidelity Funds - Emerging Markets A-Acc-SGD (H)	S\$443,053.01	6.31%
Schroder Global Emerging Market Opps SGD	S\$232,028.37	3.31%

MGF Dragon Growth Fund AA USD	S\$137,800.35	1.97%
MGF US Small Cap Equity AA	S\$245,207.26	3.50%
Manulife Asia Pacific Investment Grade Bond Fund A SGD	S\$237,658.01	3.39%
PIMCO GIS Income	S\$227,442.19	3.24%
Allianz Europe Equity Growth AT SGD H	S\$276,215.30	3.94%

**E) Amount and percentage of debt to NAV**  
Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$5,654,681.05
Total Redemptions	S\$1,088,473.37

**G) Amount and terms of related-party transactions**

Manulife Global Fund (MGF)

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Investment Management International Holdings Limited in its capacities as Distributor; and
- The Investment Manager

The Distributor and the Investment Manager may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

**H) Expense Ratio**

31 December 2021 : 1.96%  
31 December 2020 : 2.86%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

BGF Global SmallCap A2 USD

31 December 2021 : 223.85%  
31 December 2020 : 266.51%

JPMorgan ASEAN (acc) - SGD

31 December 2021 : 86.74%  
31 December 2020 : 139.40%

FSSA Regional China

31 December 2021 : 3.27%<sup>1,2</sup>  
31 December 2020 : 9.95%<sup>2</sup>

Fidelity Asia Pacific Opps A-Acc-SGD H

31 December 2021 : 38.20%  
31 December 2020 : 76.20%

Allianz US Short Duration High Income Bond SGD AM (net) SGD Hedged

30 September 2021 : 52.85%#  
30 September 2020 : 72.97%#

Fidelity US High Yield A-MDIST-SGD

31 December 2021 : 28.77%  
31 December 2020 : 42.61%

FTIF – Franklin U.S. Opportunities A (acc) SGD-H1

31 December 2021 : -40.30%  
31 December 2020 : -80.00%

Ninety One GSF EM LclCcyTIRtDt A Acc SGD

30 June 2021 : 87.49%#  
31 December 2020 : 91.22%

MGF U.S. Bond Fund

31 December 2021 : 132.75%  
31 December 2020 : 157.50%

Manulife Singapore Bond A

31 December 2021 : 36.18%  
31 December 2020 : 53.59%

Schroder Asian Growth SGD

31 December 2021 : 16.20%  
31 December 2020 : 18.41%

AB European Income AT SGD Hedged

31 August 2021 : 31.69%#  
31 August 2020 : 31.69%#

MGF Preferred Securities Income Fund AA SGD Hedged (gross)

31 December 2021 : 30.88%  
31 December 2020 : 49.98%

# Manulife Select Balanced Fund

## JPM Global High Yield Bond A (dist - monthly) SGD

31 December 2021 : 91.49%

31 December 2020 : 136.19%

## MGF Japan Equity Fund AA USD

31 December 2021 : 12.19%

31 December 2020 : 38.54%

## MGF Taiwan Equity AA USD

31 December 2021 : 188.29%

31 December 2020 : 198.54%

## BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)

31 December 2021 : 107.54%

31 December 2020 : 127.35%

## MGF European Growth Fund AA USD

31 December 2021 : 35.31%

31 December 2020 : 86.46%

## MGF China Total Return Bond Fund AA Inc (net) USD

31 December 2021 : 85.89%

31 December 2020 : 41.67%

## Fidelity Funds - Emerging Markets A-Acc-SGD (H)

31 December 2021 : 28.48%

31 December 2020 : 42.99%

## Schroder Global Emerging Market Opps SGD

31 December 2021 : 1.78%

31 December 2020 : 7.07%

## MGF Dragon Growth Fund AA USD

31 December 2021 : 42.20%

31 December 2020 : 70.59%

## MGF US Small Cap Equity AA

31 December 2021 : 82.68%

31 December 2020 : 90.85%

## Manulife Asia Pacific Investment Grade Bond Fund A SGD

31 December 2021 : 23.70%

31 December 2020 : 88.48%

## PIMCO GIS Income

31 December 2020 : 414.00%

31 December 2019 : 342.00%

## Allianz Europe Equity Growth AT SGD H

30 September 2021 : 18.20%#

30 September 2020 : 21.84%#

<sup>1</sup> Kindly note that the information are preliminary and the final figures will have to refer to the annual report which will be available by end of March 2022.

<sup>2</sup> Distribution payments funded by the Manager liquidating a sufficient portion of the Sub-Fund's investments to raise the total amount required for the distribution payments may mean a higher than expected portfolio turnover ratio. Therefore, the Underlying Sub-Fund's portfolio turnover ratio is also included for reference.

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**  
Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Managers.

#Information for the same reporting period as that of the ILP sub-fund is not available.

# Manulife Select Conservative Fund

## Fund Facts

Launch Date / Price : 13 January 2020 / S\$1.00 (Offer)  
Unit Price\* : S\$0.9108 (Bid/NAV) /  
^S\$0.9587 / ^^S\$0.9390

Fund Size : S\$542,323.09  
Manager : Manulife Investment Management  
(Singapore) Pte. Ltd.

CPFIS Risk  
Classification : Not Applicable  
Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

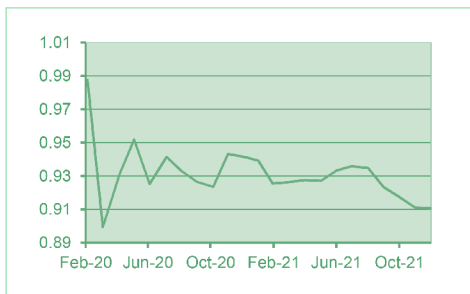
^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The objective of the Fund is to deliver long term capital growth whilst controlling risk by managing the ex-post volatility of the Fund.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Select Conservative Fund	Benchmark
3 months	-0.62%	Not Applicable
6 months	-0.89%	Not Applicable
1 year	0.00%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	-1.45%	Not Applicable

Inception date: 23 January 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

December 2021 saw risk assets come back, after a softer November to end the year strongly. Once again, developed markets (DM) continued to outperform emerging markets (EM) with MSCI World Index – a DM proxy, gaining 4.3% versus MSCI EM Index gaining 1.9% – a trend that has been in place for most of 2021. MSCI World Index ended the 4th quarter of 2021 up 8.0%, whilst MSCI EM Index fell 2.2%.

Similarly, on the debt side, global high yield (Bloomberg Global High Yield Index) gained 1.9% for December 2021, US high yield (ICE BofA US High Yield Index) gained 1.9%, whilst EM debt (Bloomberg EM USD Aggregate Bond Index) gained 1%.

China's challenges in the second half of the year proved to be the most significant detractor to EM performance, and were due to tougher regulatory actions across its important internet sector, tighter liquidity amidst a slowing macro environment, and the reverberation of a property company's default.

DM equity and debt have trended well due to the prevailing strong global growth backdrop which was aided by aggressive COVID-19 vaccination programmes. Strong earnings seasons in both the first and second quarters, particularly in the US, led to an earnings upgrade cycle which was supportive for higher equity valuations. DM markets retreated in September and November 2021 due to concerns about rising inflation, supply shortages, the emergence of the new Omicron variant, and hawkish remarks by US Federal Reserve Board (Fed) Chairman Jerome Powell.

Elsewhere European equities (MSCI Europe Index) was December 2021's outperformer, gaining 6.6%, whilst on the fixed income side, global high yield broadly outperformed investment grade (Bloomberg Global Investment Grade Corporate Bond Index) with broad DM outperforming EM.

Sectorally, growth-related equities were impacted as

# Manulife Select Conservative Fund

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information technology and consumer discretionary gained 2.6% and 0.5% respectively, whilst the value/defensive cohort such as utilities and consumer staples gained 8.4% and 8.5% respectively. The Russell 1000 Growth Index gained 2.1%, whilst its value counterpart gained 6.3%. For the 4th quarter of 2021, Tech gained 13%, whilst Communication Services fell 1.7%. Oil-related equities gained 13.9%, whilst gold gained 2.9% in December 2021. For calendar year 2021, energy gained 42%, whilst utilities gained 11%.

The US dollar was weaker against most major currencies, as the British pound appreciated by 2.4%, the euro by 1% whilst the renminbi was flat over December.

We continue to believe that US dollar weakness is likely to continue over the long-term, based on the persistent and rising US trade deficit, and the expansionist fiscal policy of the Biden administration.

The Chicago Board Options Exchange Volatility Index (VIX) ended December 2021 lower at 17, versus 27 at the end of November.

Governments and central banks continue to demonstrate readiness to stand-in with monetary and fiscal tools to mitigate the risk of economic damage arising from the pandemic. Fed guidance, a function of job creation and inflation expectations, at this point remains the key driver of near-term developed asset markets, whilst China policy and growth will be a key driver for the region and broad EM.

The Underlying Fund was flat over the calendar year 2021 as asset allocation decision-making added value over the period.

The Underlying Fund ended fiscal year 2021 with approximately 79% in fixed income and 17% in equity exposure and the rest in cash – a slightly higher weight towards fixed versus equities in the fourth quarter of 2021 versus the third quarter of 2021.

Performance contribution came from security selection in Asia Pacific ex Japan equities, global bonds and high yield bonds, as well as asset allocation decisions in European equities, global equities and US bonds.

Detraction came from security selection in US equities.

The Underlying Fund remains on the lookout for opportunistic allocations to redeploy or trim risk, where appropriate, during what is expected to be a year where dispersion across sectors is expected to be evident.

## Market Outlook and Investment Strategy

We remain in a challenging environment for global markets, not just because growth and earnings could disappoint due to growing logistical challenges, but also due to the growing pressure on policymakers to reduce their stimulus efforts in the face of rising, less transitory, inflation. Across the largest developed markets, fiscal tailwinds are likely to start to fade as the US Federal Reserve tapers and potentially raises interest rates. Similar moves appear to be being readied by the EU and UK monetary authorities.

Indeed, we expect the year to begin with the uncomfortable combination of sticky, high inflation and a moderation in growth before transitioning to a higher growth profile with more moderate levels of inflation in the second half of 2022.

It's entirely possible (although not our base case) that central banks worldwide will remain hawkish in 2022 and that the Fed possibly will raise interest rates more than two times. Such a development will weaken the likelihood of a Goldilocks re-emergence; however, at this point, that remains not to be our base-case scenario.

Policy however will likely still remain very accommodative with a very slow and gradual response in terms of rate hikes, which are expected in 2nd half of 2022, brought forward from previous expectations in 2023.

Strong growth in 2021, as economies re-opened, creates a high base for 2022 and with interest rates expected to start rising in developed markets, and expected to continue rising in several EM countries, it is reasonable to expect slower growth in 2022. China stands out in this regard. Monetary policy tightened through 2021, most notably in the property sector, and domestic demand is subdued. This provides the authorities with headroom to support demand in 2022 through targeted policy easing.

A big positive would be that the impact of Omicron is seen as transmissible but less virulent, and may signal the beginning of the end of the pandemic which would be hugely positive for capital markets in 2022, particularly for EM.

Markets and stock valuations will have to adjust to tighter monetary conditions globally, however, if successfully executed, economies will continue to grow despite policy normalisation. Supply chain bottlenecks are expected to diminish over the second half of 2022. This is supportive of growth as well as relieving pressure on input prices.

Tactical positioning will be more prevalent again into



2022, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. Overall, we are tilted towards higher rates from here and stable spreads, but see yields keeping contained given the potential for macro data disappointments.

Corporate fundamentals are varied across sectors. Markets remain sensitive to a host of factors including COVID-19 vaccine success and fears of inflationary pressures. We expect global stimulus efforts to remain a focus whilst central banks divergent policies will keep market participants second-guessing policy responses.

Vaccines and boosters are being rolled out, although COVID variants are impacting the efficacy of current vaccines which governments and healthcare corporates have to try to manage.

A rising number of questions are growing around Fed policy as well as multiple questions around vaccine hesitancy in some populations. A vaccine will be a game-changer for the economies of Latin America, Indonesia and India - however a medical solution is unlikely to drive a robust, rapid economic solution. Fiscal stimulus is unlikely to be enough for a rapid economic recovery, as getting back to pre-COVID growth rates is likely to be pushed into 2022 and beyond. The lasting impact of COVID-19 on the global economy is not the only factor to monitor. Rising geopolitical tensions, decelerating growth rates post stimulus, supply chain disruptions and a general deglobalization trend all raise questions about the future trajectory of global debt and equity markets.

Source: Manulife Investment Management and Bloomberg, as of 31 December 2021

<sup>1</sup> The Underlying Fund returned 0.00% in 2021, on a NAV-to-NAV basis. The Underlying Fund returned -5.00% in 2021, on offer-to-bid basis. Since inception (23 January 2020), the Underlying Fund returned -1.45% (annualised) on NAV-to-NAV basis and -4.03% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Not Applicable		

### ii) Industry

Not Applicable

### iii) Asset Class

Unit trusts/mutual funds	524,664.14	96.74
Cash	17,658.95	3.26

### iv) Credit Rating

Not applicable

### B) Top 10 Holdings as at 31 December 2021

Securities	Market Value (S\$)	% of NAV
JPM Global High Yield Bond A (dist - monthly) SGD	51,954.49	9.58
AB European Income AT SGD Hedged	49,992.83	9.22
BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)	49,613.63	9.15
PIMCO GIS Income	40,870.37	7.54
MGF China Total Return Bond Fund AA Inc (net) USD	38,189.70	7.04
Ninety One GSF EM LclCcyTIRTDt A Acc SGD	37,041.24	6.83
Manulife Singapore Bond A	35,247.44	6.50
Manulife Asia Pacific Investment Grade Bond Fund A SGD	34,921.38	6.44
Allianz US Short Duration High Income Bond SGD AM (net) SGD Hedged	29,871.01	5.51
Fidelity US High Yield A-MDIST-SGD	29,640.02	5.47

# Manulife Select Conservative Fund

## Top 10 Holdings as at 31 December 2020

Securities	Market Value (\$)	% of NAV
AB American Income	12,930	9.86
Fidelity US High Yield	12,804	9.76
MGF U.S. Bond Fund	12,206	9.30
JPM Emerging Markets Investment Grade Bond	11,355	8.66
FSSA Asian Eq Plus	10,542	8.04
Manulife Singapore Bond	10,326	7.87
MGF Preferred Securities Income Fund	10,282	7.84
MGF U.S. Special Opportunities Fund	8,930	6.81
BGF - Global Corporate Bond	7,851	5.98
FTIF – Templeton Global Bond	7,447	5.68

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

Cash	\$S\$17,658.95	3.26%
Fidelity Asia Pacific Opps A-Acc-SGD H	\$S\$15,621.47	2.88%
Ninety One GSF EM LclCcyTIRtDt A Acc SGD	\$S\$37,041.24	6.83%
Fidelity US High Yield A-MDIST-SGD	\$S\$29,640.02	5.47%

FTIF – Franklin U.S. Opportunities A (acc) SGD-H1	\$S\$19,198.06	3.54%
Schroder Asian Growth SGD	\$S\$13,844.90	2.55%
AB European Income AT SGD Hedged	\$S\$49,992.83	9.22%
MGF Preferred Securities Income Fund AA SGD Hedged (gross)	\$S\$16,914.73	3.12%
JPM Global High Yield Bond A (dist - monthly) SGD	\$S\$51,954.49	9.58%
MGF Japan Equity Fund AA USD	\$S\$ 9,800.48	1.81%
BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)	\$S\$49,613.63	9.15%
MGF European Growth Fund AA USD	\$S\$13,294.21	2.45%
MGF China Total Return Bond Fund AA Inc (net) USD	\$S\$38,189.70	7.04%
Fidelity Funds - Emerging Markets A-Acc-SGD (H)	\$S\$13,259.33	2.44%
Manulife Asia Pacific Investment Grade Bond Fund A SGD	\$S\$34,921.38	6.44%
Allianz Europe Equity Growth AT SGD H	\$S\$6,454.94	1.19%
MGF U.S. Bond Fund	\$S\$18,933.90	3.49%
Allianz US Short Duration High Income Bond SGD AM (net) SGD Hedged	\$S\$29,871.01	5.51%
Manulife Singapore Bond A	\$S\$35,247.44	6.50%
PIMCO GIS Income	\$S\$40,870.37	7.54%

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$494,590.03
Total Redemptions	S\$71,726.60

**G) Amount and terms of related-party transactions**

Manulife Funds

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

Manulife Global Fund (MGF)

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Investment Management International Holdings Limited in its capacities as Distributor; and
- The Investment Manager

The Distributor and the Investment Manager may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

**H) Expense Ratio**

31 December 2021 : 3.03%

31 December 2020 : 5.33%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

Fidelity Asia Pacific Opps A-Acc-SGD H

31 December 2021 : 38.20%

31 December 2020 : 76.20%

Ninety One GSF EM LclCcyTIRtDt A Acc SGD

30 June 2021 : 87.49%#

31 December 2020 : 91.22%

Fidelity US High Yield A-MDIST-SGD

31 December 2021 : 28.77%

31 December 2020 : 42.61%

FTIF – Franklin U.S. Opportunities A (acc) SGD-HI

31 December 2021 : -40.30%

31 December 2020 : -80.00%

Schroder Asian Growth SGD

31 December 2021 : 16.20%

31 December 2020 : 18.41%

AB European Income AT SGD Hedged

31 August 2021 : 31.69%#

31 August 2020 : 31.69%#

MGF Preferred Securities Income Fund AA SGD Hedged (gross)

31 December 2021 : 30.88%

31 December 2020 : 49.98%

JPM Global High Yield Bond A (dist - monthly) SGD

31 December 2021 : 91.49%

31 December 2020 : 136.19%

MGF Japan Equity Fund AA USD

31 December 2021 : 12.19%

31 December 2020 : 38.54%

BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)

31 December 2021 : 107.54%

31 December 2020 : 127.35%

MGF European Growth Fund AA USD

31 December 2021 : 35.31%

31 December 2020 : 86.46%

MGF China Total Return Bond Fund AA Inc (net) USD

31 December 2021 : 85.89%

31 December 2020 : 41.67%

Fidelity Funds - Emerging Markets A-Acc-SGD (H)

31 December 2021 : 28.48%

31 December 2020 : 42.99%

# Manulife Select Conservative Fund

## Manulife Asia Pacific Investment Grade Bond Fund A SGD

31 December 2021 : 23.70%

31 December 2020 : 88.48%

## Allianz Europe Equity Growth AT SGD H

30 September 2021 : 18.20%#

30 September 2020 : 21.84%#

## MGF U.S. Bond Fund

31 December 2021 : 132.75%

31 December 2020 : 157.50%

## Allianz US Short Duration High Income Bond SGD AM (net) SGD Hedged

30 September 2021 : 52.85%#

30 September 2020 : 72.97%#

## Manulife Singapore Bond A

31 December 2021 : 36.18%

31 December 2020 : 53.59%

## PIMCO GIS Income

31 December 2020 : 414.00%

31 December 2019 : 342.00%

office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

### Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Managers.

