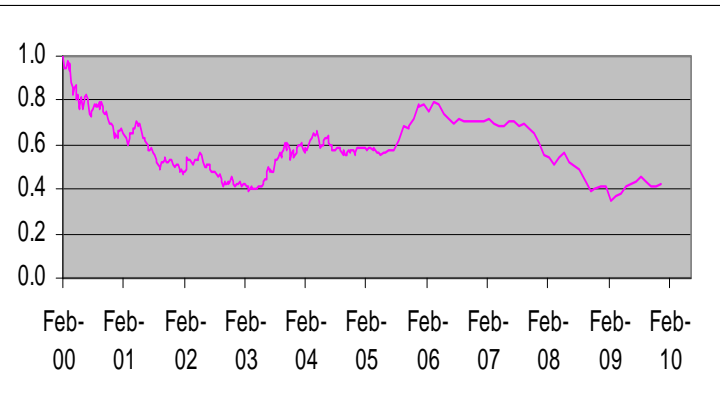


## Fund Objective

The Fund seeks to achieve medium to long term capital appreciation by investing in a diversified portfolio of equity investments listed in Japan. The Scheme may also invest in bonds, money markets and other instruments (including instruments included under the CPFIS). There is no target industry or sector. The fund invests all or substantially all its assets into DBS Japan Growth Fund.

## Fund Performance (S\$ Bid-to-Bid returns)



	Japan Growth Fund (%)	Benchmark Topix (%)
1 mth	3.78	1.34
3 mth	-2.35	-4.41
6 mth	0.47	-1.86
1 yr	3.95	0.23
3 yr	-15.42	-14.14
5 yr	-6.01	-5.66
Since Inception	-7.79	5.35

**Source: Morningstar • Performance are in SGD as at 31 Dec 09 • Performance figures for 1 mth till 1 yr show the % change, those exceeding 1 yr show the average annual compounded return.**

*DBS Asset Management was appointed the Fund Manager of the Japan Growth Fund on 3 January 2008.*

*The CPF interest rate for the Ordinary Account (OA) is based on the 12-month fixed deposit and month-end savings rates of the major local banks. Under the CPF Act, the Board pays a minimum interest of 2.5% p.a. when this interest formula yields a lower rate. From 1 Jan 08, the new interest rate for the Special, Medisave & Retirement Accounts (SMRA) will be pegged to the yield of 10-year Singapore government bond plus 1%. For 2008 and 2009, the minimum interest rate for the SMRA will be 4% p.a. After 2009, the 2.5% p.a. minimum interest rate, as prescribed by the CPF Act, will apply to SMRA. In addition, from 1 Jan 08, the CPF Board will pay an extra interest of 1% per annum on the first \$60,000 of a CPF member's combined balances, including up to \$20,000 in the OA. From 1 April 08, the first \$20,000 in the Ordinary Account will not be allowed to be invested under the CPF Investment Scheme. And from 1 May 09, the first \$30,000 in the Special Account will not be allowed to be invested under the CPF Investment Scheme.*

*Note: JH (the existing John Hancock Signature Investment Funds)*

## Key Information

Launch Date	: 22 February 2000	Launch Price	: S\$1.00
Bid Price	: *S\$0.4286	Management Fee	: 0.85% p.a. / Admin Fee: 0.80% p.a.
Offer Price	: *S\$0.4512 @ 5% sales charge (RP plans) / *S\$0.4419 @ 3% sales charge (SP plans)		
CPFIS Risk Classification:	Higher Risk – Narrowly Focused (Japan)	Dealing	: Daily
Subscription	: CPFIS – OA/SRS/Cash (w.e.f. 3 Jan 08)	Bid-Offer Spread	: 5% (RP) / 3% (SP)
Price published In	: The Straits Times, Business Times, Lianhe Zaobao, www.manulife.com.sg		
Min Investment	: S\$5000 (single premium), S\$100 (monthly premium)		
Min Top-Up	: S\$1000		

**Important Information:** This report is prepared by Manulife (Singapore) Pte Ltd and is provided for information purposes only. Past performance is not necessarily a guide to future performance.

## Asset Allocation (in %)\*

Net Asset Value = S\$2.17 million

Electrical & Electronics	15.1%
Banking	9.4%
Auto Manufacturing	8.0%
Distribution/Wholesale	6.8%
Telecommunication	5.3%
Transportation	5.1%
Others	48.0%
Cash & equivalents	2.3%

## Top Ten Holdings (in %)\*

Toyota Motor Corp	3.1%
Mitsubishi UFJ Fin Grp	2.9%
Mitsubishi Corp	2.5%
Nippon Telegraph And Telephone	2.3%
Honda Motors Co Ltd	2.2%
Mizuho Financial Group Inc	2.2%
Mitsui & Co Ltd	2.0%
Nomura Holdings Inc	1.9%
Sony Corp	1.7%
Ntt Docomo Inc	1.7%

## Fund Manager's Comments

In December 2009, the Nikkei 225 rose by 12.85% to 10,546.44, while the TOPIX advanced by 8.05% to 907.59. The first half of the month began with a sharp rally in response to further monetary easing by the Bank of Japan. The market's rapid rise continued as the yen depreciated, and the Nikkei 225 hit 10,000 on 4 January 2010 for the first time in a month. However, the market soon stumbled on news of a ratings downgrade on long-term Greek government debt and rekindled concerns over credit risks in Dubai, while yen appreciation also put off investors. Nevertheless, the market quickly rebounded as healthy economic indicators in China bolstered investor sentiment.

The Tokyo market rebounded sharply in the early part of December 2009, triggered by news of the Bank of Japan's new liquidity injection measure that came on the heels of the government's declaration of deflation, sending the impression of a coordinated effort to fight deflation. More significantly, the yen depreciated against the U.S. dollar, relieving concerns over the corporate profit outlook. Foreign investors were again the driver of the rally, with eye-popping weekly net purchases of 600 billion yen in the first week of December 2009 alone, perhaps owing to short covering or a correction of underweight positions in Japanese equities. There has therefore been a partial correction in the isolated weakness of Japanese equities, attributable to domestic institutional selling and an equity financing rush from last summer. The TOPIX rose 8.0% in yen terms during the month. Due to December's depreciation of the yen versus the dollar, the MSCI Japan Index rose only 0.8% in U.S. dollar terms over the same period, and 6.3% in all of 2009, placing it at the bottom in terms of 2009 performance among major markets.

After something of a catch-up rally in December 2009, the Tokyo market is most likely to consolidate at around 10,500 points in the short term. The sustainability of this rally will depend on whether international equity managers rebalance their equity portfolios in January 2010 by correcting their underweight positions. Since a profit-based recovery will be the key to their decisions, the decline of the U.S. dollar continues to be a major risk factor for Japanese equities.

With regard to investment strategy, we will consider accumulating oversold cyclical stocks, including those in Marine Transport and Construction, while cutting back on defensive exposures, such as Telecommunications and Railway Transport, in order to take advantage of the market's recovery going forward, as it catches up with other major markets.