# SRP Lifestyle Portfolio Investment-Linked Policy Sub-Funds

*Report and Financial Statements*

*1 January 2020 to 31 December 2020*

# Welcome Message

31 March 2021

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 best 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 Consultant.

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:

- view policy details and statements;
- perform fund switches and set price alerts; and
- update your contact information.

Register in 3 simple steps or log in to your account by visiting www.mymanulife.com.sg.

If you need any assistance, please contact your Financial Consultant or email us at 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 by 30 April 2021.

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) to conduct a background check of your Manulife Financial Consultant.

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.

# Contents

# SRP Aggressive Portfolio Fund (US$)

## Fund Facts

| | |
|---|---|
| Launch Date / Price | : 28 May 2007 / US$1.00 (Offer) |
| Unit Price* | : US$1.6078 (Bid) / US$1.6078 (Offer) |
| Net Asset Value (NAV) | : US$38,801,191.65 |
| Manager | : Manulife Investment Management (Singapore) Pte. Ltd. |
| CPFIS Risk Classification | : Not Applicable |
| Subscription | : Bank draft in USD / Cheque in SGD or USD/ TT |

*Based on NAV as at 31 December 2020

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

On 14 May 2018, the Manager was changed from Manulife (Singapore) Pte. Ltd. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

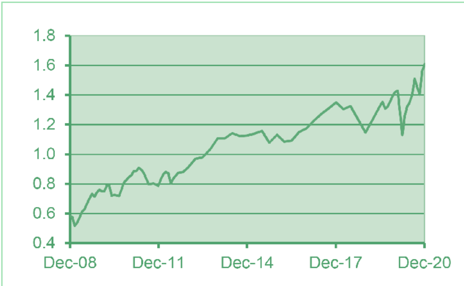
Aggressive Portfolio is a unitized fund, which is designed to provide long-term capital growth. It is designed for those who hold a long-term investment view and who are prepared to accept significant fluctuations in the value of their investments in order to achieve long-term returns.

It is intended that the investments will be made on a diversified basis. Around 80 percent of its underlying investment portfolio will consist of equities and equity-related investments, with the remainder of the assets being directly or indirectly invested in bonds, deposits and other investments. The intended target asset allocation as aforesaid is for reference only and may be changed as and when the Manager deems appropriate.

The ILP Sub-Fund intends to invest in the following allocation:

| Underlying Funds | Percentage of allocation |
|---|---|
| Manulife Global Fund - U.S. Bond Fund | 10% |
| Manulife Global Fund - U.S. Special Opportunities Fund | 10% |
| Manulife Global Fund - U.S. Equity Fund | 58% |
| Manulife Global Fund - Global REIT Fund | 2% |
| Manulife Global Fund - European Growth Fund | 13% |
| Manulife Global Fund - Japan Equity Fund | 5% |
| Manulife Global Fund - Asian Equity Fund | 2% |

## Fund Performance



| Fund Performance/ Benchmark returns | SRP Aggressive Portfolio Fund | Benchmark* |
|---|---|---|
| 3 months | +10.61% | +9.82% |
| 6 months | +19.24% | +17.81% |
| 1 year | +13.27% | +17.34% |
| 3 years | +6.00% | +12.90% |
| 5 years | +7.31% | +13.34% |
| 10 years | +6.63% | +12.05% |
| Since Inception | +3.55% | +8.45% |

*20% Barclays Capital U.S. Aggregate Bond Index + 80% S&P 500 Index

Source: Manulife Investment Management (Singapore) Pte. Ltd., total return, USD, bid-to-bid end 31 December 2020.

Average Annual Compounded Return for period above 1 year, bid-to bid with income reinvested.

## Investment and Market Review

Please refer to respective Underlying Funds (see appendix).

## Market Outlook and Investment Strategy

Please refer to respective Underlying Funds (see appendix).

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Distribution of Investments

| | Market Value (US$) | % of NAV |
|---|---|---|
| i) Country | | |
| Not Applicable | | |
| ii) Industry | | |
| Not Applicable | | |
| iii) Asset Class | | |
| Unit trusts/mutual funds | 38,801,191.65 | 100.00 |
| iv) Credit Rating | | |
| Not Applicable | | |

### B) Top 10 Holdings as at 31 December 2020 & 31 December 2019

Please refer to respective Underlying Funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective Underlying Funds (see appendix).