\*Information for the same reporting period as that of the ILP sub-fund is not available.

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including

# Manulife Select Growth Fund

## Fund Facts

Launch Date / Price : 13 January 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.2298 (Bid/NAV) /  
 ^S\$1.2945 / ^^S\$1.2678  
 Fund Size : S\$10,034,743.20  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.

CPFIS Risk  
 Classification : Not Applicable  
 Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

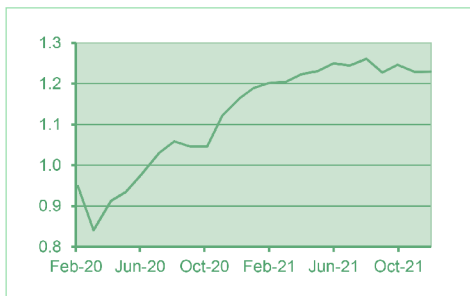
^Offer Price @ 5% sales charge – Regular Premium Plans

^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The objective of the Fund is to deliver long term capital growth whilst controlling risk by managing the ex-post volatility of the Fund.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Select Growth Fund	Benchmark
3 months	+0.19%	Not Applicable
6 months	-1.63%	Not Applicable
1 year	5.52%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+11.24%	Not Applicable

Inception date: 22 January 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review

December 2021 saw risk assets come back, after a softer November to end the year strongly. Once again, developed markets (DM) continued to outperform emerging markets (EM) with MSCI World Index – a DM proxy, gaining 4.3% versus MSCI EM Index gaining 1.9% – a trend that has been in place for most of 2021. MSCI World Index ended the 4th quarter of 2021 up 8.0%, whilst MSCI EM Index fell 2.2%.

Similarly, on the debt side, global high yield (Bloomberg Global High Yield Index) gained 1.9% for December 2021, US high yield (ICE BofA US High Yield Index) gained 1.9%, whilst EM debt (Bloomberg EM USD Aggregate Bond Index) gained 1%.

China's challenges in the second half of the year proved to be the most significant detractor to EM performance, and were due to tougher regulatory actions across its important internet sector, tighter liquidity amidst a slowing macro environment, and the reverberation of a property company's default.

DM equity and debt have trended well due to the prevailing strong global growth backdrop which was aided by aggressive COVID-19 vaccination programmes. Strong earnings seasons in both the first and second quarters, particularly in the US, led to an earnings upgrade cycle which was supportive for higher equity valuations. DM markets retreated in September and November 2021 due to concerns about rising inflation, supply shortages, the emergence of the new Omicron variant, and hawkish remarks by US Federal Reserve Board (Fed) Chairman Jerome Powell.

Elsewhere European equities (MSCI Europe Index) was December 2021's outperformer, gaining 6.6%, whilst on the fixed income side, global high yield broadly outperformed investment grade (Bloomberg Global Investment Grade Corporate Bond Index) with broad DM outperforming EM.

Sectorally, growth-related equities were impacted as information technology and consumer discretionary gained 2.6% and 0.5% respectively, whilst the value/

# Manulife Select Growth Fund

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defensive cohort such as utilities and consumer staples gained 8.4% and 8.5% respectively. The Russell 1000 Growth Index gained 2.1%, whilst its value counterpart gained 6.3%. For the 4th quarter of 2021, Tech gained 13%, whilst Communication Services fell 1.7%. Oil-related equities gained 13.9%, whilst gold gained 2.9% in December 2021. For calendar year 2021, energy gained 42%, whilst utilities gained 11%.

The US dollar was weaker against most major currencies, as the British pound appreciated by 2.4%, the euro by 1% whilst the renminbi was flat over December.

We continue to believe that US dollar weakness is likely to continue over the long-term, based on the persistent and rising US trade deficit, and the expansionist fiscal policy of the Biden administration.

The Chicago Board Options Exchange Volatility Index (VIX) ended December 2021 lower at 17, versus 27 at the end of November.

Governments and central banks continue to demonstrate readiness to stand-in with monetary and fiscal tools to mitigate the risk of economic damage arising from the pandemic. Fed guidance, a function of job creation and inflation expectations, at this point remains the key driver of near-term developed asset markets, whilst China policy and growth will be a key driver for the region and broad EM.

The Underlying Fund was positive<sup>1</sup> over the fiscal year 2021 period.

The Underlying Fund ended the fiscal year 2021 quarter with approximately 7% in fixed income and 92% in equity exposure and the rest in cash.

Performance contributions came from security selection in Asia Pacific ex Japan equities, as well as asset allocation decisions in US and global equities.

Security selection in Japan and US equities detracted.

The Underlying Fund remains on the lookout for opportunistic allocations to redeploy or trim risk, where appropriate, during what is expected to be a year where dispersion across sectors is expected to be evident.

## Market Outlook and Investment Strategy

We remain in a challenging environment for global markets, not just because growth and earnings could

disappoint due to growing logistical challenges, but also due to the growing pressure on policymakers to reduce their stimulus efforts in the face of rising, less transitory, inflation. Across the largest developed markets, fiscal tailwinds are likely to start to fade as the US Federal Reserve tapers and potentially raises interest rates. Similar moves appear to be being readied by the EU and UK monetary authorities.

Indeed, we expect the year to begin with the uncomfortable combination of sticky, high inflation and a moderation in growth before transitioning to a higher growth profile with more moderate levels of inflation in the second half of 2022.

It's entirely possible (although not our base case) that central banks worldwide will remain hawkish in 2022 and that the Fed possibly will raise interest rates more than two times. Such a development will weaken the likelihood of a Goldilocks re-emergence; however, at this point, that remains not to be our base-case scenario.

Policy however will likely still remain very accommodative with a very slow and gradual response in terms of rate hikes, which are expected in 2nd half of 2022, brought forward from previous expectations in 2023.

Strong growth in 2021, as economies re-opened, creates a high base for 2022 and with interest rates expected to start rising in developed markets, and expected to continue rising in several EM countries, it is reasonable to expect slower growth in 2022. China stands out in this regard. Monetary policy tightened through 2021, most notably in the property sector, and domestic demand is subdued. This provides the authorities with headroom to support demand in 2022 through targeted policy easing.

A big positive would be that the impact of Omicron is seen as transmissible but less virulent, and may signal the beginning of the end of the pandemic which would be hugely positive for capital markets in 2022, particularly for EM.

Markets and stock valuations will have to adjust to tighter monetary conditions globally, however, if successfully executed, economies will continue to grow despite policy normalisation. Supply chain bottlenecks are expected to diminish over the second half of 2022. This is supportive of growth as well as relieving pressure on input prices.

Tactical positioning will be more prevalent again into 2022, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. Overall,

we are tilted towards higher rates from here and stable spreads, but see yields keeping contained given the potential for macro data disappointments.

Corporate fundamentals are varied across sectors. Markets remain sensitive to a host of factors including COVID-19 vaccine success and fears of inflationary pressures. We expect global stimulus efforts to remain a focus whilst central banks divergent policies will keep market participants second-guessing policy responses.

Vaccines and boosters are being rolled out, although COVID variants are impacting the efficacy of current vaccines which governments and healthcare corporates have to try to manage.

A rising number of questions are growing around Fed policy as well as multiple questions around vaccine hesitancy in some populations. A vaccine will be a game-changer for the economies of Latin America, Indonesia and India - however a medical solution is unlikely to drive a robust, rapid economic solution. Fiscal stimulus is unlikely to be enough for a rapid economic recovery, as getting back to pre-COVID growth rates is likely to be pushed into 2022 and beyond. The lasting impact of COVID-19 on the global economy is not the only factor to monitor. Rising geopolitical tensions, decelerating growth rates post stimulus, supply chain disruptions and a general deglobalization trend all raise questions about the future trajectory of global debt and equity markets.

Source: Manulife Investment Management and Bloomberg, as at 31 December 2021

<sup>1</sup> The Underlying Fund returned 5.52% in 2021, on a NAV-to-NAV basis. The Underlying Fund returned 0.24% in 2021, on offer-to-bid basis. Since inception (22 January 2020), the Underlying Fund returned 11.25% (annualised) on NAV-to-NAV basis and 8.35% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Not Applicable		

### ii) Industry

Not Applicable

### iii) Asset Class

Unit trusts/mutual funds	9,931,829	98.97
Cash	102,914	1.03

### iv) Credit Rating

Not applicable

## B) Top 10 Holdings as at 31 December 2021

Securities	Market Value (S\$)	% of NAV
FTIF – Franklin U.S. Opportunities A (acc) SGD-HI	1,208,278.05	12.04
MGF Japan Equity Fund AA USD	1,117,057.60	11.13
Fidelity Funds - Emerging Markets A-Acc-SGD (H)	1,037,705.72	10.34
Fidelity Asia Pacific Opps A-Acc-SGD H	876,904.68	8.74
Schroder Asian Growth SGD	831,373.95	8.28
MGF European Growth Fund AA USD	827,611.53	8.25
JPMorgan ASEAN (acc) - SGD	659,478.19	6.57
MGF US Small Cap Equity AA	531,397.81	5.30
Allianz Europe Equity Growth AT SGD H	500,979.48	4.99
Schroder Global Emerging Market Opps SGD	467,542.41	4.66

## Top 10 Holdings as at 31 December 2020

Securities	Market Value (S\$)	% of NAV
Schroder ISF - Global Emerging Market Opportunities	386,918	10.50
FSSA Regional China	380,623	10.33

# Manulife Select Growth Fund

Franklin US Opportunities	377,266	10.24
FSSA Asian Eq Plus	376,107	10.21
Fidelity Funds - European Dynamic Growth	366,984	9.96
Fidelity Funds - Global Dividend	326,966	8.87
Fidelity Funds - Emerging Markets	308,613	8.37
Schroder Asian Growth	273,008	7.41
BGF - China	239,466	6.50
Allianz Europe Equity Growth	161,862	4.39

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

Cash	S\$102,914.06	1.03%
FSSA Regional China	S\$342,871.71	3.42%
BGF Global SmallCap A2 USD	S\$204,280.83	2.04%
Fidelity US High Yield A-MDIST-SGD	S\$100,312.97	1.00%
FTIF – Franklin U.S. Opportunities A (acc) SGD-H1	S\$1,208,278.05	12.04%
JPMorgan ASEAN (acc) - SGD	S\$659,478.19	6.57%
Ninety One GSF EM LclCcyTIRTDt A Acc SGD	S\$148,852.42	1.48%
MGF European Growth Fund AA USD	S\$827,611.53	8.25%

Schroder Asian Growth SGD	S\$831,373.95	8.28%
MGF Preferred Securities Income Fund AA SGD Hedged (gross)	S\$51,317.64	0.51%
JPM Global High Yield Bond A (dist - monthly) SGD	S\$103,521.62	1.03%
MGF Japan Equity Fund AA USD	S\$1,117,057.60	11.13%
MGF Taiwan Equity AA USD	S\$367,701.08	3.66%
BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)	S\$103,058.55	1.03%
Fidelity Asia Pacific Opps A-Acc-SGD H	S\$876,904.68	8.74%
Fidelity Funds - Emerging Markets A-Acc-SGD (H)	S\$1,037,705.72	10.34%
MGF Dragon Growth Fund AA USD	S\$299,605.68	2.99%
MGF US Small Cap Equity AA	S\$531,397.81	5.30%
Allianz Europe Equity Growth AT SGD H	S\$500,979.48	4.99%
Schroder Global Emerging Market Opps SGD	S\$467,542.41	4.66%
Manulife Asia Pacific Investment Grade Bond Fund A SGD	S\$151,977.22	1.51%

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$7,154,982.54
Total Redemptions	S\$1,032,401.20



### G) Amount and terms of related-party transactions

#### Manulife Global Fund (MGF)

All transactions with related parties were entered into in the ordinary course of business and under normal commercial terms.

The main related parties of the Underlying Fund are the following:

- Manulife Investment Management International Holdings Limited in its capacities as Distributor; and
- The Investment Manager

The Distributor and the Investment Manager may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

### H) Expense Ratio

31 December 2021 : 2.39%

31 December 2020 : 2.72%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

### I) Turnover Ratio\*\*\*

#### FSSA Regional China

31 December 2021 : 3.27%<sup>1,2</sup>

31 December 2020 : 9.95%<sup>2</sup>

#### BGF Global SmallCap A2 USD

31 December 2021 : 223.85%

31 December 2020 : 266.51%

#### Fidelity US High Yield A-MDIST-SGD

31 December 2021 : 28.77%

31 December 2020 : 42.61%

#### FTIF – Franklin U.S. Opportunities A (acc) SGD-H1

31 December 2021 : -40.30%

31 December 2020 : -80.00%

#### JPMorgan ASEAN (acc) - SGD

31 December 2021 : 86.74%

31 December 2020 : 139.40%

#### Ninety One GSF EM LclCcyTIRtDt A Acc SGD

30 June 2021 : 87.49%\*

31 December 2020 : 91.22%

#### MGF European Growth Fund AA USD

31 December 2021 : 35.31%

31 December 2020 : 86.46%

#### Schroder Asian Growth SGD

31 December 2021 : 16.20%

31 December 2020 : 18.41%

#### MGF Preferred Securities Income Fund AA SGD Hedged (gross)

31 December 2021 : 30.88%

31 December 2020 : 49.98%

#### JPM Global High Yield Bond A (dist - monthly) SGD

31 December 2021 : 91.49%

31 December 2020 : 136.19%

#### MGF Japan Equity Fund AA USD

31 December 2021 : 12.19%

31 December 2020 : 38.54%

#### MGF Taiwan Equity AA USD

31 December 2021 : 188.29%

31 December 2020 : 198.54%

#### BGF - Global Corporate Bond A6 SGD-H (Dis - Monthly)

31 December 2021 : 107.54%

31 December 2020 : 127.35%

#### Fidelity Asia Pacific Opps A-Acc-SGD H

31 December 2021 : 38.20%

31 December 2020 : 76.20%

#### Fidelity Funds - Emerging Markets A-Acc-SGD (H)

31 December 2021 : 28.48%

31 December 2020 : 42.99%

#### MGF Dragon Growth Fund AA USD

31 December 2021 : 42.20%

31 December 2020 : 70.59%

#### MGF US Small Cap Equity AA

31 December 2021 : 82.68%

31 December 2020 : 90.85%

#### Allianz Europe Equity Growth AT SGD H

30 September 2021 : 18.20%#

30 September 2020 : 21.84%#

# Manulife Select Growth Fund

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## Schroder Global Emerging Market Opps SGD

31 December 2021 : 1.78%

31 December 2020 : 7.07%

## Manulife Asia Pacific Investment Grade Bond Fund A SGD

31 December 2021 : 23.70%

31 December 2020 : 88.48%

<sup>1</sup> Kindly note that the information are preliminary and the final figures will have to refer to the annual report which will be available by end of March 2022.

<sup>2</sup> Distribution payments funded by the Manager liquidating a sufficient portion of the Sub-Fund's investments to raise the total amount required for the distribution payments may mean a higher than expected portfolio turnover ratio. Therefore, the Underlying Sub-Fund's portfolio turnover ratio is also included for reference.

of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Managers.

#Information for the same reporting period as that of the ILP sub-fund is not available.

J) Any material information that shall adversely impact the valuation of the ILP sub-fund  
Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management

# Manulife Bridge Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.0708 (Bid/NAV)  
 Fund Size : S\$323,188.85  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.

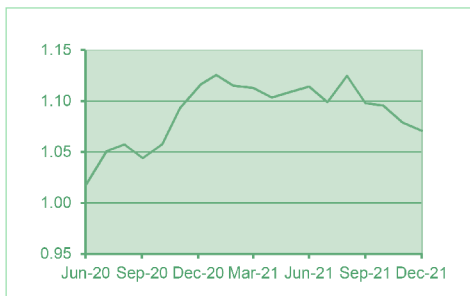
Underlying Fund Manager : First Sentier Investors (Singapore)  
 CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the First Sentier Bridge Fund which is a unit trust constituted in Singapore that aims to provide income and medium term capital stability from investments focused in the Asia Pacific ex Japan region.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Bridge Fund	Benchmark*
3 months	-1.48%	-0.58%
6 months	-1.93%	-4.06%
1 year	-0.14%	-0.06%
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+8.67%	+10.82%

Inception date: 29 May 2020

\*50% MSCI AC Asia Pacific ex Japan Index (Unhedged) + 50% JP Morgan Asia Credit Investment Grade Index (Hedged to SGD)

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Some competing forces affected Asian credit markets during the year. Positively, the rapid rollout of vaccines against Covid-19 enabled virus-related restrictions to be eased. This brightened the outlook for corporate profitability and helped support sentiment towards risk assets.

On the negative side, an increase in regulation in various industry sectors in China caused unease among investors. Beijing officials announced various new initiatives, including greater scrutiny over online and digital firms. They also amended financial rules in the property sector, requiring developers to reduce leverage.

These issues also weighed down Asian equity markets, with China ending the year as the worst-performing market in the region. South Korea also underperformed, as sentiment on the technology sector weakened. On the positive side, the Indian stock market performed well over the year, based on improved economic activity, decent company earnings results and an optimistic growth outlook. Taiwan also outperformed the broader Asia region, as semiconductor supply shortages helped to drive the market higher.

Separately, overall returns were hampered by rising US Treasury yields. By year end, inflation in the US had quickened to an annual pace of 7.0%; increasing the likelihood that cash rates will be raised in 2022. This resulted in an increase in government bond yields and weighed on the performance of fixed income markets worldwide, including Asian credit. Ultimately, while credit fundamentals of corporate issuers in Asia remain supportive, Treasury yields will impair total returns if they continue to trend higher.

# Manulife Bridge Fund

## Market Outlook and Investment Strategy\*\*\*

As the year progressed increasing numbers of governments in the region indicated a willingness to 'live alongside Covid', rather than trying to eliminate the virus. This is encouraging, as it reduces the likelihood of further disruptive lockdowns being introduced.