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

| | | |
|---|---|---|
| MGF Asian Equity | US$772,208.57 | 1.99% |
| MGF U.S. Special Opportunities | US$3,837,862.48 | 9.89% |
| MGF U.S. Equity | US$22,483,875.80 | 57.95% |
| MGF Global REIT | US$776,060.38 | 2.00% |
| MGF U.S. Bond | US$3,821,220.20 | 9.85% |
| MGF European Growth | US$5,161,271.11 | 13.30% |
| MGF Japan Equity | US$1,948,693.11 | 5.02% |

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

Please refer to respective Underlying Funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

| | |
|---|---|
| Total Subscriptions | US$57,953.42 |
| Total Redemptions | US$3,939,501.03 |

# SRP Aggressive Portfolio Fund (US$)

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

Please refer to respective Underlying Funds (see appendix).

## H) Expense Ratio

31 December 2020 : 3.73%
31 December 2019 : 3.71%

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 Underlying Funds (see appendix).

## 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.

# SRP Balanced Portfolio Fund (US$)

## Fund Facts

| | |
|---|---|
| Launch Date / Price | : 28 May 2007 / US$1.00 (Offer) |
| Unit Price* | : US$1.5730 (Bid) / US$1.5730 (Offer) |
| Net Asset Value (NAV) | : US$6,544,001.21 |
| Manager | : Manulife Investment Management (Singapore) Pte. Ltd. |
| CPFIS Risk Classification | : Not Applicable |
| Subscription | : Bank draft in USD / Cheque in SGD or USD/ TT |

*Based on NAV as at 31 December 2020

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

On 14 May 2018, the Manager was changed from Manulife (Singapore) Pte. Ltd. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

Balanced Portfolio is a unitized fund, which is designed to provide medium to long term capital growth for those who hold a long term investment view and who are prepared to accept fluctuations in the value of their investments in order to achieve long term returns.

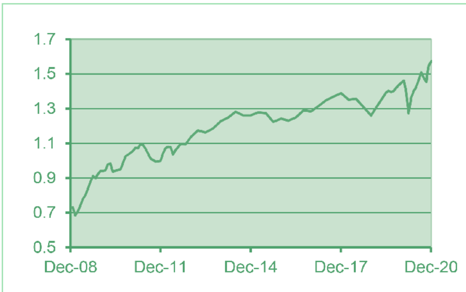
It is intended that the investments will be made on a diversified basis. Around 40 per cent of its underlying investment portfolio will consist of equities and equity-related investments, with the remainder of the assets being directly or indirectly invested in bonds, deposits and other investments. The intended target asset allocation as aforesaid is for reference only and may be changed as and when the Manager deems appropriate.

The ILP Sub-Fund intends to invest in the following allocation:

| Underlying Funds | Percentage of allocation |
|---|---|
| Manulife Global Fund - U.S. Bond Fund | 45% |
| Manulife Global Fund - U.S. Equity Fund | 24% |
| Manulife Global Fund - U.S. Special Opportunities Fund | 13% |
| Manulife Global Fund - European Growth Fund | 7% |
| Manulife Global Fund - Global REIT Fund | 5% |
| Manulife Global Fund - Japan Equity Fund | 3% |
| Manulife Global Fund - Asian Equity Fund | 1% |

The Portfolio Fund intends to allocate 2% of Portfolio holdings into cash.

## Fund Performance



# SRP Balanced Portfolio Fund (US$)

| Fund Performance/ Benchmark returns | SRP Balanced Portfolio Fund | Benchmark* |
|---|---|---|
| 3 months | +6.33% | +5.21% |
| 6 months | +10.67% | +9.37% |
| 1 year | +8.64% | +13.47% |
| 3 years | +4.24% | +9.58% |
| 5 years | +4.84% | +9.14% |
| 10 years | +4.18% | +8.10% |
| Since Inception | +3.39% | +6.78% |

*60% Barclays Capital U.S. Aggregate Bond Index + 40% S&P 500Index

Source: Manulife Investment Management (Singapore) Pte. Ltd., total return, USD, bid-to-bid end 31 December 2020.

Average Annual Compounded Return for period above 1 year, bid-to bid with income reinvested.