Discretionary spending has recovered from 2020 levels in most countries. In general, consumers have significant spending power after months of saving during lockdowns and, in some cases, following the receipt of income support payments. The release of pleasing results from companies in a wide range of industry sectors underlined the financial strength of most corporates, and suggests default rates will remain low for the foreseeable future.

Meanwhile, the outlook for Asian equities remains uncertain. Persistently high inflation, monetary tightening from the US Federal Reserve and a slowdown in global growth all have the potential to weigh on financial markets. Additionally, Covid variants, rolling lockdowns and border closures mean that a recovery in international tourism and consumer spending will remain challenging, though the situation is expected to normalise gradually after the pandemic-related events of the last two years.

Australia	357,935,628	3.52
Philippines	318,108,808	3.13
United States	306,599,112	3.01
New Zealand	114,552,798	1.13
Vietnam	107,901,892	1.06
Thailand	60,095,122	0.59
China	1,061,262,339	42.71
Singapore	207,561,944	8.35
South Korea	206,518,102	8.31
Indonesia	196,589,422	7.91
Hong Kong	130,636,621	5.26
Malaysia	116,654,514	4.70
Thailand	96,029,926	3.87
India	70,367,162	2.83
Australia	62,817,851	2.53
Philippines	33,753,824	1.36

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$')	% of NAV
i) <u>Country</u>		
China	2,515,272,922	24.73
India	1,941,051,587	19.09
Taiwan	1,265,631,923	12.45
South Korea	906,785,734	8.92
Japan	708,971,188	6.97
Hong Kong	628,505,504	6.18
Indonesia	398,485,607	3.92
Singapore	378,736,884	3.72

### ii) Industry

Financials	2,249,368,285	22.12
Information Technology	2,119,178,191	20.84
Consumer Staples	1,571,843,633	15.46
Consumer Discretionary	1,241,013,750	12.20
Health Care	971,309,051	9.55
Communication Services	711,975,629	7.00
Industrials	657,517,164	6.47
Real Estate	237,587,243	2.34
Utilities	204,430,296	2.01
Materials	44,411,467	0.44
Corporates	1,274,769,710	51.31
Government Related	948,836,920	38.19
Treasury	53,379,586	2.15

iii) Asset Class

Equity	2,082,879,497	49.40
Fixed Income	2,112,393,984	50.10
Cash	21,081,776	0.50

iv) Credit Rating

Not Applicable

CNAC HK Finbridge Co Ltd 3.00% 22/09/2030	45,906,922	2.3
DBS Group Holdings Ltd 3.30% 31/12/2049	41,915,015	2.1
Yunda Holding Investment Ltd 2.25% 19/08/2025	37,124,728	1.9
NTUC Income Insurance Co-Operative 3.10% 20/07/2050	32,134,845	1.6
ENN Energy Holdings Ltd 3.25% 24/07/2022	31,536,059	1.6

B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	610,779,939	6.0
HDFC Bank Limited	512,949,386	5.0
Tencent Holdings	405,051,032	4.0
Samsung Electronics Co Ltd	372,712,034	3.7
CSL Ltd	357,966,265	3.5
CNAC HK Finbridge Co Ltd 3.00% 22/09/2030	50,188,288	2.0
Singapore Airlines Ltd 3.00% 20/07/2026	48,697,547	2.0
DBS Group Holdings Ltd 3.30% 31/12/2049	42,734,582	1.7
Yunda Holding Investment Ltd 2.25% 19/08/2025	37,020,074	1.5
IOI Investment Ltd BHD 3.375% 02/11/2031	36,026,246	1.5

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

D) Amount and percentage of NAV invested in collective investment schemes  
100% invested in First Sentier Bridge Fund

E) Amount and percentage of debt to NAV  
Not Applicable

F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$288,469.73
Total Redemptions	S\$ 46,374.87

Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	552,564,696	7.0
Samsung Electronics Co Ltd	424,459,210	5.4
HDFC Bank	387,764,739	4.9
Tencent Holdings Ltd.	349,675,029	4.4
CSL	281,571,344	3.6

G) Amount and terms of related-party transactions  
Not Applicable

H) Expense Ratio

31 December 2021 : 2.00%  
31 December 2020 : 2.08%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee,

# Manulife Bridge Fund

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foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) **Turnover Ratio\*\*\***

31 December 2021 : 182.09% (unaudited)

31 December 2020 : 829.02% (unaudited)

J) **Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

K) **Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

<sup>1</sup> Do note that the Market value in SGD is derived by applying the USD/SGD exchange rate to its underlying VCC funds' holdings.

# Manulife Asian Income Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.0421 (Bid/NAV)  
 Fund Size : S\$1,046,350.38  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.  
 Underlying Fund Manager : Schroder Investment Management (Singapore) Ltd.  
 CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

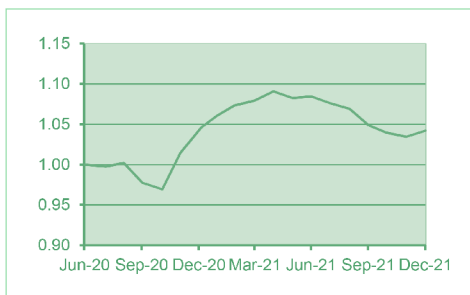
\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Schroder Asian Income Fund which is a unit trust constituted in Singapore.

The investment objective of the Schroder Asian Income is to provide income and capital growth over the medium to longer term by investing primarily (i.e. approximately two-thirds of its assets) in Asian equities (including real estate investment funds ("REITs")) and Asian fixed income securities.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Asian Income Fund	Benchmark*
3 months	+0.54%	-1.34%
6 months	-1.59%	-5.52%
1 year	+4.48%	-1.43%
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+7.76%	+7.62%

Inception date: 26 June 2020

\*50% MSCI AC Asia Pacific ex Japan Net + 50% JP Morgan Asia Credit Index (SGD Hedged)

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

The Schroder Asian Income delivered a positive return in 2021 in SGD terms, with equities the key performance contributor while bonds returned slightly negative.

MSCI AC Asia Pacific ex Japan returned -1.0% in 2021 in SGD terms, with the fall largely driven by China's regulatory crackdown, a slowdown in economic growth, and the implications of President Xi Jinping's "common prosperity" policy goal. The emergence of the Omicron variant during the latter part of 2021 also sent markets into an initial selloff before it was assessed as less severe than Delta. Concerns on inflation was another issue that affected investors' sentiment. In fixed income, bond yields had a tumultuous year, rising sharply from 0.91% at end-2020 to a high of 1.75% by end-March, before declining to 1.51% by end-December. From a credit rating perspective, high yield bonds detracted the most, affected by the continued woes within the China real estate sector. Over the 12-month period, the JACI (unhedged) Index returned -2.4% in SGD terms.

The Underlying Fund returned a positive return in 2021 in SGD terms, despite the weaker Asian equity and credit markets. Equities were the main performance contributor

# Manulife Asian Income Fund

over the year. Amongst our positions, Taiwan performed the strongest, in particular our holdings within the information technology sector. The “Metaverse” concept continues to gain traction, creating more opportunities for display driver chips suppliers within the semiconductor industry. Australia also contributed to our positive return, mainly from materials and utilities. This was due to the strong commodities performance in the industrial metals and energy segments where global demand continues to pick up. Our selections in Singapore and India real estate also contributed to the positive performance. On the other hand, exposures in China returned negatively as disappointing trade data and ongoing fears over the impact of Omicron weakened sentiment.

Fixed income recorded a small negative return, as it continued to be affected by Chinese real estate high yield bonds where challenges remain within the property sector. To reiterate, the portfolio did not own any companies that failed to deliver interest payments. Our assessment remains that we expect China’s policy makers to carefully manage the downside risks to the broader economy and gradually ease measures to alleviate the current strains and avoid a widespread systemic fallout. Overall investment grade bonds outperformed high yield as better-quality names are favoured in times of such market volatility. Elsewhere, our tactical equity futures returned positively, mainly due to our long equity positions in Taiwan and Korea. Our risk management and currency hedges in AUD also contributed positively.

## Market Outlook and Investment Strategy\*\*\*

Looking at our cyclical models, we are now entering a more mature phase of the economic cycle when growth momentum peaks and global central banks begin to withdraw support. We expect inflation will continue to be a popular theme in 2022. We believe that over the near-term we are likely to be in a more inflationary environment driven by the strength of the rebound in demand, which has stretched supply chains. However, we expect inflation momentum to peak as supply bottlenecks ease. On the other hand, the new Covid-19 variant Omicron has been a reminder that we cannot become complacent about the ongoing impact of the pandemic. While we have come a long way since the first quarter of 2020, a further undiscovered variant may yet cause further volatility in financial markets.

All in all, we continue to focus on positioning the portfolio against stagflationary risks and maintain our preference on equities over fixed income. We expect equity can still

deliver positive returns but this may be more muted as we shift to the mature phase of the economic cycle. The delivery of robust earnings will be crucial. Diversification, dynamic asset allocation and risk management continue to be key to performance for the Fund.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	490,746,578	10.38
Bahrain	7,782,961	0.17
Brazil	44,392,821	0.94
Chile	21,673,416	0.46
China	802,799,585	16.98
Colombia	3,822,027	0.08
Hong Kong	600,401,436	12.70
India	450,400,006	9.52
Indonesia	218,813,447	4.63
Japan	38,375,988	0.81
Kuwait	45,492,754	0.96
Luxembourg	295,201,731	6.24
Macao	677,040	0.01
Malaysia	41,536,090	0.88
Mexico	56,853,790	1.20
New Zealand	49,485,598	1.05
Oman	14,769,474	0.31
Peru	13,398,918	0.28
Philippines	96,747,614	2.05
Saudi Arabia	4,185,520	0.09
Singapore	398,158,214	8.42



South Korea	337,483,126	7.14	Manufacturing	14,095,980	0.30
Spain	7,214,321	0.15	Material	28,412,744	0.60
Taiwan	352,267,835	7.45	Media	923,996	0.02
Thailand	89,040,984	1.88	Metals & Mining	140,847,100	2.98
United Arab Emirates	29,260,119	0.62	Miscellaneous	405,248,762	8.57
United Kingdom	37,120,539	0.78	Oil & Gas	171,133,984	3.62
United States of America	34,099,072	0.72	Real Estate	861,075,860	18.20
			Retail	33,041,782	0.70
ii) <u>Industry</u>			Semiconductor	280,967,015	5.94
Automobiles & Components	14,172,258	0.30	Technology Hardware & Equipment	179,527,610	3.80
Bank	481,383,509	10.18	Telecommunications	183,458,193	3.88
Chemicals/Petrochemicals	44,902,292	0.95	Transportation & Logistics	36,661,168	0.78
Collective investment schemes - Equities	241,942,147	5.12	Utilities	517,529,170	10.93
Collective investment schemes - Multi-Asset	53,259,584	1.13	iii) <u>Asset Class</u>		
Computer/Software	25,890,557	0.55	Equities	2,436,836,720	51.53
Construction & Engineering	14,423,340	0.31	Fixed Income	1,850,162,553	39.13
Consumer Durables	86,009,402	1.82	Collective investment schemes - Multi-Asset	53,259,584	1.13
Diversified Financial Services	45,649,292	0.97	Collective investment schemes - Equities	241,942,147	5.11
Diversified Operations	4,310,024	0.09	Accrued interest on fixed income securities	21,100,665	0.45
Energy	52,917,480	1.12	Other net assets/(liabilities)	125,296,099	2.65
Finance	13,037,741	0.28	iv) <u>Credit Rating</u>		
Food & Beverage	42,399,356	0.90	AA+ / Aa1	12,122,237	0.26
Government	211,083,773	4.46	AA / Aa2	15,085,105	0.32
Health Care/ Pharmaceuticals	41,777,102	0.88	AA- / Aa3	13,200,381	0.28
Hotel & Leisure	16,183,123	0.34	A+ / A1	161,474,503	3.41
Industrial And Transportation	19,053,150	0.40	A / A2	103,953,976	2.20
Industrial Machinery	16,263,131	0.34	A- / A3	149,525,641	3.16
Insurance	107,993,488	2.28	BBB+ / Baa1	311,960,308	6.60
Internet Services	180,885,844	3.83	BBB / Baa2	389,898,780	8.26
Investment	15,741,047	0.33			

# Manulife Asian Income Fund

BBB- / Baa3	156,693,943	3.31
BB+ / Ba1	85,218,271	1.80
BB / Ba2	77,426,272	1.64
BB- / Ba3	117,022,971	2.47
B+ / B1	69,019,915	1.46
B / B2	28,972,874	0.61
Not rated debt securities	158,587,376	3.35

AusNet Services	78,429,995	1.56
Fortescue Metals Group Ltd	66,191,101	1.31
Frasers Centrepoint Trust	58,389,810	1.16
Power Assets Hldg Ltd	55,990,022	1.11
CapitaLand Integrated Commercial Trust	55,163,339	1.09

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
SISF - Asian Equity Yield I Acc	159,043,063	3.36
Samsung Electronics Co Ltd	119,921,919	2.54
AusNet Services	104,758,317	2.22
Novatek Microelectronics Corp	100,276,885	2.12
HK Electric Investments and HK Electric Investments Ltd Stapled Shares	92,005,414	1.95
MediaTek Inc	71,090,829	1.50
Naver Corp	60,567,630	1.28
CapitaLand Integrated Commercial Trust	58,161,181	1.23
India Grid Trust	56,972,826	1.19
Frasers Centrepoint Trust	54,969,441	1.16

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
SISF - Asian Equity Yield I Acc	280,486,041	5.55
Samsung Electronics Co Ltd	130,836,649	2.59
SISF - China A I Acc	107,810,418	2.13
Novatek Microelectronics Corp	98,256,338	1.94
HK Electric Investments and HK Electric Investments Ltd Stapled Shares	97,176,094	1.92

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Schroder Asian Income Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,050,101.63
Total Redemptions	S\$61,790.16

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.68%  
31 December 2020 : 2.05%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) Turnover Ratio\*\*\*

31 December 2021 : 32.60%

31 December 2020 : 65.57%

J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife Singapore Dividend Equity Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.1484(Bid/NAV) /  
 ^S\$1.2088 / ^^S\$1.1839

Fund Size : S\$3,121,348.14  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.

Underlying Fund : Nikko Asset Management Asia  
 Manager : Limited.

CPFIS Risk Classification : Not Applicable  
 Subscription : SRS/Cash

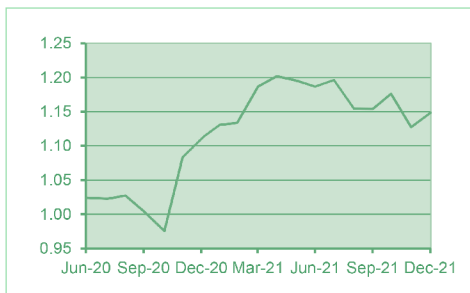
\*Based on NAV as at 31 December 2021  
 ^Offer Price @ 5% sales charge – Regular Premium Plans  
 ^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Nikko AM Shenton Singapore Dividend Equity Fund which is a unit trust constituted in Singapore.

The investment objective of the Underlying Fund is to achieve medium to long term capital appreciation for the investors.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Singapore Dividend Equity Fund	Benchmark
3 months	0.78%	Not Applicable
6 months	-0.72%	Not Applicable
1 year	+8.41%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+15.03%	Not Applicable

Inception date: 14 May 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

The Underlying Fund returned 7.78% in SGD terms in 2021. For the 12-month period ended 31 December 2021, the Singapore Dividend Equity Fund (the “Underlying Fund”) returned 7.78% (SGD terms, on a NAV-NAV basis). The Underlying Fund’s holdings in DBS Group Holdings, United Overseas Bank and Oversea-Chinese Banking Corporation were the key contributors to absolute returns over the year. Conversely, holdings in ComfortDelGro Corporation, Japfa and Jardine Matheson Holdings detracted the most from absolute performance.

The Straits Times Index (STI) turned in gains for the year. Singapore stocks, as measured by the STI, rose 13.55% on a total return basis in SGD terms in 2021 behind a strong first quarter (1Q21), buoyed by vaccine-related optimism and the easing of COVID-19 restrictions in Singapore. Local equities, however, were flat in 2Q21, as an uptick in community COVID-19 infections along with the “heightened alert” measures implemented in early May injected a dose of uncertainty to the country’s economic outlook. After overcoming concerns over continued supply chain disruptions across the globe and the debt saga involving China-based property giant Evergrande in 3Q21, Singapore stocks ended the year positively in 4Q21, as worries that the emergence of the Omicron-variant would stall global reopening plans eased.

## Market Outlook and Investment Strategy\*\*\*

We continue to closely monitor developments around the COVID-19 pandemic and its impact on Singapore's endemic strategy. With gathering evidence that the Omicron-variant causes milder symptoms and given the high vaccination rate, we are cautiously optimistic that further tightening of social distancing measures will be unnecessary, and that international travel restrictions may be eased gradually some time in future.

In line with our expectations, advanced estimates showed that the Singapore economy grew by a robust 7.2% in 2021. Economic momentum should continue into 2022, with GDP growth remaining above trend at around 4%. We see this being driven by further reopening of domestic activities, higher international tourist arrivals, and stronger growth among our ASEAN trading partners.

Amidst the continued expansion into 2022, we continue to favour beneficiaries of a resumption in domestic economic activity and a normalization of international travel. We like "New Singapore" stocks in sectors such as renewable energy, healthcare, food, technology, data, and logistics, which represent the future economy of Singapore. We also favour corporate restructuring candidates that are looking to reorganise their businesses to stay relevant to the future economy. Lastly, we advocate investing in dividend stocks, especially those which align with our "New Singapore" narrative.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (\$S)	% of NAV
i) <u>Country</u>		
Singapore	367,489,774	86.42
Hong Kong	22,004,782	5.17
Thailand	10,361,802	2.44
Philippines	5,911,418	1.39
Malaysia	4,356,655	1.02

### ii) Industry

Agriculture	9,300,950	2.19
Banks	118,103,939	27.77
Beverages	10,361,802	2.44
Commercial Services	15,309,800	3.60
Computers	4,356,544	1.02
Distribution/Wholesale	6,458,100	1.52
Diversified Financial Services	13,465,470	3.17
Electric	1,990,834	0.47
Electrical Component & Equipment	4,356,655	1.02
Electronics	8,689,926	2.04
Engineering and Construction	42,614,809	10.02
Food	15,866,550	3.73
Healthcare Services	6,505,719	1.53
Holding Companies Diversified	11,672,934	2.74
Iron/Steel	2,246,552	0.54
Miscellaneous Manufacture	4,894,566	1.15
Pharmaceuticals	1,200,120	0.28
Private Equity	19,117,142	4.50
Real Estate	12,632,341	2.97
Real Estate Investment Trusts (REITS)	67,192,407	15.80
Retail	2,741,178	0.64
Semiconductors	7,926,800	1.86
Telecommunications	8,233,783	1.94
Transportation	14,885,510	3.50

### iii) Asset Class

Portfolio of investments	410,124,431	96.44
Other net assets	15,125,661	3.56

# Manulife Singapore Dividend Equity Fund

- iv) Credit Rating  
Not Applicable

Capitaland Integrated Commercial Trust	10,722,776	3.10
Thai Beverage Public Company Limited	10,261,114	2.97

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (\$)	% of NAV
DBS Group Holdings Limited	40,742,991	9.58
Oversea Chinese Banking Corporation Limited	40,320,455	9.48
United Overseas Bank Limited	37,040,493	8.71
Keppel Corporation Limited	21,303,296	5.01
Capitaland Investment Limited/Singapore	19,117,142	4.50
Wilmar International Limited	15,866,550	3.73
Sembcorp Industries Limited	15,309,800	3.60
Singapore Exchange Limited	13,465,470	3.17
Jardine Matheson Holdings Limited	11,672,934	2.74
Capitaland Integrated Commercial Trust	11,324,458	2.66

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (\$)	% of NAV
DBS Group Holdings Limited	30,691,528	8.89
Oversea Chinese Banking Corporation Limited	28,858,116	8.36
United Overseas Bank Limited	24,957,432	7.23
Keppel Corporation Limited	20,572,582	5.96
Wilmar International Limited	17,405,880	5.04
Singapore Exchange Limited	11,954,496	3.46
Venture Corporation Limited	11,535,480	3.34
ComfortDelGro Corporation Limited	11,339,467	3.28

## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Nikko AM Shenton Singapore Dividend Equity Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S\$4,470,363.06
Total Redemptions	\$S\$1,892,414.37

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.55%

31 December 2020 : 1.69%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

I) Turnover Ratio\*\*\*

31 December 2021 : 21.22% (unaudited)

31 December 2020 : 23.17%

J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife US Opportunities Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.4779 (Bid/NAV) /  
 ^S\$1.5557 / ^^S\$1.5236  
 Fund Size : S\$16,865,935.83  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Underlying Fund : Franklin Templeton International  
 Manager Services S.à r.l.  
 CPFIS Risk :  
 Classification : Not Applicable  
 Subscription : SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

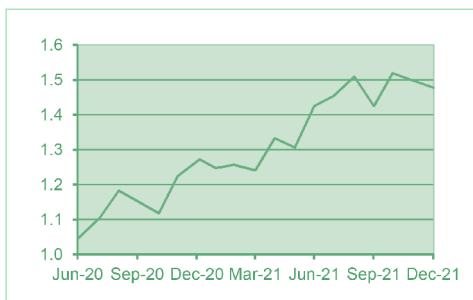
^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Franklin US Opportunities Fund, an open-ended collective investment scheme constituted in Luxembourg as a UCITS that aims to provide you with capital appreciation through an investment concentrated in equities of US issuers.

The Underlying Fund aims to achieve capital appreciation by investing principally in equity securities of US companies believed to possess sustainable growth characteristics and which meet growth, quality and valuation criteria. These include small, medium, and large capitalisation companies with strong growth potential across a wide range of sectors that have exceptional growth potential and fast growing, innovative companies within these sectors.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife US Opportunities Fund	Benchmark*
3 months	+3.71%	+10.12%
6 months	+3.70%	+11.99%
1 year	+16.13%	+28.37%
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+27.92%	+33.89%

Inception date: 29 May 2020

\*Russell 3000 Growth Index

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

After peaking at all-time highs, broad gages of US equities sold off during the final weeks of 2021's third quarter as investors grappled with a number of current and potential headwinds facing American businesses. However, robust corporate earnings and improved balance sheet health counterbalanced some of the negative market forces, as did upgraded forward estimates for a wide range of companies and industries.

The US equity market advanced solidly yet unevenly during 2021's fourth quarter. Corporate fundamentals were a primary market support as nearly all sectors were at or close to record highs in their forward revenues, earnings and profit margins, showing that companies were thus far weathering the headwinds of inflation, supply-chain pressures and labour shortages. In December, investors grew less fearful of the potential economic impact from the new COVID-19 Omicron variant after incoming data indicated its symptoms were milder than those of other strains. Meanwhile, in response to the country's highest inflation rates in decades, the US Federal Reserve announced the commencement and then the acceleration of asset purchase tapering and raised its median expectation to three interest-rate hikes in 2022.



## Market Outlook and Investment Strategy\*\*\*

The US economy has been on a path of sustained post-pandemic recovery that we expect to continue in 2022. US growth has remained stronger than other developed markets, supported by healthy consumer spending and strong corporate earnings. While the economic backdrop appears robust, we acknowledge that 2022 may bring an increase in financial market volatility from variables such as inflation, interest rates and the coronavirus. However, we continue to see opportunities to invest in what we consider to be high-quality businesses with sustainable growth drivers that are not reflected in current valuations. Many of these investments are levered to strong secular growth themes that we believe can deliver consistent performance throughout the market cycle.

Many of our investments remain focused on the ongoing digital transformation of the global economy. The move from an analogue-based world to a digital one is allowing companies to better understand customers, improve business processes, increase productivity and lower costs.

We believe active management is critical to successfully navigate these dynamic financial markets. We take a long-term view and see volatility as an opportunity to take advantage of what we consider good prices for excellent companies set to benefit from multi-year secular growth trends. We remain confident in our growth positioning as we seek to identify companies that we believe can be future leaders within the US economy and the overall market.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
United States	8,675,889,214	94.08
United Kingdom	132,764,864	1.44
Canada	98,487,792	1.07
Netherlands	47,335,004	0.51
China	41,027,358	0.44

Israel	23,755,108	0.26
Taiwan	22,713,055	0.25
Switzerland	11,158,261	0.12
Germany	8,834,392	0.10
Brazil	6,270,758	0.07

### ii) Industry

Information Technology	4,023,696,621	43.63
Health Care	1,479,502,428	16.04
Consumer Discretionary	1,427,445,912	15.48
Communication Services	564,036,266	6.12
Industrials	527,582,873	5.72
Financials	454,463,987	4.93
Real Estate	220,057,508	2.39
Consumer Staples	200,784,148	2.18
Materials	126,955,191	1.38
Utilities	43,720,096	0.47

### iii) Asset Class

Equity	9,068,235,807	98.34
Cash & Cash Equivalents	153,467,588	1.66

### iv) Credit Rating

Not Applicable

### B) Top 10 Holdings as at 31 December 2021\*\*\*

	Market Value (US\$)	% of NAV
<u>Securities</u>		
Amazon.com Inc	656,382,404	7.12
Apple Inc	419,928,708	4.55
Microsoft Corp	419,034,202	4.54
Mastercard Inc	326,226,979	3.54
Nvidia Corp	314,247,987	3.41

# Manulife US Opportunities Fund

Alphabet Inc	280,413,557	3.04
Servicenow Inc	257,045,760	2.79
Sba Communications Corp	220,057,508	2.39
Intuit Inc	211,167,786	2.29
Bill.com Holdings Inc	203,301,673	2.20

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$)	% of NAV
Amazon.com Inc	628,856,212	8.26
Microsoft Corp	386,152,595	5.07
Mastercard Inc	331,221,650	4.35
Apple Inc	298,060,678	3.92
Visa Inc	266,916,149	3.51
Servicenow Inc	224,898,047	2.96
Costar Group Inc	179,744,948	2.36
Alphabet Inc	169,639,906	2.23
Sba Communications Corp	156,415,085	2.06
Adobe Inc	151,096,242	1.99

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Franklin US Opportunities Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S\$14,266,803.97
Total Redemptions	\$S\$5,794,266.95

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.86%

31 December 2020 : 1.89%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : -40.30% (unaudited)

31 December 2020 : -80.00% (unaudited)

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife Income Builder Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.1197 (Bid/NAV)  
 Fund Size : S\$268,321.23  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.

Underlying Fund Manager : Amundi Luxembourg S.A.  
 CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

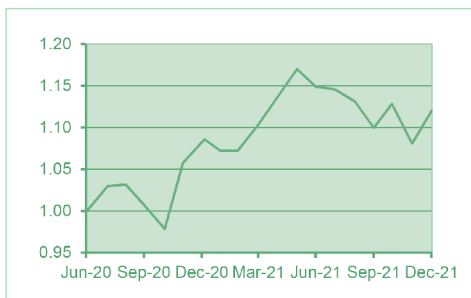
\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the First Eagle Amundi Income Builder Fund which is sub-fund of First Eagle Amundi, a SICAV incorporated in Luxembourg and organised as a UCITS under Part I of the Luxembourg Law of 17 December 2010.

The objective of the First Eagle Amundi Income Builder Fund is to offer current income generation consistent with long-term capital growth.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income Builder Fund	Benchmark*
3 months	+3.12%	Not Applicable
6 months	-0.05%	Not Applicable
1 year	+8.41%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+13.20%	Not Applicable

Inception date: 26 June 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Developed world stock markets delivered another robust year of returns in 2021. The MSCI World Index gained 21.8% for the full year, with value outpacing growth by 0.7%. The US remained the dominant market, as the S&P 500 Index advanced 28.7% compared to 11.3% for the MSCI EAFE. Emerging markets, meanwhile, had a more difficult time, as the MSCI Emerging Markets Index fell 2.5% for the year due in large part to weakness in China (down more than 20%). Broad fixed income markets were mostly lower on the year, especially those with longer duration.

The year can be characterized by multiple periods in which style leadership fluctuated and bond yields shifted direction, driven in large part by investor sentiment across a range of risk factors, including high inflation readings, shifts in central bank rhetoric, market, economic and political concerns in China and the emergence of new Covid-19 variants. While the reflation trade that began in the fourth quarter of 2020—marked by the outperformance of value stocks relative to other stocks—persisted through much of the first half of 2021, growth returned to the forefront for most of the second half of the year before value regained leadership in December.

Perhaps the most pressing concern entering 2022 is how markets and consumers react to waning fiscal and monetary stimulus. The massive fiscal spending that buoyed economies worldwide through the worst of the pandemic's disruptions is slowly fading from view. In the US, for example, government spending at all levels flipped from tailwind to headwind in second quarter 2021 and is expected to continue to represent a drag on growth this year. 1 Meanwhile, a string of elevated inflation prints—well above target in most G20 nations and at multi-decade highs in the US—appears to have forced the hands of monetary policymakers.

The First Eagle Amundi Income Builder Fund returned 8.31% (USD, AUC share class) during 2021. Equities contributed to absolute returns during the period, while gold-related securities and bonds were a headwind. From an equity sector perspective, financials, energy and consumer discretionary contributed the most to absolute performance; though positive performance was found in all sectors to which the Underlying Fund was exposed during the year, communication services, industrials and utilities lagged.

We established 10 new equity positions in 2021, buying shares in companies based in the US and North America (a financial services company, a beverage company, a telecom, an operator of health care facilities, an electric utility and a producer of consumer lawn-care products), South America (a conglomerate) and Europe (a defense contractor, a financial services company and a consumer goods company). We also increased our exposure to 12 names across a variety of industries.

We eliminated our holdings in 15 stocks for a range of reasons. Some reached our estimate of intrinsic value (Cummins, Diageo, Kia and Linde), had a change in dividend yield that led them to no longer fit within the desired parameters of this Underlying Fund (American Express, Legrand, PPG, Microsoft, Yokogawa and Great Portland Estates), or were trading at levels that represented a premium to a recently made tender offer (Zardoya Otis). Others were sold to meet Amundi's exclusion policy related to tobacco stocks (KT&G and British American Tobacco Malaysia) or because of ESG concerns (3M) or a change to our investment case (Cielo). We reduced our exposure to 31 other equities during the period.

We added new positions in 22 corporate bond issues and increased our exposure to two others. We eliminated 38 bonds from the portfolio while trimming the size of six.

## Market Outlook and Investment Strategy\*\*\*

Despite markets being expensive overall, we believe there are pockets of value to be found. The price of the MSCI EAFE Index relative to the S&P 500 Index, for example, currently is less than half the 50-year average. Similar historical extremes also can be seen in the differential between growth and value stocks. 2 With the cost of capital having fallen to a generational low, long-duration cash flow streams—as found in many high-growth stocks—were well positioned for outperformance relative to other stocks. While the US growth universe has been the epicenter of equity market enthusiasm for more than a decade, globally diversified, value-oriented investors—as we are at First Eagle—may take comfort in the belief that the resulting spreads in relative performance may represent a valuation catch-up opportunity for international stocks and value names.

That said, we had caution against blindly going all-in on the statistically cheapest stocks in the market in anticipation of their rebound. There are many fundamentally challenged companies in the value universe whose low valuations are deserved; likewise, there are many fine companies within the growth universe that are reasonably priced even at current levels given the persistence of their cash flows. Our benchmark-agnostic approach to portfolio construction centers on estimating the intrinsic value of a business based on the particular tangible and intangible attributes that can be expected to drive its cash flows over time, making the idea of value a much broader tent.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (US\$)	% of NAV
i) <u>Country</u>		
Not Applicable		
ii) <u>Industry</u>		
Communication Services	12,660,767	0.53
Consumer Discretionary	197,408,511	6.31

# Manulife Income Builder Fund

Consumer Staples	524,629,111	19.95
Energy	191,366,966	8.65
Financials	493,418,299	19.67
Health Care	150,922,692	6.76
Industrials	263,417,984	10.35
Information Technology	119,005,469	3.31
Materials	148,645,839	4.19
Real Estate	177,480,431	6.84
Utilities	17,503,196	0.46

## iii) Asset Class

US Equities	585,702,461	24.68
International Equities	1,122,630,839	47.31
US Corporate Bonds	262,567,567	11.06
International Corporate Bonds	47,274,240	1.99
Gold-Related Equities	46,802,026	1.97
Gold-Related ETCs	176,100,765	7.42
Government Bonds	102,945,202	4.34
Cash	29,074,723	1.23

## iv) Credit Rating

AAA	72,021,203	3.03
BBB+	19,705,941	0.83
BBB	5,065,456	0.21
BBB-	20,782,025	0.88
BB+	42,741,404	1.80
BB	73,711,696	3.11
BB-	128,429,229	5.41
B+	46,766,716	1.97
B	3,163,826	0.13
NR	399,514	0.02

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (US\$)	% of NAV
Nestle S.A.	76,827,837	3.24
Exxon Mobil Corporation	74,846,457	3.15
Groupe Bruxelles Lambert SA	72,701,487	3.06
Jardine Matheson Holdings Limited	71,308,388	3.00
Unilever PLC	67,707,269	2.85
Danone SA	57,807,009	2.44
Power Corporation of Canada	52,126,782	2.20
Colgate-Palmolive Company	51,740,350	2.18
GlaxoSmithKline plc	43,859,916	1.85
CK Asset Holdings Limited	42,365,628	1.79

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (US\$)	% of NAV
Groupe Bruxelles Lambert	84,584,151	2.49
Nestle	81,827,242	2.41
Jardine Matheson	77,577,693	2.28
Danone	76,637,166	2.25
Unilever	74,204,625	2.18
Exxon Mobil	69,086,609	2.03
Colgate-Palmolive	57,942,793	1.70
Power Corporation of Canada	44,551,233	1.31
Compagnie Financiere Richemont	44,266,700	1.30
Sanofi	40,621,247	1.19

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

**C) Exposure to Derivatives**

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

**D) Amount and percentage of NAV invested in collective investment schemes**

100% invested in First Eagle Amundi Income Builder Fund

**E) Amount and percentage of debt to NAV**

Not Applicable

**F) Total amount of Subscriptions and Redemptions**

Total Subscriptions	S\$198,079.59
Total Redemptions	S\$25,969.46

**G) Amount and terms of related-party transactions**

Not Applicable

**H) Expense Ratio**

31 December 2021 : 2.39%

31 December 2020 : 2.34%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

**I) Turnover Ratio\*\*\***

31 December 2021 : 8.04% (unaudited)

31 December 2020 : 16.00% (unaudited)

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

# Manulife Regional China Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.2548 (Bid/NAV)  
 Fund Size : S\$1,220,228.95  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.

Underlying Fund Manager : First Sentier Investors (Singapore)  
 CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

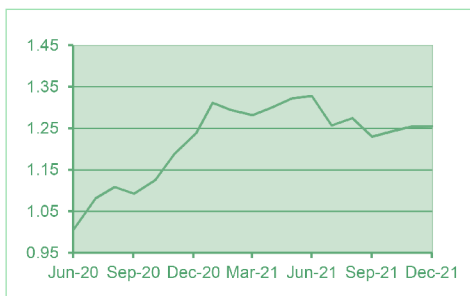
\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into FSSA Regional China Fund which is a unit trust constituted in Singapore.

The investment objective of the Underlying Fund is to achieve long term capital appreciation.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Regional China Fund	Benchmark*
3 months	+2.04%	-2.58%
6 months	-5.48%	-14.60%
1 year	+1.33%	-7.47%
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+15.85%	+8.95%

Inception date: 16 June 2020

\*MSCI Golden Dragon Index

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Key contributors to performance included Taiwan Semiconductor (TSMC), driven by improved profitability and solid sales growth guidance. The company has increased capital expenditure and added capacity, as it continues to see strong customer demand. Techtronic gained as it reported better than expected earnings for 1H2021. The company's sales growth outlook also looks rosy, as it should benefit from the proposed USD 2trn infrastructure bill in the US. On the negative side, Alibaba Group weakened after Beijing proposed new regulations aimed at curbing anti-competitive practices among internet firms, while Ping An Insurance declined on worries about its exposure to property companies in the investment book, as well as concerns about new regulations that would require insurers to increase capital and cash to meet a higher solvency ratio.

Significant new purchases included Shenzhen Inovance, an industrial automation company that increased market share amid the pandemic last year. While the business is cyclical and valuations are not cheap, we



believe the company stands out in terms of its stable management team, its energetic drive and its hungry “wolf culture”. We believe further uplift could come from new reforms, as it plans to improve its corporate structure (similar to Huawei), reduce wastage through better strategy and planning, and enhance processes to reduce working capital. The Underlying Fund also bought Ping An Insurance, a leading financial holding company with diversified business segments in life insurance, banking, securities, trust services, asset management and others. The risk-reward profile looked reasonable, as the insurance business is good quality and seemed undervalued.