## Investment and Market Review

Please refer to respective Underlying Funds (see appendix).

## Market Outlook and Investment Strategy

Please refer to respective Underlying Funds (see appendix).

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

A) Distribution of Investments

| | Market Value (US$) | % of NAV |
|---|---|---|
| i) Country | | |
| Not Applicable | | |
| ii) Industry | | |
| Not Applicable | | |
| iii) Asset Class | | |
| Unit trusts/mutual funds | 6,414,486.82 | 98.02 |
| Cash | 129,514.39 | 1.98 |
| iv) Credit Rating | | |
| Not Applicable | | |

B) Top 10 Holdings as at 31 December 2020 & 31 December 2019

Please refer to respective Underlying Funds (see appendix).

C) Exposure to Derivatives

Please refer to respective Underlying Funds (see appendix).

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

| | | |
|---|---|---|
| Cash | US$129,514.39 | 1.98% |
| MGF Asian Equity | US$58,744.24 | 0.90% |
| MGF U.S. Special Opportunities | US$847,082.80 | 12.94% |
| MGF U.S. Equity | US$1,579,618.47 | 24.14% |
| MGF Global REIT | US$329,410.37 | 5.03% |
| MGF U.S. Bond | US$2,929,759.02 | 44.78% |
| MGF European Growth | US$471,464.53 | 7.20% |
| MGF Japan Equity | US$198,407.39 | 3.03% |

E) Amount and percentage of debt to NAV

Please refer to respective Underlying Funds (see appendix).

F) Total amount of Subscriptions and Redemptions

| | |
|---|---|
| Total Subscriptions | US$ - |
| Total Redemptions | US$439,256.33 |

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

Please refer to respective Underlying Funds (see appendix).

## H) Expense Ratio

31 December 2020 : 3.37%
31 December 2019 : 3.36%

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 Underlying Funds (see appendix).

## 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.

# SRP Growth Portfolio Fund (US$)

## Fund Facts

| | |
|---|---|
| Launch Date / Price | : 28 May 2007 / US$1.00 (Offer) |
| Unit Price* | : US$1.6346 (Bid) / US$1.6346 (Offer) |
| Net Asset Value (NAV) | : US$19,661,293.80 |
| Manager | : Manulife Investment Management (Singapore) Pte. Ltd. |
| CPFIS Risk Classification | : Not Applicable |
| Subscription | : Bank draft in USD / Cheque in SGD or USD |

*Based on NAV as at 31 December 2020.

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

On 14 May 2018, the Manager was changed from Manulife (Singapore) Pte. Ltd. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

Growth Portfolio is a unitized fund, which is designed to provide medium to long term capital growth for those who hold a long term investment view and who are prepared to accept considerable fluctuations in the value of their investments in order to achieve long term returns.

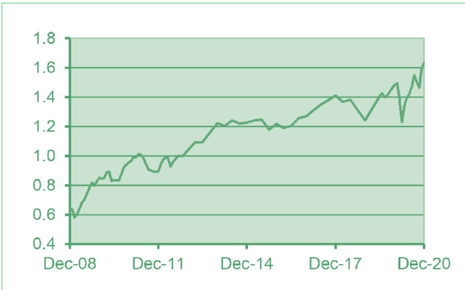
It is intended that the investments will be made on a diversified basis. Around 60 per cent of its underlying investment portfolio will consist of equities and equity-related investments, with the remainder of the assets being directly or indirectly invested in bonds, deposits and other investments. The intended target asset allocation as aforesaid is for reference only and may be changed as and when the Manager deems appropriate.

The ILP Sub-Fund intends to invest in the following allocation:

| Underlying Funds | Percentage of allocation |
|---|---|
| Manulife Global Fund - U.S. Bond Fund | 23% |
| Manulife Global Fund - U.S. Special Opportunities Fund | 16% |
| Manulife Global Fund - U.S. Equity Fund | 41% |
| Manulife Global Fund - Global REIT Fund | 7% |
| Manulife Global Fund - European Growth Fund | 8% |
| Manulife Global Fund - Japan Equity Fund | 3% |
| Manulife Global Fund - Asian Equity Fund | 1% |

The Portfolio Fund intends to allocate 1% of Portfolio holdings into cash.