The Underlying Fund sold Hangzhou Hikvision on political concerns, and divested Beijing Thunisoft to control our risk exposure after reports that the chairman was under investigation for suspected bribery.

## Market Outlook and Investment Strategy\*\*\*

China is eyeing a broad-based albeit bumpy recovery, as concerns about policy risk have hurt market sentiment and increased market volatility in the short term. The recent reserve requirement ratio (RRR) cuts signalled that Beijing is willing to add some cushion to the slowing economy.

We expect further policy actions to come but the government will remain prudent and fine-tuned, as the goal is stability. In setting monetary policy, China will need to balance tempering supply-side inflation with a slowing economy, ageing population, and weak sentiment in the property sector. But overall, as rates start to tighten elsewhere, China may look more attractive to global investors as the government turns more pro-growth.

Our strategy against this backdrop is to be selective in our investments, seeking to buy good quality companies to hold for at least 3-5 years or more. We continue to see attractive opportunities in China's increasing urbanisation, consumption upgrading, technical innovation, and the rise in healthcare spending.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$')	% of NAV
i) <u>Country</u>		
Taiwan	477,150,208	31.22
China A Shares	260,204,785	17.02
P Chip	237,146,726	15.52
Hong Kong	220,284,295	14.41
Red Chips	131,498,501	8.60
China H Shares	112,000,285	7.33
US Listed	49,682,689	3.25
Singapore	11,067,051	0.72
ii) <u>Industry</u>		
Information Technology	415,305,931	27.17
Consumer Discretionary	295,977,202	19.36
Industrials	229,075,924	14.99
Financials	154,165,623	10.09
Consumer Staples	120,325,567	7.87
Health Care	87,441,978	5.72
Communication Services	85,608,503	5.60
Utilities	56,404,179	3.69
Real Estate	54,729,634	3.58
iii) <u>Asset Class</u>		
Quoted Equities	769,507,179	98.07
Other Net Assets	15,113,766	1.93
iv) <u>Credit Rating</u>		
Not Applicable		

# Manulife Regional China Fund

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	135,896,875	8.9
Tencent Holdings	85,609,988	5.6
China Merchants Bank Co Ltd	64,486,438	4.2
Silergy Corp	63,477,643	4.2
ENN Energy Holdings Ltd	56,400,795	3.7
AIA Group Ltd	55,025,166	3.6
Techtronic Industries Co Ltd	53,802,385	3.5
Realtek Semiconductor Corp	53,771,815	3.5
China Mengniu Dairy Co Ltd	52,885,299	3.5
Midea Group Co Ltd	51,188,689	3.3

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	117,084,831.709	8.8
Tencent Holdings Ltd.	81,437,287.074	6.2
Midea Group	63,049,910.776	4.8
AIA Group Ltd	58,792,940.138	4.4
China Mengniu Dairy Co. Ltd.	51,810,511.721	3.9
China Merchants Bank Co Ltd	50,184,475.111	3.8
Zhejiang Chint Electrics Co Ltd	44,973,860.469	3.4
Advantech	44,797,969.087	3.4
JD.com, Inc	41,999,530.823	3.2
ENN Energy Holdings Ltd	38,675,152.654	2.9

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in FSSA Regional China Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$1,150,175.61
Total Redemptions	S\$278,563.51

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.88%

31 December 2020 : 1.97%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : 3.27% (unaudited)

31 December 2020 : 9.95% (unaudited))

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

#### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

<sup>1</sup> Do note that the Market value in SGD is derived by applying the USD/SGD exchange rate to its underlying VCC funds' holdings.

# Manulife Global Multi-Asset Income Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.0203 (Bid/NAV)  
 Fund Size : S\$144,904.62  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.

Underlying Fund Manager : FIL Fund Management Limited  
 CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

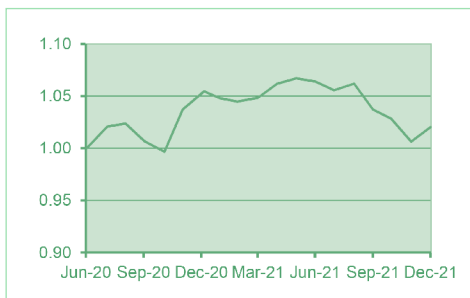
\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Fidelity Funds - Global Multi Asset Income Fund which is a sub-fund of an open-ended investment company established in Luxembourg as a SICAV.

The investment objective of the Underlying Fund is to provide income and moderate capital growth over the medium to longer term by investing in global fixed income securities and global equities.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Global Multi-Asset Income Fund	Benchmark
3 months	-0.51%	Not Applicable
6 months	-1.95%	Not Applicable
1 year	+1.10%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+5.91%	Not Applicable

Inception date: 26 June 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Global equities gained over 2021 as the rollout of COVID-19 vaccines fuelled optimism. Encouraging corporate earnings in developed markets, easing mobility restrictions in major economies and fiscal support in the US also supported risk assets. But these gains were held back by the emergence of new COVID-19 variants and the concerns around inflation. From a sector perspective, energy and materials benefited from a rise in crude oil and metal prices. Information technology and financials were also among the leading performers. On the fixed income side, yields rose as central banks geared up to tighten their monetary policy in the light of inflationary concerns. Investors were concerned that developed economies will not be able to handle higher interest rates to counter an increase in inflation, as growth showed signs of slowing down. The emergence of the Omicron variant also disrupted global bonds markets. On the credit front, corporate bonds remained remarkably resilient. Credit spreads tightened for most of the period amid an improvement in the growth outlook, rising COVID-19 vaccinations and strong corporate earnings. However, gains were offset towards the end of 2021 amid rising volatility related to China's property sector, supply chain constraints, and the spike in Covid cases.

During 2021, the Underlying Fund continued to deliver an attractive and sustainable level of natural income and capital preservation versus key single risk assets in line with its objectives. It delivered positive total returns for the year despite weak performance in the second half of the period.

Equities were the key contributors to returns over the year. The very meaningful rotation into equities, mainly from investment grade bonds, in late 2020 and in beginning of 2021 benefited the portfolio. The allocation to dividend strategies also supported performance. We reintroduced a position in global financials in November 2020 and in energy in December 2020. These were some of the best performing sectors over the year and contributed positively to returns. We took some profits from our position in financials.

Additionally, exposure to Chinese government bonds, loans/structured credit as well as infrastructure helped returns. Chinese government bonds continued to provide higher yields than developed market government bonds. Investors expect that the Chinese government will ease policy to support slowing economic growth. Infrastructure assets provided attractive yield levels and contributed to returns in 2021, specifically renewable and social infrastructure. Within alternatives, several new strategies that offer diversification benefits and attractive yields were purchased over the year. These included Business Development Companies (BDCs), which are investment companies that lend directly to small and medium-sized private companies. BDCs can invest across the entire capital structure and provide strong income generating potential, as well as some capital appreciation upside. Two shipping infrastructure strategies, and a loan strategy that benefits from royalties and cash flows derived from sales of life science products, were also purchased.

This was offset by significant detractor coming from high yield bonds, mainly Asian high yield, which was impacted by concerns around the Chinese property sector. Volatility persisted through early December after reports of missed payments by real estate developers China Evergrande, Kaisa and Shimao. US high yield bonds however, supported performance over the year. We reduced positions in view of tighter valuations. Emerging market debt weighed on returns, as did our allocation to investment grade bonds overall. Equity hedges held up well in risk-off periods but detracted from performance over the year as a whole.

## Market Outlook and Investment Strategy\*\*\*

Looking ahead into 2022, we are solidly in mid-cycle and we believe that the strongest economic growth is behind us. Central banks are moving towards faster policy normalisation. Inflationary pressures remain high and are expected to persist for the first half of the year, although we believe that they could ease somewhat in the second half. Offsetting these concerns are robust household balance sheets, tentative signs of policy easing in China, peaking supply chain bottlenecks and strong corporate earnings.

As income investors, we remained focused on delivering sustainable income while managing risks and protecting on the downside. Against this backdrop, we remain positive on equities over the medium term and continue to selectively take risk in parts of the market that are better valued and stand to do well from here. In a stagflationary environment, parts of the equity market such as financials, energy and the UK have historically done well; these are exposures we continue to hold in the portfolio. In our search for income opportunities, we think equity dividends will be an important source of income, but selectivity in regions and sectors will be important. Over the period, we continued to add to dividend focussed equities. Dividends have lagged earnings growth, and low payout ratios, coupled with higher inflation improve the outlook for these strategies.

With supportive liquidity and low default rates, we maintain our preference for high yield and some emerging markets over investment grade credit. At the same time, we continued to trim some of the more expensive parts of the credit market, taking profits from positions in hybrid bonds and US high yield bonds. We continue to favour Asian high yield bonds in view of their attractive risk/return asymmetry. However, there is still the potential for volatility as a heavy maturity schedule lies ahead of us. We also continue to add to attractive opportunities in alternatives, such as infrastructure and renewables, as well as assets with low sensitivity to higher rates.

# Manulife Global Multi-Asset Income Fund

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV			
i) <u>Country</u>					
United States	2,635,507,398.90	18.87	Colombia	94,661,653.74	0.68
Great Britain	2,161,120,663.80	15.47	India	89,401,237.50	0.64
China	972,508,094.74	6.97	Indonesia	81,788,524.83	0.59
Cayman Islands	659,248,441.84	4.73	Egypt	75,969,345.47	0.54
France	611,421,281.34	4.39	South Africa	71,999,647.35	0.52
Ireland	476,049,748.97	3.41	Russia	70,261,676.28	0.50
Germany	454,062,205.64	3.25	Canada	62,798,357.18	0.45
Switzerland	376,765,079.87	2.70	Supra National	60,955,305.60	0.44
Netherlands	373,639,441.62	2.68	Malaysia	60,389,468.25	0.43
Virgin Islands (British)	352,172,887.23	2.52	Portugal	59,699,378.77	0.43
Spain	321,057,217.95	2.30	Denmark	55,944,837.87	0.40
Japan	313,346,886.02	2.24	Bermuda	50,237,033.83	0.36
Italy	245,409,028.54	1.76	Greece	49,217,883.38	0.35
Hong Kong	223,447,518.01	1.60	Ghana	41,979,542.63	0.30
Luxembourg	216,869,293.63	1.55	Romania	39,522,175.13	0.28
Singapore	182,963,379.62	1.31	Sri Lanka	39,279,891.48	0.28
Taiwan, Province of China	180,113,876.41	1.29	Ukraine	38,234,609.79	0.27
Finland	178,604,074.23	1.28	Turkey	37,986,613.90	0.27
Australia	178,365,252.19	1.28	Czech Republic	32,002,794.84	0.23
Korea	148,677,165.69	1.06	Chile	27,115,145.80	0.19
Thailand	146,699,919.48	1.05	Pakistan	26,867,902.37	0.19
Mexico	144,159,705.53	1.03	Peru	26,809,270.94	0.19
Sweden	120,365,699.47	0.86	Argentina	23,037,636.45	0.16
Mauritius	109,117,811.07	0.78	Serbia	21,569,416.62	0.15
Brazil	108,590,230.68	0.78	Ecuador	21,370,934.95	0.15
			Nigeria	20,910,830.80	0.15
			Philippines	20,425,934.47	0.15
			Georgia	19,242,519.19	0.14
			Iraq	17,331,193.05	0.12
			Austria	16,467,306.19	0.12
			Panama	16,297,500.37	0.12

Uzbekistan	15,708,903.05	0.11	Vietnam	2,476,397.54	0.02
Mongolia	15,246,123.47	0.11	Guatemala	2,316,878.08	0.02
Belarus	12,845,098.99	0.09	Saudi Arabia	2,203,732.19	0.02
Belgium	12,707,922.83	0.09	Bulgaria	2,079,164.50	0.01
New Zealand	11,957,598.55	0.09	Bahrain	1,560,036.50	0.01
Norway	11,954,908.29	0.09	Jamaica	1,417,691.54	0.01
Cyprus	11,687,183.85	0.08	Jordan	1,356,220.16	0.01
Zambia	11,097,192.17	0.08	Costa Rica	1,262,213.53	0.01
Kazakhstan	10,665,452.37	0.08	Venezuela	1,253,561.55	0.01
Gabon	9,982,095.95	0.07	Morocco	581,697.05	0.00
Dominican Republic	9,699,973.56	0.07	Kuwait	570,569.23	0.00
Israel	9,187,922.49	0.07	Croatia	528,494.68	0.00
United Arab Emirates	8,123,544.70	0.06	Senegal	481,076.03	0.00
Kenya	7,558,713.34	0.05	Nambia	244,476.31	0.00
Uganda	7,422,945.01	0.05	Poland	179,144.17	0.00
Lebanon	7,325,403.96	0.05			
El Salvador	6,534,748.74	0.05	ii) <u>Industry</u>		
Armenia	6,302,213.40	0.05	Financials	3,170,756,396.31	22.70
Ethiopia	5,964,863.20	0.04	Government	2,002,967,878.53	14.34
Paraguay	4,671,121.74	0.03	Consumer Discretionary	917,440,611.19	6.57
Liberia	4,644,642.60	0.03	Industrials	915,039,418.15	6.55
Qatar	4,176,814.23	0.03	Real Estate	881,289,771.02	6.31
Hungary	4,017,203.08	0.03	Information Technology	807,049,384.60	5.78
Uruguay	3,825,740.35	0.03	Utilities	745,352,880.02	5.34
Honduras	3,548,349.85	0.03	Consumer Staples	616,540,078.11	4.41
Angola	3,358,698.16	0.02	Healthcare	614,162,040.17	4.40
Cote D'Ivoire	3,260,338.57	0.02	Materials	480,130,048.36	3.44
Oman	2,939,058.45	0.02	Energy	448,173,844.20	3.21
Marshall Islands	2,645,504.83	0.02	Communication Services	420,486,897.99	3.01
Bolivia	2,492,955.77	0.02			

# Manulife Global Multi-Asset Income Fund

## iii) Asset Class

Bond	7,397,119,654.40	52.95
Common Stock	4,559,969,655.68	32.65
Open Ended Fund	1,489,476,145.85	10.66
Preferred Stock	63,557,004.17	0.47
Contract for Difference	9,707,833.54	0.06
Interest Rate Swaps	1,553,508.87	0.01
Warrant	415,911.57	0.00
Option	(7,656,040.67)	(0.04)
Forward Rate Contracts	(14,694,319.95)	(0.10)
Other assets and liabilities (Excludes Forward Rate Contract, CFD, IRS, Warrants & Options)	467,056,597.76	3.34

## iv) Credit Rating

Not Applicable

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (\$)	% of NAV
Taiwan Semiconductor Manufacturing	126,392,241.56	0.90
HICL Infrastructure	112,431,797.50	0.80
Unilever	93,101,853.87	0.67
Greenc UK Wind /Funds	86,649,689.01	0.62
Samsung Electronics Perpetual (Pref'd)	86,508,227.59	0.62
Sequoia Economic Infrastructure Income Fund	79,306,933.60	0.57
Iberdrola SA (A)	69,546,400.85	0.50
Roche Holding AG	66,263,448.65	0.47
International Public Partnerships	65,974,609.01	0.47
Deutsche Boerse AG	63,185,766.04	0.45

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (\$)	% of NAV
US Treasury Bill 24/03/2022	206,982,679.58	1.48
Greenc UK Wind /Funds	169,876,909.92	1.22
Fidelity Investment Funds ICVC - MoneyBuilder Dividend Fund	157,043,359.48	1.12
Taiwan Semiconductor Manufacturing	130,567,692.61	0.93
Unilever	126,912,381.09	0.91
Procter & Gamble	124,136,461.47	0.89
HICL Infrastructure	115,935,105.63	0.83
RELX	108,693,617.48	0.78
Roche Holding AG	103,716,661.33	0.74
Sanofi	97,037,983.14	0.69

## C) Exposure to Derivatives

- Market value of derivative contracts  
Not Applicable
- Net gains/losses on derivative contracts realised  
Not Applicable
- Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Fidelity Global Multi Asset Income Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	\$S138,187.10
Total Redemptions	\$S22,813.27



**G) Amount and terms of related-party transactions**

Not Applicable

**H) Expense Ratio**

31 December 2021 : 2.30%

31 December 2020 : 2.29%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

**I) Turnover Ratio\*\*\***

31 December 2021 : 60.68% (unaudited)

31 December 2020 : 77.74% (unaudited)

**J) Any material information that shall adversely impact the valuation of the ILP sub-fund**

Not Applicable

**K) Soft dollar commissions/ arrangements**

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management

# Manulife Dividend Advantage Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$1.1862 (Bid/NAV) /  
 ^S\$1.2486 / ^^S\$1.2229  
 Fund Size : S\$86,063,343.07  
 Manager : Manulife Investment Management  
 (Singapore) Pte. Ltd.  
 Underlying Fund  
 Manager : First Sentier Investors (Singapore)  
 CPFIS Risk : Higher Risk – Narrowly Focused  
 Classification : – Regional – Asia  
 Subscription : CPFIS-OA/SRS/Cash

\*Based on NAV as at 31 December 2021

^Offer Price @ 5% sales charge – Regular Premium Plans

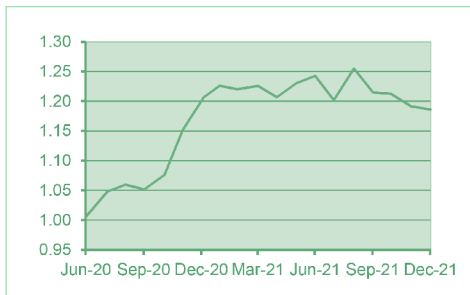
^^Offer Price @ 3% sales charge – Single Premium Plans

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into FSSA Dividend Advantage Fund which is a unit trust constituted in Singapore.

The investment objective of the FSSA Dividend Advantage Fund is to provide investors with regular distributions and long-term growth from high dividend yielding equity investments focused in the Asia Pacific region (excluding Japan).

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Dividend Advantage Fund	Benchmark*
3 months	-1.40%	-1.41%
6 months	-2.61%	-8.71%
1 year	+2.33%	-0.70%
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	+15.93%	+13.92%

Inception date: 9 June 2020

\*MSCI AC Asia Pacific ex Japan Index

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, net income (including net dividends and distributions, if any) reinvested basis.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

Over the past 12 months, the top contributors to performance included Taiwan Semiconductor (TSMC), driven by improved profitability and solid sales growth guidance. As a leader in advanced nodes, the company continues to see strong customer demand and capacity remains full. Mphasis rose to a record high after acquiring US-based Blink UX, a user experience research, strategy and design firm, for a total consideration of USD 94m. The acquisition is expected to provide access to Blink's top-tier clients, strengthen Mphasis' experience business and leadership team, and is revenue accretive. On the negative side, Tencent weakened on concerns about the regulatory environment and a slowdown in revenue growth. LG Household & Health Care posted lower than expected operating margins after heavy spending in the China online marketing channel.

New additions over the year included JD.com, a Chinese e-commerce retailer that owns the bulk of its own infrastructure (rather than just facilitating third-party sales). The company is still growing strongly, and profitability should continue to improve with economies of scale. The Underlying Fund also purchased Ping An

Insurance Group, a leading financial holding company with diversified business segments in life insurance, banking, securities, trust services and asset management, and others. We believe the risk-reward profile looks reasonable, as the insurance business is good quality and seems undervalued.

The Underlying Fund disposed of Jardine Matheson to consolidate the portfolio into higher-conviction holdings. Axis Bank was sold to consolidate the portfolio's holdings into higher quality Indian private banks such as ICICI Bank.

## Market Outlook and Investment Strategy\*\*\*

The outlook for Asian equities remains uncertain. Persistently high inflation, monetary tightening from the US Federal Reserve and a slowdown in global growth all have the potential to weigh on financial markets. Meanwhile, Covid variants, rolling lockdowns and border closures mean that a recovery in international tourism and consumer spending will remain challenging, though we expect the situation to normalise gradually after the pandemic-related events of the last two years.

Against this backdrop, we continue to adhere to our investment philosophy, and have ensured that the portfolio is well diversified ahead of any changes in the market climate. Our conviction in the long-term growth story for Asia remains unchanged. We believe that investing in high-quality companies across the region should deliver attractive absolute returns in the long run.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$')	% of NAV
i) <u>Country</u>		
China	2,515,272,922	24.73
India	1,941,051,587	19.09
Taiwan	1,265,631,923	12.45

South Korea	906,785,734	8.92
Japan	708,971,188	6.97
Hong Kong	628,505,504	6.18
Indonesia	398,485,607	3.92
Singapore	378,736,884	3.72
Australia	357,935,628	3.52
Philippines	318,108,808	3.13
United States	306,599,112	3.01
New Zealand	114,552,798	1.13
Vietnam	107,901,892	1.06
Thailand	60,095,122	0.59

### ii) Industry

Financials	2,249,368,285	22.12
Information Technology	2,119,178,191	20.84
Consumer Staples	1,571,843,633	15.46
Consumer Discretionary	1,241,013,750	12.20
Health Care	971,309,051	9.55
Communication Services	711,975,629	7.00
Industrials	657,517,164	6.47
Real Estate	237,587,243	2.34
Utilities	204,430,296	2.01
Materials	44,411,467	0.44

### iii) Asset Class

Quoted Equities	5,601,092,761	98.42
Other Net Assets	90,022,260	1.58

### iv) Credit Rating

Not Applicable

# Manulife Dividend Advantage Fund

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	610,779,939	6.0
HDFC Bank Limited	512,949,386	5.0
Tencent Holdings	405,051,032	4.0
Samsung Electronics Co Ltd	372,712,034	3.7
CSL Ltd	357,966,265	3.5
Midea Group Co Ltd	338,237,442	3.3
Tata Consultancy Services Ltd	315,762,856	3.1
NAVER Corp	306,915,394	3.0
ResMed	306,610,309	3.0
Keyence Corp	304,169,630	3.0

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$')	% of NAV
Taiwan Semiconductor Mfg Co Ltd	552,564,696	7.0
Samsung Electronics Co Ltd	424,459,210	5.4
HDFC Bank	387,764,739	4.9
Tencent Holdings Ltd.	349,675,029	4.4
CSL	281,571,344	3.6
Midea Group	266,136,866	3.4
NAVER Corp.	231,029,383	2.9
Housing Development Finance Corp Ltd	229,034,174	2.9
China Mengniu Dairy Co. Ltd.	227,975,252	2.9
ResMed	222,944,413	2.8

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in FSSA Dividend Advantage Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$91,090,056.61
Total Redemptions	S\$10,025,393.83

## G) Amount and terms of related-party transactions

Not Applicable

## H) Expense Ratio

31 December 2021 : 1.67%

31 December 2020 : 1.80%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : 327.88% (unaudited)

31 December 2020 : 1248.26% (unaudited)

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

#### K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note:

\*\*\*Information given relates to the Underlying Fund and is provided by the Underlying Fund Manager.

<sup>1</sup> Do note that the Market value in SGD is derived by applying the USD/SGD exchange rate to its underlying VCC funds' holdings.

# Manulife Income SGD Fund

## Fund Facts

Launch Date / Price : 5 April 2020 / S\$1.00 (Offer)  
 Unit Price\* : S\$0.9361 (Bid/NAV)  
 Fund Size : S\$111,265.44  
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.

CPFIS Risk Classification : Not Applicable  
 Subscription : Cash

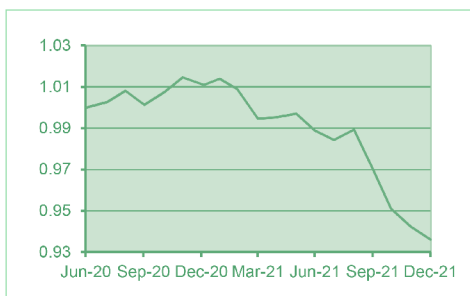
\*Based on NAV as at 31 December 2021

## Fund Objective

The ILP Sub-Fund invests all or substantially all its assets into the Manulife Funds - Manulife SGD Income Fund which is a unit trust constituted in Singapore.

The Underlying Fund aims to provide investors with long-term capital appreciation and/or income in SGD through investing primarily in Asian investment grade fixed income or debt securities.

## Fund Performance



Fund Performance/ Benchmark returns	Manulife Income SGD Fund	Benchmark*
3 months	-2.54%	Not Applicable
6 months	-3.41%	Not Applicable
1 year	-3.60%	Not Applicable
3 years	Not Applicable	Not Applicable
5 years	Not Applicable	Not Applicable
10 years	Not Applicable	Not Applicable
Since Inception	-0.40%	Not Applicable

Inception date: 23 July 2020

Source of Information on performance: Manulife Investment Management (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2021 on NAV-to-NAV basis, with any income or dividends reinvested
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

## Investment and Market Review\*\*\*

2021 has been another challenging year for financial markets dominated by the COVID-19 pandemic and the Delta and omicron variants which produced gyrations in the markets. Overall, the global economy continued to recover from the pandemic induced recession in 2020 initially due to the rollout of vaccination campaigns but was met with obstacles such as the new omicron variant and supply chain disruptions which eventually led to persistent inflationary pressures. Both US treasury yields and Singapore sovereign yields ended the year broadly higher driven by an improvement in global growth as well as an anticipation of monetary policy normalizations.

Most major central banks maintained their accommodative monetary policies throughout the year. However, and towards the end of the year, there were indications of persistent inflationary pressures building on the back of a much-improved global economy as well as dislocations in the global supply chain. The Federal Reserve (Fed) made no changes to its benchmark policy rate over the year, maintaining it in the range of 0% to 0.25% with asset purchases of \$120 billion a month until November. The Fed announced the start of the tapering of their assets in November and has quickened their pace of tapering with plans to conclude the program in early 2022. Singapore also moved pre-emptively to tighten policy with the Monetary Authority of Singapore (MAS) appreciating the

slope of the SGD nominal effective exchange rate (NEER) slightly while leaving the midpoint and width unchanged in their October meeting. The MAS noted that growth is likely to remain above trend and cited an accumulation in both external and domestic cost pressures and see core inflation close to 2% in the medium term. This suggests that the MAS expects cost pressures to persist for some time amidst a recovering economy.

Credit wise, the first half of 2021 saw spreads grinding tighter against a backdrop of accommodative monetary policies as well as a recovery economy. However, spreads widened out in the second half of the year driven mainly by weakness in the higher yielding corporate bond segment, particularly the Chinese property sector. Concerns over the liquidity crunch in the higher yielding China property space and multiple idiosyncratic headlines resulted in investors rotating out of higher yielding risk assets. Comparatively, investment grade spreads remained resilient throughout the year with investors continuing to deploy cash into higher quality names.

Global equities continued to rally in 2021 driven by the continued stimulus from the COVID-19 pandemic and easy monetary policies from global central banks to keep liquidity flushed and interest rates low. The S&P Index ended the year 26.9% higher, which is the biggest annual percentage gain since 2019. On the commodities front, oil ended the year higher as demand revved up with increasing COVID-19 vaccination rates, loosening pandemic-related restrictions, and growing economies.

The Underlying Fund's performance was negative<sup>1</sup> for the year and was largely driven by wider credit spreads in Asian dollar corporate bonds and more particularly, in higher yielding China property names. A rising interest rate environment throughout 2021 also contributed to negative mark to market returns which were partly mitigated by the Underlying Fund's net short US treasury futures position. The Underlying Fund's negative return was partially offset by positive returns generated from the portfolio's bond carry.

## Market Outlook and Investment Strategy\*\*\*

Global economic recovery made significant progress with increasing vaccination rates especially across developed economies that allowed for re-openings of economies and borders globally. However, recovery has also been tested with the emergence and widespread transmission of variants such as Delta and Omicron which contributed to waves of increased caseloads across the world.

Uncertainties remain as countries hold back on further re-opening on the back of the omicron variant and are likely to be fueled by ongoing geopolitical risks in the backdrop especially between the US and China. Going into 2022, the continuation of the global economic recovery hinges largely on an acceleration in the administration of booster shots to increase the vaccine's efficacy in developed countries while increasing availability of vaccines in developing countries. This should reduce the probability of severe illnesses globally due to the omicron variant and as such, help maintain or even accelerate economic activities. The ongoing tapering of asset purchases by the Fed and further policy normalization steps will drain global liquidity at the margins over the next few months into 2022. However, risk assets in Asia should remain attractive given relatively higher nominal yields even amidst a rising interest rate environment.

Singapore's near-term economic recovery is likely to remain gradual and uneven across sectors given the uncertain global economic backdrop. With an impending Omicron led wave, further recoveries in domestic demand and consumption will likely be limited and be offset by the weakness in aviation and tourism-related sectors. Additionally, consumer-facing sectors such as retail will continue to face pressures given the continued local domestic restrictions that are in place and lack of travelers. That said, mitigation of severe outcomes and strain on the healthcare system will be key in the economy's reopening plans. Furthermore, Singapore's high vaccination rate and steady rollout of booster shots will continue to facilitate progressive easing of restrictions. Singapore's 2022 growth is likely to come in the range of 3.0% to 5.0% as indicated by the government driven by a continuation of a loosening of both domestic and border restrictions.

In terms of credits, spread widening in 2021 has been driven mainly by volatility in the higher yielding corporate bond space with idiosyncratic headlines in the China property segment driving most of the weakness in the Asia credit markets in the second half of the year. Investment grade spreads have outperformed higher yielding spreads with much of the investment grade universe trading at relatively richer levels. Volatility in the China property space is unlikely to go away in the short term with more developers in China facing cash crunches and impending maturities in 2022. However, there has been evidence of progressive and targeted easing measures by the Chinese government for the property sector which should lend support to stronger and better placed developers. Hence, continuing to manage downside risks prudently with a focus on deep bottom-up fundamentals to avoid cases of defaults and spill-over effects will be key in the new year

# Manulife Income SGD Fund

as well. That said, any further market weakness is likely to bring out value opportunities in stronger issuers that can navigate through this episode unscathed, which will help generate further potential returns.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021

<sup>1</sup> The Underlying Fund returned -2.66% for Class A-QDis SGD on NAV-to-NAV basis in 2021. The class returned -5.58% on offer-to-bid basis in 2021. Since inception (18 November 2016), the class returned 2.35% (annualised) on NAV-to-NAV basis and 1.74% (annualised) on offer-to-bid basis, with net income & dividends reinvested.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	31,474,903	4.76
Canada	9,882,915	1.50
China	137,379,563	20.79
France	5,557,178	0.84
Germany	4,515,120	0.68
Hong Kong	69,418,131	10.50
India	46,607,938	7.04
Indonesia	29,106,706	4.39
Macau	3,156,650	0.49
Malaysia	1,722,050	0.26
Netherlands	5,264,799	0.80
Philippines	9,488,478	1.44
Singapore	264,008,848	39.96
South Korea	7,760,028	1.18
Taiwan	5,386,965	0.81
Thailand	9,292,674	1.41
United States of America	2,172,522	0.33

### ii) Industry

Automotive	4,188,569	0.63
Banks	95,994,253	14.53
Chemical	4,485,302	0.68
Computers	6,651,661	1.01
Construction	11,363,567	1.72
Diversified Resources	8,086,446	1.22
Electric	5,471,373	0.83
Electronics	9,521,646	1.44
Energy	16,041,409	2.43
Engineering	8,057,319	1.22
Finance	21,379,049	3.24
Food	5,648,004	0.85
Government	20,387,596	3.09
Hotel	3,604,067	0.55
Insurance	30,551,994	4.62
Internet	3,280,826	0.50
Investment	5,264,799	0.80
Iron & Steel	10,262,303	1.55
Lodging	2,282,923	0.35
Metal	2,925,486	0.44
Mining	3,732,829	0.56
Oil & Gas	41,109,522	6.22
Real Estate	121,730,916	18.42
Real Estate Investment Trust	136,106,124	20.59
Retail	1,750,404	0.26
Telecommunications	34,602,791	5.24
Transport	16,068,370	2.43
Utilities	11,645,920	1.76



iii) <u>Asset Class</u>			RCS Trust MTN 2.6% 05/06/2023	12,241,320	1.85
Fixed income securities	642,195,468	97.18	United Overseas Bank Limited MTN Var 27/02/2029	11,441,100	1.73
Accrued interest on fixed income securities	7,393,294	1.12	CCT MTN Pte Limited MTN 3.17% 05/03/2024	10,919,475	1.65
Other net assets	11,216,377	1.70	CMT MTN Pte Limited Series MTN (BR) 2.88% 10/11/2027	10,152,578	1.54
iv) <u>Credit Rating</u>			Singapore Telecommunications Limited 7.375% 01/12/2031	10,002,331	1.51
AA	1,640,310	0.25			
A+	7,932,332	1.21			
A	31,887,802	4.82			
A-	38,607,305	5.84			
BBB+	54,843,570	8.30			
BBB	33,839,056	5.13			
BBB-	36,442,869	5.52			
BB+	7,023,092	1.07			
BB	18,151,279	2.73			
BB-	30,521,522	4.61			
B+	21,071,451	3.18			
B	1,714,442	0.26			
Not rated	358,520,438	54.26			

#### Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Mapletree Commercial Trust EMTN (BR) 3.11% 24/08/2026	14,165,310	2.11
Singapore Post Limited VAR Perpetual	13,607,353	2.03
NTUC Income Insurance Series MTN Var 20/07/2050	12,775,500	1.91
United Overseas Bank Limited MTN Var 27/02/2029	11,779,570	1.76
RCS Trust MTN 2.6% 05/06/2023	11,364,100	1.70
CCT MTN Pte Limited MTN 3.17% 05/03/2024	10,527,000	1.57
CMT MTN Pte Limited Series MTN (BR) 2.88% 10/11/2027	10,312,868	1.54
Ausnet Services Holdings Pty Limited FRN 07/09/2076	8,738,255	1.30
Ascendas REIT MTN (BR) 3.14% 02/03/2025	8,606,080	1.28
Lenovo Group Limited 3.421% 02/11/2030	8,458,899	1.26

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
AIA Group Limited Var Perp	14,855,864	2.25
Oversea-Chinese Banking Corporation VAR Perpetual	13,951,980	2.11
Mapletree Commercial Trust EMTN (BR) 3.11% 24/08/2026	13,812,860	2.09
NTUC Income Insurance Series MTN Var 20/07/2050	13,799,025	2.09
Singapore Post Limited VAR Perpetual	13,318,370	2.02

# Manulife Income SGD Fund

## C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

## D) Amount and percentage of NAV invested in collective investment schemes

100% invested in Manulife Funds – Manulife SGD Income Fund

## E) Amount and percentage of debt to NAV

Not Applicable

## F) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$119,357.70
Total Redemptions	S\$38,745.34

## G) Amount and terms of related-party transactions

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

## H) Expense Ratio

31 December 2021 : 2.07%

31 December 2020 : 1.89%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

## I) Turnover Ratio\*\*\*

31 December 2021 : 42.71%

31 December 2020 : 42.27%

## J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

## K) Soft dollar commissions/ arrangements

The Manager is entitled to receive or enter into soft-dollar commissions/arrangements, although the Manager currently does not receive or enter into soft-dollar commission/arrangements. The Manager will comply with applicable regulatory and industry standards on soft-dollars. The soft-dollar commissions which the Manager may receive include specific advice as to the advisability of dealing in, or the value of any investments; research and advisory services; economic and political analyses; portfolio analyses including valuation and portfolio measurements; market analyses; data and quotation services; computer hardware or software that are used to support the investment decision making process, the giving of advice, or the conduct of research or analysis; and custodial service in relation to the investments managed for the clients. Soft-dollar commissions/arrangements received shall not include travel, accommodation and entertainment expenses; general administrative goods and services including office equipment and premises; membership fees; employees' salaries; direct money payments/rebates.

The Manager will not accept or enter into soft-dollar commission/arrangements unless such soft-dollar commissions/arrangements would, in the opinion of the Manager, assist the Manager in its management of the ILP Sub-Fund; the Manager shall ensure at all times that best execution is carried out for the transactions; and that no unnecessary trades are entered into in order to qualify for such soft-dollar commissions/arrangements.

Note: \*\*\*Information given relates to the Underlying Fund and is provided by the Manager.

# Appendix

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- Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

# Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

## Fund Objective

The Fund seeks to maximize total returns from a combination of capital appreciation and income generation through investing primarily in a diversified portfolio of investment grade debt securities issued by governments, agencies, supranationals and corporate issuers in the Asia Pacific region.