## Fund Performance



| Fund Performance/ Benchmark returns | SRP Growth Portfolio Fund | Benchmark* |
|---|---|---|
| 3 months | +8.68% | +7.50% |
| 6 months | +15.06% | +13.55% |
| 1 year | +10.18% | +15.68% |
| 3 years | +5.02% | +11.36% |
| 5 years | +6.08% | +11.31% |
| 10 years | +5.50% | +10.12% |
| Since Inception | +3.68% | +7.68% |

*40% Barclays Capital U.S. Aggregate Bond Index + 60% S&P 500 Index

Source: Manulife Investment Management (Singapore) Pte. Ltd., total return, USD, bid-to-bid end 31 December 2020.

Average Annual Compounded Return for period above 1 year, bid-to bid with income reinvested.

## Investment and Market Review

Please refer to respective Underlying Funds (see appendix).

## Market Outlook and Investment Strategy

Please refer to respective Underlying Funds (see appendix).

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Distribution of Investments

| | Market Value (US$) | % of NAV |
|---|---|---|
| i) Country | | |
| Not Applicable | | |
| ii) Industry | | |
| Not Applicable | | |
| iii) Asset Class | | |
| Unit trusts/mutual funds | 19,467,309.60 | 99.01 |
| Cash | 193,984.20 | 0.99 |
| iv) Credit Rating | | |
| Not Applicable | | |

### B) Top 10 Holdings as at 31 December 2020 & 31 December 2019

Please refer to respective Underlying Funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective Underlying Funds (see appendix).

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

| | | |
|---|---|---|
| Cash | US$193,984.20 | 0.99% |
| MGF Asian Equity | US$192,695.32 | 0.98% |
| MGF U.S. Special Opportunities | US$3,123,030.99 | 15.88% |
| MGF U.S. Equity | US$8,083,362.40 | 41.11% |
| MGF Global REIT | US$1,381,430.49 | 7.03% |
| MGF U.S. Bond | US$4,479,869.09 | 22.79% |
| MGF European Growth | US$1,613,054.73 | 8.20% |
| MGF Japan Equity | US$593,866.58 | 3.02% |

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

Please refer to respective Underlying Funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

| | |
|---|---|
| Total Subscriptions | US$ - |
| Total Redemptions | US$1,986,644.08 |

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

Please refer to respective Underlying Funds (see appendix).

## H) Expense Ratio

31 December 2020 : 3.45%
31 December 2019 : 3.44%

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 Underlying Funds (see appendix).

## 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.

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# SRP Balanced Portfolio Fund (S$)

## Fund Facts

| | |
|---|---|
| Launch Date / Price | : 2 April 2008 / S$1.00 (Offer) |
| Unit Price* | : S$1.5348 (Bid) / S$1.5348 (Offer) |
| Net Asset Value (NAV) | : S$21,179,458.69 |
| Manager | : Manulife Investment Management (Singapore) Pte. Ltd. |
| CPFIS Risk Classification | : Not Applicable |
| Subscription | : Bank draft in SGD / Cheque in SGD/TT |

*Based on NAV as at 31 December 2020

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

On 14 May 2018, the Manager was changed from Manulife (Singapore) Pte. Ltd. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

Balanced Portfolio is a unitized fund, which is designed to provide medium to long term capital growth for those who hold a long term investment view and who are prepared to accept fluctuations in the value of their investments in order to achieve long term returns.

It is intended that the investments will be made on a diversified basis. Around 40 per cent of its underlying investment portfolio will consist of equities and equity-related investments, with the remainder of the assets being directly or indirectly invested in bonds, deposits and other investments. The intended target asset allocation as aforesaid is for reference only and may be changed as and when the Manager deems appropriate.

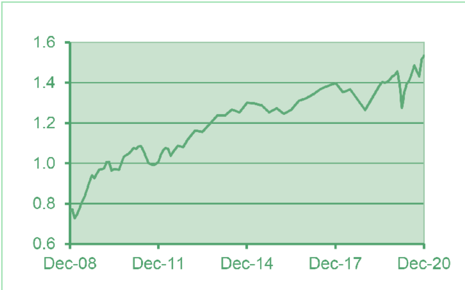
Over the long term, the Fund targets to hedge 75% of the Net Asset Value to S$ to reduce currency exchange risk. This activity is material to the fund return and volatility.