## Investment and Market Review\*\*\*

In the United States, treasury yields moved higher over the year on the back of positive economic data, continued inflationary pressure and a hawkish US Federal Reserve Board (Fed). The Biden administration passed new fiscal packages in the first half of 2021, supporting the economy while US economic data came in stronger-than-expected; consumer price inflation continued its upward trajectory and surpassed 6% year-on-year in October, reaching its highest level since November 1990. On the monetary policy front, the Fed said it would end its pandemic-era bond purchase programme by March 2022, paving the way for three rate hikes of 25 basis points (bps) in 2022 as expected by most of the Fed members. Over the period, the 10-year Treasury yield trended higher from 0.91% to 1.51%.

In China, economic data suggested renewed economic momentum over the year. However, economic data pointed to a slowdown amid sluggish consumption recovery and property sales slump; the Caixin Manufacturing Purchasing Managers' Index closed at the contraction territory at 49.9 in November. The People's Bank of China signalled a more dovish tone, cutting the bank reserve requirement ratio by 50 bps, releasing US\$188 billion worth of long-term liquidity into the interbank system, and cut its one-year loan prime rate by 5 bps to 3.80%. China's onshore government bond yields fell over the period. In India, local government bond yields trended higher as the Reserve Bank of India began its policy of normalisation and announced the suspension of pandemic-related quantitative easing stimulus. Moody's also upgraded its outlook on India from negative to stable due to the sustained economic recovery. In Indonesia, local government bond yields moved lower as Bank Indonesia maintained its accommodative stance and extended the "burden sharing" scheme to purchase bonds next year. The central bank cut its 2021 GDP growth forecast to 3.2%-4% from 3.5%-4.3%, but slightly upgraded its outlook for 2022 to 4.7%-5.5%.

Asian credit markets posted negative returns over

the year owing to higher US Treasury yields and wider credit spreads. The Asian high yield corporate segment underperformed Asian investment grade credit; the JP Morgan Asian High Yield Corporate Bond Index decreased by 13.39%, while the JP Morgan Asian Investment Grade Corporate Bond Index decreased marginally by 0.24% in US dollar terms. Policy-wise, Chinese regulators relaxed mortgage approvals, eased onshore bond issuances for Chinese property developers and cut the reserve requirement ratio as a means to support the property market. Overall, investors' sentiment towards the Chinese property sector remained jittery with disappointing November property contract sales figures while some market participants waited for further policy easing.

The performance of Asian currencies against the US dollar was mixed. The Singapore dollar weakened by 1.99% against the US dollar. The Chinese renminbi outperformed regional peers amid twin surpluses – fiscal surplus and current account surplus. On the other hand, the Thai baht underperformed regional peers amid uncertainty over the Omicron variant on Thailand's tourism-reliant economy.

The Fund's overall security selection in Asian corporate bonds contributed to performance; US dollar-denominated bond holdings of a Chinese chemical state-owned enterprise, a Hong Kong landlord and a Singapore dollar-denominated bond of a Singapore insurance company were notable outperformers. In addition, the Fund's underweight US dollar interest rate duration contributed amid a rising US Treasury yield environment. However, the Fund's overweight to US dollar Asian corporate bonds detracted from performance amid weak investor sentiment towards the Chinese property sector. Over the period, the Fund took profit in some Indonesian local government bonds and a Singapore dollar-denominated bond of a Singapore REIT. On the other hand, the Fund added a Singapore dollar-denominated bond of a Singapore telecommunications group and a US dollar-denominated bond of a Chinese bank. Towards the end of the period, the Fund took the opportunity to add some US dollar-denominated Chinese property developers amid attractive valuations, whilst selling some Chinese yuan-denominated (offshore) Asian corporate bonds.

## Market Outlook and Investment Strategy\*\*\*

Looking into 2022, the gradual US economic recovery and the Fed tapering process should support a higher US yield curve environment in our opinion. North Asian economies

have generally fared better in terms of the economic recovery compared to South Asian counterparts in 2021. Increasingly more South Asian economies are adopting a coexisting approach with COVID-19, reopening borders with higher vaccination rates which could be positive for their growth trajectories. However, the widespread Omicron variant could spark market volatility. In China, the property sector was heavily sold-off in 2021 due to negative news flows and concerns about rising defaults. In 2022, we are likely to see greater consolidation in the sector and believe the market has priced in excessive default risks. Many quality companies are now being offered at compelling valuations; we see it as an opportune time and environment for active investors to navigate the economic cycle, as market weakness is likely to bring out value opportunities in fundamentally strong issuers. Overall, we remain cognisant of both systemic and idiosyncratic risks while seeking out attractive opportunities and believe that bottom-up credit selection will be key in generating further returns going forward.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2021.

## Schedule of Investments as at 31 December 2021

(unless otherwise stated)

### A) Distribution of Investments\*\*\*

	Market Value (S\$)	% of NAV
i) <u>Country</u>		
Australia	8,777,584	1.55
British Virgin Islands	6,757,602	1.19
China	166,078,760	29.36
Germany	1,003,360	0.18
Hong Kong	126,714,159	22.40
India	16,542,433	2.93
Indonesia	45,393,785	8.03
Malaysia	20,145,615	3.56
Netherlands	4,241,617	0.75
Philippines	10,258,827	1.81

Singapore	54,540,932	9.65
South Korea	52,364,851	9.26
Supra-National	2,226,649	0.39
Taiwan	11,329,417	2.00
Thailand	5,694,719	1.01
United States of America	2,036,740	0.36

### ii) Industry

Agriculture	2,854,436	0.50
Automotive	16,594,077	2.93
Banks	73,304,661	12.96
Building Materials	5,262,746	0.93
Chemical	15,706,691	2.78
City Gas	6,755,008	1.19
Commercial Services	9,080,920	1.61
Communications	5,310,309	0.94
Computers	4,563,794	0.81
Consumer, Cyclical	329,819	0.06
Diversified Resources	5,406,082	0.96
Electronics	16,221,879	2.87
Engineering	2,860,647	0.51
Entertainment	7,308,052	1.29
Finance	51,163,661	9.05
Food	13,604,610	2.41
Government	42,735,924	7.56
Hotel	6,974,924	1.23
Insurance	28,433,045	5.03
Investment	10,999,219	1.94
Iron & Steel	7,715,597	1.36
Metal	6,866,128	1.21

# Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund

Mining	1,792,309	0.32
Oil & Gas	26,049,301	4.61
Real Estate	56,237,918	9.94
Real Estate Investment Trust	21,292,615	3.76
Retail	13,738,963	2.43
Semiconductors	4,919,129	0.87
Telecommunications	27,262,447	4.81
Transport	28,969,446	5.12
Utilities	13,792,693	2.44

## iii) Asset Class

Fixed income securities	534,107,050	94.43
Accrued interest on fixed income securities	4,722,281	0.84
Other net assets	26,769,729	4.73

## iv) Credit Rating

AAA	1,080,032	0.19
AA	6,691,694	1.18
AA-	3,922,340	0.69
A+	7,864,820	1.39
A	8,085,088	1.43
A-	56,910,295	10.08
BBB+	33,203,613	5.86
BBB	61,433,308	10.86
BBB-	44,064,861	7.80
BB	5,535,870	0.98
BB-	2,494,078	0.44
B	1,092,002	0.19
Not rated	301,729,049	53.34

## B) Top 10 Holdings as at 31 December 2021\*\*\*

Securities	Market Value (S\$)	% of NAV
SingTel Group Treasury Pte Limited Series MTN Var Perp	9,971,600	1.76
Government of Indonesia Series Fr82 7% 15/09/30	9,343,735	1.65
China Government Bond Series 3.13% 21/11/2029	8,595,639	1.52
Elect Global Investments Limited Var Perpetual	7,968,586	1.41
Bank of Communications Hong Kong Limited Var 08/07/2031	7,911,146	1.40
Foxconn Far East Limited 2.5% 28/10/2030	7,407,077	1.31
Hong Kong Telecommunications 3.25% 30/09/2029	7,119,917	1.26
Perusahaan Listrik Negara 5.45% 21/05/2028	7,116,210	1.26
Busan Bank GMTN 3.625% 25/07/2026	7,018,368	1.24
GOHL Capital Limited 4.25% 24/01/2027	6,974,924	1.23

## Top 10 Holdings as at 31 December 2020\*\*\*

Securities	Market Value (S\$)	% of NAV
Government of Indonesia Series Fr82 7% 15/09/30	9,632,568	2.16
China Government Bond Series 3.13% 21/11/2029	8,041,908	1.80
Elect Global Investments Limited Var Perpetual	7,840,920	1.76
Foxconn Far East Limited 2.5% 28/10/2030	7,532,143	1.69
Lenovo Group Limited 3.421% 02/11/2030	7,444,054	1.67
ZhongAn Online P&C Insurance Company Limited 3.125% 16/07/2025	7,303,073	1.64

Longfor Group Holdings Limited 3.95% 16/09/2029	7,186,472	1.61
Busan Bank GMTN 3.625% 25/07/2026	7,165,557	1.61
Hong Kong Telecommunications 3.25% 30/09/2029	7,161,691	1.61
GOHL Capital Limited 4.25% 24/01/2027	7,029,526	1.58

Note: Any differences in the percentage of the Net Asset figures are the result of rounding.

#### C) Exposure to Derivatives

- i) Market value of derivative contracts  
Not Applicable
- ii) Net gains/losses on derivative contracts realised  
Not Applicable
- iii) Net gains/losses on outstanding derivative contracts  
Not Applicable

#### D) Amount and percentage of NAV invested in collective investment schemes

Not Applicable

#### E) Amount and percentage of debt to NAV

Not Applicable

#### F) Total amount of Subscriptions and Redemptions

Not Applicable

#### G) Amount and terms of related-party transactions

The Manager of the ILP Sub-Fund and the Underlying Fund is Manulife Investment Management (Singapore) Pte. Ltd. The management fees paid or payable by the ILP Sub-Fund and the Underlying Fund are related party transactions.

#### H) Expense Ratio\*\*\*

31 December 2021 : 0.89%

31 December 2020 : 0.89%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines

on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

#### I) Turnover Ratio\*\*\*

31 December 2021 : 23.70%

31 December 2020 : 88.48%

#### J) Any material information that shall adversely impact the valuation of the ILP sub-fund

Not Applicable

#### K) Soft dollar commissions/ arrangements

Not Applicable

Note: \*\*\*Information given is provided by the Fund Manager.





# Financial Statements

for the Period 1 January to 31 December 2021

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- Statement of Assets and Liabilities
- Capital Account
- Notes to the Accounts
- Independent Auditor's Report

# Statement Of Assets And Liabilities

## As At 31 December 2021

	Manulife Golden Asia Growth Fund \$	*Manulife Golden Balanced Growth Fund \$	Manulife Golden International Bond Fund \$	Manulife Golden Regional China Fund \$
<b>INVESTMENTS</b>				
Cash and Cash Equivalents	-	-	-	-
Value of Investment in Unit Trusts	156,177,789	288,739,663	76,516,997	300,848,270
	<b>156,177,789</b>	<b>288,739,663</b>	<b>76,516,997</b>	<b>300,848,270</b>
<b>OTHER ASSETS</b>				
Due from Brokers for investment sales	-	-	9,038	12,342
Other assets	20,001	19,828	-	-
<b>Total Assets</b>	<b>156,197,790</b>	<b>288,759,491</b>	<b>76,526,035</b>	<b>300,860,612</b>
<b>LIABILITIES</b>				
Due to Brokers for investment purchases	(23,939)	-	(16,179)	-
Other liabilities	(38,634)	(21,554)	(5,658)	(61,676)
<b>Value of Fund as at 31 December 2021</b>	<b>156,135,217</b>	<b>288,737,937</b>	<b>76,504,198</b>	<b>300,798,936</b>

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

Manulife Golden Singapore Growth Fund \$	Manulife Golden Asia Fund \$	Manulife Golden Worldwide Equity Fund \$	*Manulife Golden Global Balanced Fund \$	Manulife Singapore Bond Fund \$	Manulife European Equity Fund \$	Manulife Japan Growth Fund \$
-	-	-	-	-	-	-
271,342,449	41,947,814	122,286,675	73,323,089	111,332,750	13,191,864	6,699,290
<b>271,342,449</b>	<b>41,947,814</b>	<b>122,286,675</b>	<b>73,323,089</b>	<b>111,332,750</b>	<b>13,191,864</b>	<b>6,699,290</b>
28,955	-	8,360	-	-	-	15,554
-	-	-	-	26	3,000	-
<b>271,371,404</b>	<b>41,947,814</b>	<b>122,295,035</b>	<b>73,323,089</b>	<b>111,332,776</b>	<b>13,194,864</b>	<b>6,714,844</b>
(178,796)	(20,096)	-	-	(100,979)	(6,880)	-
(310,264)	(7,664)	(8,970)	(14,709)	(8,273)	(3,131)	(3,391)
<b>270,882,344</b>	<b>41,920,054</b>	<b>122,286,065</b>	<b>73,308,380</b>	<b>111,223,524</b>	<b>13,184,853</b>	<b>6,711,453</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Statement Of Assets And Liabilities

## As At 31 December 2021

	Manulife India Equity Fund \$	Manulife Pacific Equity Fund \$	Manulife Global Emerging Markets Fund \$	*Manulife Lifestyle Portfolios - Aggressive Fund \$
<b>INVESTMENTS</b>				
Cash and Cash Equivalents	-	-	-	-
Value of Investment in Unit Trusts	184,424,918	74,558,864	106,527,059	8,588,775
	<b>184,424,918</b>	<b>74,558,864</b>	<b>106,527,059</b>	<b>8,588,775</b>
<b>OTHER ASSETS</b>				
Due from Brokers for investment sales	286,602	48,540	-	-
Other assets	-	-	-	-
<b>Total Assets</b>	<b>184,711,520</b>	<b>74,607,404</b>	<b>106,527,059</b>	<b>8,588,775</b>
<b>LIABILITIES</b>				
Due to Brokers for investment purchases	(59,723)	(7,861)	(53,872)	-
Other liabilities	(13,888)	(5,531)	(8,148)	(638)
<b>Value of Fund as at 31 December 2021</b>	<b>184,637,909</b>	<b>74,594,012</b>	<b>106,465,039</b>	<b>8,588,137</b>

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

*Manulife Lifestyle Portfolios - Growth Fund \$	*Manulife Lifestyle Portfolios - Moderate Fund \$	*Manulife Lifestyle Portfolios - Secure Fund \$	*Manulife Lifestyle Portfolios - Conservative Fund \$	Manulife Income Series - Singapore Fund \$	Manulife Income Series - Strategic Income Fund \$	#Manulife Income Series - Asian Balanced Fund \$
-	-	-	-	-	-	-
11,916,907	63,187,568	2,730,676	3,061,280	18,301,576	5,262,284	451,025,278
<b>11,916,907</b>	<b>63,187,568</b>	<b>2,730,676</b>	<b>3,061,280</b>	<b>18,301,576</b>	<b>5,262,284</b>	<b>451,025,278</b>
-	-	-	-	138	-	239,246
-	-	-	-	-	-	-
<b>11,916,907</b>	<b>63,187,568</b>	<b>2,730,676</b>	<b>3,061,280</b>	<b>18,301,714</b>	<b>5,262,284</b>	<b>451,264,524</b>
-	-	-	-	(1,104)	(48,686)	(745,417)
(874)	(4,680)	(209)	(226)	(3,503)	(3,826)	(83,363)
<b>11,916,033</b>	<b>63,182,888</b>	<b>2,730,467</b>	<b>3,061,054</b>	<b>18,297,107</b>	<b>5,209,772</b>	<b>450,435,744</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Statement Of Assets And Liabilities

## As At 31 December 2021

	+Manulife Income Series - Asia Pacific Investment Grade Bond Fund \$	&Manulife Income Series - Asian High Yield Bond Fund \$	>Manulife Income Series - SGD Income Fund \$	**Manulife Income Series - Global Fixed Income Fund \$
<b>INVESTMENTS</b>				
Cash and Cash Equivalents	-	-	-	-
Value of Investment in Unit Trusts	117,286,981	59,917,209	3,457,573	3,784,270
	<b>117,286,981</b>	<b>59,917,209</b>	<b>3,457,573</b>	<b>3,784,270</b>
<b>OTHER ASSETS</b>				
Due from Brokers for investment sales	81,342	-	1,552	3,923
Other assets	81	-	-	-
<b>Total Assets</b>	<b>117,368,404</b>	<b>59,917,209</b>	<b>3,459,125</b>	<b>3,788,193</b>
<b>LIABILITIES</b>				
Due to Brokers for investment purchases	-	(94,345)	-	-
Other liabilities	(8,790)	(9,702)	(254)	(919)
<b>Value of Fund as at 31 December 2021</b>	<b>117,359,614</b>	<b>59,813,162</b>	<b>3,458,871</b>	<b>3,787,274</b>

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

@Manulife Asian Small Cap Equity Fund \$	"Manulife Income Series – Global Multi-Asset Diversified Income Fund \$	***Manulife Select Balanced Fund \$	***Manulife Select Conservative Fund \$	***Manulife Select Growth Fund \$	Manulife Bridge Fund \$	Manulife Asian Income Fund \$
-	-	-	-	-	-	-
42,628,549	80,452,374	7,011,906	530,579	10,027,730	285,397	1,035,316
<b>42,628,549</b>	<b>80,452,374</b>	<b>7,011,906</b>	<b>530,579</b>	<b>10,027,730</b>	<b>285,397</b>	<b>1,035,316</b>
-	-	1,025	13,127	10,599	37,817	12,316
-	-	-	-	-	-	-
<b>42,628,549</b>	<b>80,452,374</b>	<b>7,012,931</b>	<b>543,706</b>	<b>10,038,329</b>	<b>323,214</b>	<b>1,047,632</b>
(1,918)	(144,094)	-	(1,220)	-	-	(1,203)
(3,203)	(5,966)	(2,418)	(163)	(3,586)	(25)	(79)
<b>42,623,428</b>	<b>80,302,314</b>	<b>7,010,513</b>	<b>542,323</b>	<b>10,034,743</b>	<b>323,189</b>	<b>1,046,350</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Statement Of Assets And Liabilities

## As At 31 December 2021

	Manulife Singapore Dividend Equity Fund \$	Manulife US Opportunities Fund \$	Manulife Income Builder Fund \$	Manulife Regional China Fund \$
<b>INVESTMENTS</b>				
Cash and Cash Equivalents	-	-	-	-
Value of Investment in Unit Trusts	3,101,221	16,841,463	243,813	1,200,462
	<b>3,101,221</b>	<b>16,841,463</b>	<b>243,813</b>	<b>1,200,462</b>
<b>OTHER ASSETS</b>				
Due from Brokers for investment sales	20,350	25,690	24,671	19,866
Other assets	4	-	-	-
<b>Total Assets</b>	<b>3,121,575</b>	<b>16,867,153</b>	<b>268,484</b>	<b>1,220,328</b>
<b>LIABILITIES</b>				
Due to Brokers for investment purchases	-	-	(142)	-
Other liabilities	(227)	(1,217)	(21)	(99)
<b>Value of Fund as at 31 December 2021</b>	<b>3,121,348</b>	<b>16,865,936</b>	<b>268,321</b>	<b>1,220,229</b>

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.