The ILP Sub-Fund intends to invest in the following allocation:

| Underlying Funds | Percentage of allocation |
|---|---|
| Manulife Global Fund - U.S. Bond Fund | 45% |
| Manulife Global Fund - U.S. Special Opportunities Fund | 13% |
| Manulife Global Fund - U.S. Equity Fund | 24% |
| Manulife Global Fund - Global REIT Fund | 5% |
| Manulife Global Fund - European Growth Fund | 7% |
| Manulife Global Fund - Japan Equity Fund | 3% |
| Manulife Global Fund - Asian Equity Fund | 1% |

The Portfolio Fund intends to allocate 2% of Portfolio holdings into cash.

## Fund Performance



| Fund Performance/ Benchmark returns | SRP Balanced Portfolio Fund | Benchmark* |
|---|---|---|
| 3 months | +5.30% | +1.86% |
| 6 months | +8.90% | +3.62% |
| 1 year | +6.78% | +11.53% |
| 3 years | +3.18% | +9.18% |
| 5 years | +3.81% | +7.60% |
| 10 years | +3.88% | +8.44% |
| Since Inception | +3.42% | +6.82% |

*60% Barclays Capital U.S. Aggregate Bond Index + 40% S&P 500 Index

Source: Manulife Investment Management (Singapore) Pte. Ltd., total return, bid-to-bid end 31 December 2020.

Average Annual Compounded Return for period above 1 year, bid-to bid with income reinvested.

## Investment and Market Review

Please refer to respective Underlying Funds (see appendix).

## Market Outlook and Investment Strategy

Please refer to respective Underlying Funds (see appendix).

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Distribution of Investments

| | Market Value (S$) | % of NAV |
|---|---|---|
| i) Country | | |
| Not Applicable | | |
| ii) Industry | | |
| Not Applicable | | |
| iii) Asset Class | | |
| Unit trusts/mutual funds | 20,760,604.06 | 98.02 |
| Cash | 418,854.63 | 1.98 |
| iv) Credit Rating | | |
| Not Applicable | | |

### B) Top 10 Holdings as at 31 December 2020 & 31 December 2019

Please refer to respective Underlying Funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective Underlying Funds (see appendix).

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

| | | |
|---|---|---|
| Cash | S$418,854.63 | 1.98% |
| MGF Asian Equity | S$276,848.90 | 1.31% |
| MGF U.S. Special Opportunities | S$2,741,732.94 | 12.95% |
| MGF U.S. Equity | S$5,112,181.87 | 24.13% |
| MGF Global Property | S$1,066,067.60 | 5.03% |
| MGF U.S. Bond | S$9,408,045.45 | 44.42% |
| MGF European Growth | S$1,517,580.54 | 7.17% |
| MGF Japan Equity | S$638,146.76 | 3.01% |

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

Please refer to respective Underlying Funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

| | |
|---|---|
| Total Subscriptions | S$237,632.73 |
| Total Redemptions | S$2,082,087.92 |

G) Amount and terms of related-party transactions
Please refer to respective Underlying Funds (see appendix).

H) Expense Ratio
31 December 2020 : 3.45%
31 December 2019 : 3.44%
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 Underlying Funds (see appendix).

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.

# SRP Growth Portfolio Fund (S$)

## Fund Facts

| | |
|---|---|
| Launch Date / Price | : 2 April 2008 / S$1.00 (Offer) |
| Unit Price* | : S$1.6365(Bid) / S$1.6365 (Offer) |
| Net Asset Value (NAV) | : S$91,338,750.97 |
| Manager | : Manulife Investment Management (Singapore) Pte. Ltd. |
| CPFIS Risk Classification | : Not Applicable |
| Subscription | : Bank draft in SGD / Cheque in SGD/TT |

*Based on NAV as at 31 December 2020

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

On 14 May 2018, the Manager was changed from Manulife (Singapore) Pte. Ltd. to Manulife Asset Management (Singapore) Pte. Ltd.

## Fund Objective

Growth Portfolio is a unitized fund, which is designed to provide medium to long term capital growth for those who hold a long term investment view and who are prepared to accept considerable fluctuations in the value of their investments in order to achieve long term returns.