Manulife Global Multi-Asset Income Fund	Manulife Dividend Advantage Fund	Manulife Income SGD Fund
\$	\$	\$
-	-	-
144,964	84,900,257	98,608
<b>144,964</b>	<b>84,900,257</b>	<b>98,608</b>
-	1,169,677	14,487
-	-	-
<b>144,964</b>	<b>86,069,934</b>	<b>113,095</b>
(49)	-	(1,822)
(10)	(6,591)	(8)
<b>144,905</b>	<b>86,063,343</b>	<b>111,265</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Capital Account For The Period 1 January 2021 To 31 December 2021

	Manulife Golden Asia Growth Fund \$	*Manulife Golden Balanced Growth Fund \$	Manulife Golden International Bond Fund \$	Manulife Golden Regional China Fund \$
Value of Fund as at 1 January 2021	156,257,015	222,998,948	74,685,187	279,155,480
Amount paid (by)/to the fund for (liquidation)/ creation of units	8,331,292	48,001,340	4,422,046	40,325,860
Investment income	-	-	-	-
Distribution	-	-	-	-
Net realised gain/(loss) on sale of investments	-	-	-	-
Unrealised appreciation/(loss) in value of investment during the period	(8,394,579)	17,515,068	(2,574,433)	(18,498,425)
Exchange gain/(loss)	-	-	-	-
Fund (expenses)/income	(58,511)	222,581	(28,602)	(183,979)
Value of Fund as at 31 December 2021	156,135,217	288,737,937	76,504,198	300,798,936

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

Manulife Golden Singapore Growth Fund \$	Manulife Golden Asia Fund \$	Manulife Golden Worldwide Equity Fund \$	*Manulife Golden Global Balanced Fund \$	Manulife Singapore Bond Fund \$	Manulife European Equity Fund \$	Manulife Japan Growth Fund \$
229,948,072	42,399,925	110,351,471	68,655,046	114,913,753	8,426,631	5,547,691
2,372,478	632,154	584,248	(4,898,636)	965,018	3,513,140	645,167
-	527,554	927,559	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
41,901,845	(1,472,098)	10,466,427	9,634,303	(4,626,331)	1,248,989	554,356
-	-	-	-	-	-	-
(3,340,051)	(167,481)	(43,640)	(82,333)	(28,916)	(3,907)	(35,761)
<b>270,882,344</b>	<b>41,920,054</b>	<b>122,286,065</b>	<b>73,308,380</b>	<b>111,223,524</b>	<b>13,184,853</b>	<b>6,711,453</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi-Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Capital Account For The Period 1 January 2021 To 31 December 2021

	Manulife India Equity Fund \$	Manulife Pacific Equity Fund \$	Manulife Global Emerging Markets Fund \$	*Manulife Lifestyle Portfolios - Aggressive Fund \$
Value of Fund as at 1 January 2021	152,691,783	66,731,188	107,398,561	8,569,773
Amount paid (by)/to the fund for (liquidation)/ creation of units	2,137,265	1,470,201	3,485,176	(790,765)
Investment income	-	2,155,311	-	-
Distribution	-	-	-	-
Net realised gain/(loss) on sale of investments	-	-	-	-
Unrealised appreciation/(loss) in value of investment during the period	29,811,633	4,217,386	(4,418,246)	804,158
Exchange gain/(loss)	-	-	-	-
Fund (expenses)/income	(2,772)	19,926	(452)	4,971
Value of Fund as at 31 December 2021	184,637,909	74,594,012	106,465,039	8,588,137

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

*Manulife Lifestyle Portfolios - Growth Fund \$	*Manulife Lifestyle Portfolios - Moderate Fund \$	*Manulife Lifestyle Portfolios - Secure Fund \$	*Manulife Lifestyle Portfolios - Conservative Fund \$	Manulife Income Series - Singapore Fund \$	Manulife Income Series - Strategic Income Fund \$	#Manulife Income Series - Asian Balanced Fund \$
11,158,423	63,300,408	2,694,294	3,251,304	20,827,505	5,207,979	182,669,136
(299,488)	(4,860,409)	(173,906)	(298,673)	(2,040,125)	102,211	271,539,624
-	-	-	-	-	187,376	7,939,926
-	-	-	-	(574,978)	(187,507)	(14,027,768)
-	-	-	-	-	-	-
1,066,841	4,771,289	214,287	100,984	121,906	(56,019)	2,782,863
-	-	-	-	-	-	-
(9,743)	(28,400)	(4,208)	7,439	(37,201)	(44,268)	(468,037)
<b>11,916,033</b>	<b>63,182,888</b>	<b>2,730,467</b>	<b>3,061,054</b>	<b>18,297,107</b>	<b>5,209,772</b>	<b>450,435,744</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

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Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi-Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Capital Account For The Period 1 January 2021 To 31 December 2021

	+Manulife Income Series - Asia Pacific Investment Grade Bond Fund \$	&Manulife Income Series - Asian High Yield Bond Fund \$	>Manulife Income Series - SGD Income Fund \$	**Manulife Income Series - Global Fixed Income Fund \$
Value of Fund as at 1 January 2021	96,464,167	99,625,690	3,491,093	5,693,205
Amount paid (by)/to the fund for (liquidation)/ creation of units	24,228,667	(19,418,164)	194,396	(1,474,350)
Investment income	-	-	-	334,030
Distribution	(4,162,569)	(5,713,367)	(137,248)	(292,517)
Net realised gain/(loss) on sale of investments	-	-	-	-
Unrealised appreciation/(loss) in value of investment during the period	873,126	(14,571,943)	(86,547)	(460,645)
Exchange gain/(loss)	-	-	-	-
Fund (expenses)/income	(43,777)	(109,054)	(2,823)	(12,449)
Value of Fund as at 31 December 2021	117,359,614	59,813,162	3,458,871	3,787,274

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.

@Manulife Asian Small Cap Equity Fund \$	"Manulife Income Series – Global Multi-Asset Diversified Income Fund \$	***Manulife Select Balanced Fund \$	***Manulife Select Conservative Fund \$	***Manulife Select Growth Fund \$	Manulife Bridge Fund \$	Manulife Asian Income Fund \$
37,483,562	76,958,331	2,566,583	131,186	3,684,950	91,156	83,142
1,647,672	248,198	4,566,208	422,863	6,122,581	242,095	988,311
-	4,995,253	82,801	9,568	53,349	6,621	23,553
-	(5,531,300)	(230,520)	(10,875)	-	(7,117)	(25,783)
-	-	-	-	-	-	-
3,509,014	3,663,383	67,081	(4,659)	224,843	(8,412)	(21,540)
-	-	-	-	-	-	-
(16,820)	(31,551)	(41,640)	(5,760)	(50,980)	(1,154)	(1,333)
<b>42,623,428</b>	<b>80,302,314</b>	<b>7,010,513</b>	<b>542,323</b>	<b>10,034,743</b>	<b>323,189</b>	<b>1,046,350</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

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Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi-Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Capital Account For The Period 1 January 2021 To 31 December 2021

	Manulife Singapore Dividend Equity Fund \$	Manulife US Opportunities Fund \$	Manulife Income Builder Fund \$	Manulife Regional China Fund \$
Value of Fund as at 1 January 2021	596,405	6,773,602	94,057	356,807
Amount paid (by)/to the fund for (liquidation)/ creation of units	2,577,949	8,472,537	172,110	871,612
Investment income	92,688	-	13,795	-
Distribution	(103,372)	-	(7,342)	-
Net realised gain/(loss) on sale of investments	-	-	-	-
Unrealised appreciation/(loss) in value of investment during the period	(39,715)	1,626,137	(3,715)	(6,311)
Exchange gain/(loss)	-	-	-	-
Fund (expenses)/income	(2,607)	(6,340)	(584)	(1,879)
Value of Fund as at 31 December 2021	3,121,348	16,865,936	268,321	1,220,229

\* Manulife Golden Balanced Growth Fund, Manulife Golden Global Balanced Fund and the Manulife Lifestyle Portfolio Funds invest in a combination of existing Manulife Investment-Linked Policy sub-funds and Manulife Investment Management Unit Trust Funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden Asia Growth Fund, Manulife Singapore Bond Fund, Manulife Golden Asia Fund, Manulife Golden Singapore Growth Fund and Manulife Funds – Manulife Asia Pacific Investment Grade Bond Fund respectively.

# Manulife Income Series - Asian Balanced Fund launched on 18 April 2013.

@ Manulife Asian Small Cap Equity Fund launched on 23 September 2013.

+ Manulife Income Series - Asia Pacific Investment Grade Bond Fund launched on 25 February 2014.

“ Manulife Income Series - Global Multi-Asset Diversified Income Fund launched on 27 April 2015.

& Manulife Income Series - Asian High Yield Bond Fund launched on 18 April 2016.

> Manulife Income Series - SGD Income Fund launched on 24 July 2017.



Manulife Global Multi-Asset Income Fund	Manulife Dividend Advantage Fund	Manulife Income SGD Fund
\$	\$	\$
33,737	7,884,114	36,091
115,374	81,064,663	80,612
3,779	1,681,380	2,367
(3,991)	(1,872,899)	(2,374)
-	-	-
(3,402)	(2,661,784)	(4,899)
-	-	-
(592)	(32,131)	(532)
<b>144,905</b>	<b>86,063,343</b>	<b>111,265</b>

\*\* Manulife Income Series - Global Fixed Income Fund launched on 31 January 2018.

\*\*\* Manulife Select Balanced Fund launched on 12 January 2020.

\*\*\* Manulife Select Conservative Fund launched on 12 January 2020.

\*\*\* Manulife Select Growth Fund launched on 12 January 2020.

Manulife Bridge Fund launched on 5 April 2020.

Manulife Asian Income Fund launched on 5 April 2020.

Manulife Singapore Dividend Equity Fund launched on 5 April 2020.

Manulife US Opportunities Fund launched on 5 April 2020.

Manulife Income Builder Fund launched on 5 April 2020.

Manulife Regional China Fund launched on 5 April 2020.

Manulife Global Multi-Asset Income Fund launched on 5 April 2020.

Manulife Dividend Advantage Fund launched on 5 April 2020.

Manulife Income SGD Fund launched on 5 April 2020.

# Notes To The Accounts

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## 1. Significant Accounting Policies

- (a) **Basis of Accounting**  
The accounts of the Manulife Investment-Linked Policy sub-funds, expressed in Singapore dollars, are prepared under the historical cost convention except for the investments which are stated at market value.
- (b) **Cash and Cash equivalents**  
Cash and cash equivalents comprise cash deposited with financial institutions that are subject to an insignificant risk of changes in value.
- (c) **Investments**  
Unit trusts are valued at the market prices on 31 December 2021.
- (d) **Investment Income**  
Dividend income is taken up in the financial statements when it is declared payable.  
  
Interest income is recognised using the effective interest method.
- (e) **Foreign Currencies**  
Transactions arising in foreign currencies during the period are converted at rates closely approximating those ruling on the transaction dates. Foreign currencies denominated monetary assets and liabilities are translated into local currency at exchange rates ruling on the financial statement date. All exchange differences arising from conversion are included in the capital account.
- (f) **Realised Gain/(Loss) on Sale of Investments**  
Gain/(loss) on sale of investments is determined at average cost and includes realised foreign exchange gains and losses.

## 2. Units

The number of units issued as of valuation date 31 December 2021:

Manulife Golden Asia Growth Fund	59,192,860.04315
Manulife Golden Balanced Growth Fund	87,232,170.36268
Manulife Golden International Bond Fund	31,077,641.51225
Manulife Golden Regional China Fund	48,195,817.49327
Manulife Golden Singapore Growth Fund	103,091,685.09578
Manulife Golden Asia Fund	23,639,809.00274
Manulife Golden Worldwide Equity Fund	84,156,894.81686
Manulife Golden Global Balanced Fund	38,204,020.22337
Manulife Singapore Bond Fund	70,549,051.95530
Manulife European Equity Fund	10,327,118.70175

Manulife Japan Growth Fund	5,339,385.01890
Manulife India Equity Fund	45,772,062.21599
Manulife Pacific Equity Fund	31,199,462.56841
Manulife Global Emerging Markets Fund	44,803,946.57229
Manulife Lifestyle Portfolios - Aggressive Portfolio Fund	4,120,262.11407
Manulife Lifestyle Portfolios - Growth Portfolio Fund	6,011,647.30587
Manulife Lifestyle Portfolios - Moderate Portfolio Fund	32,153,587.86300
Manulife Lifestyle Portfolios - Secure Portfolio Fund	1,579,330.66888
Manulife Lifestyle Portfolios - Conservative Portfolio Fund	1,926,038.43411
Manulife Income Series - Singapore Fund	20,077,785.31055
Manulife Income Series - Strategic Income Fund	6,847,823.41482
Manulife Income Series - Asian Balanced Fund	445,075,251.59506
Manulife Income Series - Asia Pacific investment Grade Bond Fund	128,985,844.85663
Manulife Income Series - Asian High Yield Bond Fund	102,901,508.55676
Manulife Income Series- SGD Income Fund	3,968,626.20780
Manulife Income Series- Global Fixed Income Fund	5,880,515.14490
Manulife Asian Small Cap Equity Fund	30,677,076.02155
Manulife Income Series - Global Multi-Asset Diversified Income Fund	115,541,954.09899
Manulife Select Balanced Fund	6,558,134.66470
Manulife Select Conservative Fund	595,452.31440
Manulife Select Growth Fund	8,159,343.34110
Manulife Bridge Fund	301,815.11710
Manulife Asian Income Fund	1,004,049.70240
Manulife Singapore Dividend Equity Fund	2,717,980.03720
Manulife US Opportunities Fund	11,412,348.11450
Manulife Income Builder Fund	239,628.53420
Manulife Regional China Fund	972,434.02910
Manulife Global Multi-Asset Income Fund	142,024.86510
Manulife Dividend Advantage Fund	72,556,871.43360
Manulife Income SGD Fund	118,863.65360

# Notes To The Accounts

## 3. Expense Ratio

The audited expense ratio as of valuation date 31 December 2021:

Manulife Golden Asia Growth Fund	1.74%
Manulife Golden Balanced Growth Fund	1.30%
Manulife Golden International Bond Fund	0.92%
Manulife Golden Regional China Fund	1.75%
Manulife Golden Singapore Growth Fund	1.73%
Manulife Golden Asia Fund	1.57%
Manulife Golden Worldwide Equity Fund	1.71%
Manulife Golden Global Balanced Fund	1.50%
Manulife Singapore Bond Fund	0.94%
Manulife European Equity Fund	1.73%
Manulife Japan Growth Fund	1.67%
Manulife India Equity Fund	1.75%
Manulife Pacific Equity Fund	1.71%
Manulife Global Emerging Markets Fund	1.75%
Manulife Lifestyle Portfolios - Aggressive Portfolio Fund	1.63%
Manulife Lifestyle Portfolios - Growth Portfolio Fund	1.65%
Manulife Lifestyle Portfolios - Moderate Portfolio Fund	1.44%
Manulife Lifestyle Portfolios - Secure Portfolio Fund	1.40%
Manulife Lifestyle Portfolios - Conservative Portfolio Fund	0.87%
Manulife Income Series - Singapore Fund	1.66%
Manulife Income Series - Strategic Income Fund	1.41%
Manulife Income Series - Asian Balanced Fund	1.48%
Manulife Income Series - Asia Pacific investment Grade Bond Fund	0.93%
Manulife Income Series - Asian High Yield Bond Fund	1.60%
Manulife Income Series- SGD Income Fund	1.23%
Manulife Income Series- Global Fixed Income Fund	1.68%
Manulife Asian Small Cap Equity Fund	1.67%

Manulife Income Series - Global Multi-Asset Diversified Income Fund	1.77%
Manulife Select Balanced Fund	1.96%
Manulife Select Conservative Fund	3.03%
Manulife Select Growth Fund	2.39%
Manulife Bridge Fund	2.00%
Manulife Asian Income Fund	1.68%
Manulife Singapore Dividend Equity Fund	1.55%
Manulife US Opportunities Fund	1.86%
Manulife Income Builder Fund	2.39%
Manulife Regional China Fund	1.88%
Manulife Global Multi-Asset Income Fund	2.30%
Manulife Dividend Advantage Fund	1.67%
Manulife Income SGD Fund	2.07%

Expense ratio is calculated in accordance with Investment Management Association of Singapore ("IMAS") Guidelines for the Disclosure of Expense Ratios.

# Independent Auditor's Report For The Year Ended 31 December 2021

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REPORT TO THE BOARD OF DIRECTORS  
OF MANULIFE (SINGAPORE) PTE. LTD.

## Report On The Audit Of The Financial Statements

### Opinion

We have audited the accompanying financial statements of the investment-linked sub-funds ("Funds") of Manulife (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of assets and liabilities as at 31 December 2021, the Capital Account for the financial year then ended, and notes to the accounts, including a summary of significant accounting policies set out in Note 1 to the accounts.

In our opinion, the accompanying financial statements of the Funds of the Company for the financial year ended 31 December 2021, are properly drawn up in accordance with the stated accounting policies set out in Note 1 to the accounts.

### Basis For Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of the Funds section of our report. We are independent of the Company and the Funds in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for other information. The other information comprises the Message from the President and Chief Executive Officer, and fund reports included in pages 1 to 190, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the accounts, which describes the basis of accounting. The financial statements are prepared to assist the Company to comply with the requirements of the Monetary Authority of Singapore ("MAS") Notice 307 Investment-Linked Policies. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Company. Our opinion is not modified in respect of this matter.

#### Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the stated accounting policies, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Funds' financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# Independent Auditor's Report

## For The Year Ended 31 December 2021

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As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

31 March 2022



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