It is intended that the investments will be made on a diversified basis. Around 60 per cent of its underlying investment portfolio will consist of equities and equity-related investments, with the remainder of the assets being directly or indirectly invested in bonds, deposits and other investments. The intended target asset allocation as aforesaid is for reference only and may be changed as and when the Manager deems appropriate.

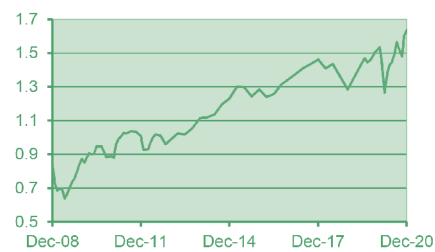
Over the long term, the Fund targets to hedge 75% of the Net Asset Value to S$ to reduce currency exchange risk. This activity is material to the fund return and volatility.

The ILP Sub-Fund intends to invest in the following allocation:

| Underlying Funds | Percentage of allocation |
|---|---|
| Manulife Global Fund - U.S. Bond Fund | 23% |
| Manulife Global Fund - U.S. Special Opportunities Fund | 16% |
| Manulife Global Fund - U.S. Equity Fund | 41% |
| Manulife Global Fund - Global REIT Fund | 7% |
| Manulife Global Fund - European Growth Fund | 8% |
| Manulife Global Fund - Japan Equity Fund | 3% |
| Manulife Global Fund - Asian Equity Fund | 1% |

The Portfolio Fund intends to allocate 1% of Portfolio holdings into cash.

## Fund Performance



# SRP Growth Portfolio Fund (S$)

| Fund Performance/ Benchmark returns | SRP Growth Portfolio Fund | Benchmark* |
|---|---|---|
| 3 months | +7.61% | +4.08% |
| 6 months | +13.18% | +7.57% |
| 1 year | +7.83% | +13.70% |
| 3 years | +3.83% | +10.95% |
| 5 years | +4.95% | +9.74% |
| 10 years | +5.13% | +10.46% |
| Since Inception | +3.94% | +8.05% |

*40% Barclays Capital U.S. Aggregate Bond Index + 60% S&P 500 Index

Source: Manulife Investment Management (Singapore) Pte. Ltd., total return, bid-to-bid end 31 December 2020.

Average Annual Compounded Return for period above 1 year, bid-to bid with income reinvested.

## Investment and Market Review

Please refer to respective Underlying Funds (see appendix).

## Market Outlook and Investment Strategy

Please refer to respective Underlying Funds (see appendix).

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Distribution of Investments

| | Market Value (S$) | % of NAV |
|---|---|---|
| i) Country | | |
| Not Applicable | | |
| ii) Industry | | |
| Not Applicable | | |
| iii) Asset Class | | |
| Unit trusts/mutual funds | 90,438,414.75 | 99.01 |
| Cash | 900,336.22 | 0.99 |
| iv) Credit Rating | | |
| Not Applicable | | |

### B) Top 10 Holdings as at 31 December 2020 & 31 December 2019

Please refer to respective Underlying Funds (see appendix).

### C) Exposure to Derivatives

Please refer to respective Underlying Funds (see appendix).

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

| | | |
|---|---|---|
| Cash | S$900,336.22 | 0.99% |
| MGF Asian Equity | S$1,056,970.89 | 1.16% |
| MGF U.S. Special Opportunities | S$14,509,431.07 | 15.89% |
| MGF U.S. Equity | S$37,551,775.03 | 41.11% |
| MGF Global REIT | S$6,417,479.66 | 7.03% |
| MGF U.S. Bond | S$20,703,362.17 | 22.66% |
| MGF European Growth | S$7,455,346.75 | 8.16% |
| MGF Japan Equity | S$2,744,049.18 | 3.00% |

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

Please refer to respective Underlying Funds (see appendix).

### F) Total amount of Subscriptions and Redemptions

| | |
|---|---|
| Total Subscriptions | S$ - |
| Total Redemptions | S$6,100,588.60 |

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

Please refer to respective Underlying Funds (see appendix).

## H) Expense Ratio

31 December 2020 : 3.53%
31 December 2019 : 3.53%

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 Underlying Funds (see appendix).

## 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.

# Appendix

- Manulife Global Fund – U.S. Bond Fund
- Manulife Global Fund – U.S. Special Opportunities Fund
- Manulife Global Fund – U.S. Equity Fund
  (Formerly known as American Growth Fund)
- Manulife Global Fund – Asian Equity Fund
- Manulife Global Fund – European Growth Fund
- Manulife Global Fund – Global REIT Fund
  (Formerly known as Manulife Global Fund – Global Property Fund)
- Manulife Global Fund – Japan Equity Fund
  (Formerly known as Manulife Global Fund – Japanese Growth Fund)

# Manulife Global Fund – U.S. Bond Fund

## Fund Objective

The primary objective of this Fund is to maximise total return from a combination of current income and capital appreciation. To pursue this objective, the Fund normally invests at least 75% of its assets in U.S. dollar denominated fixed-income securities with an intended average credit rating of A and above. Such fixed income securities may be issued by governments, agencies, supra-nationals and corporate issuers.

The Fund may invest up to 25% of its net assets in higher-yielding debt securities rated lower than investment grade (ie below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch).

## Investment and Market Review***

U.S. bonds posted solid gains in a singular and historic year underscored by the Covid-19 pandemic. The worldwide contagion of the Covid-19 virus sent shock waves through the financial markets and led to a dramatic slowdown in global economic activity. The U.S. economy contracted by an annualized rate of more than 30% in the second quarter of the year, by far the worst economic reading in history, as lockdowns and shelter-in-place policies designed to slow the spread of the virus brought the economy to halt.

The federal government responded with unprecedented monetary and fiscal stimulus to help shore up the economy and stabilize financial markets. The U.S. Federal Reserve (Fed) cut the federal funds rate to zero and reinstated quantitative easing measures to support the credit markets, while Congress approved a $2 trillion economic stimulus bill. These developments led to a flight to quality that drove U.S. Treasury bond yields down to all-time lows in most maturity segments. Consequently, U.S. Treasury securities posted the best returns in the bond market during the first half of the year, while the credit-related sectors of the market lagged due to the virus-related economic shutdown.

In the third quarter, an economic recovery emerged thanks to the extraordinary stimulus measures and a gradual easing of social-distancing restrictions. However, the massive economic rebound—the U.S. economy grew at a record-high 33% annualized rate in the third quarter—began to stall late in the year amid a resurgence of coronavirus cases. The increased spread of the virus led to renewed restrictions and lockdowns, which put downward pressure on U.S. economic activity.

On the positive side, the nationwide rollout of vaccines for the virus began in December, with initial immunization focusing on healthcare workers and the most vulnerable Americans. This development sparked optimism about a return to economic normalcy sometime in 2021, which pushed U.S. Treasury yields higher, though they were still well below levels at the beginning of the year. Corporate bonds were the biggest beneficiaries of the economic optimism, as well as increased investor demand for yield in a low interest rate environment.

For the year, every sector of the bond market posted positive returns. Investment-grade corporate bonds led the market's advance, followed by U.S. Treasury securities and high-yield corporate bonds. Residential mortgage-backed securities and asset-backed securities produced the smallest gains.

The Fund's outperformance of the Bloomberg Barclays U.S. Aggregate Bond Index in 2020 resulted primarily from sector allocation. An overweight position in investment-grade corporate bonds and an out-of-index position in high-yield corporate bonds added the most value. An underweight position in U.S. Treasury securities also aided relative results.

The Fund's duration positioning was another positive contributor to Fund performance versus the index. The Fund's duration (a measure of interest rate sensitivity) was longer than that of the index, particularly in the first half of the year when bond yields were declining sharply. This allowed the Fund to benefit more from the increase in bond prices as yields fell.

Individual security selection produced mixed results but contributed positively overall to relative performance. Security selection among investment-grade corporate bonds boosted returns, led by holdings in the financial industry. Detractors included bonds issued by airline companies, which struggled amid the pandemic-driven disruption to travel, and commercial mortgage-backed securities, which faced an uncertain environment for commercial real estate.

The Fund entered the year positioned defensively after we lowered its risk profile in 2019. This allowed us to increase the Fund's corporate bond holdings following the sharp decline in the corporate sector at the height of the pandemic. While we focused on investment-grade corporate bonds initially, we added to the Fund's high-yield corporate bond position during the latter part of the year, as this segment of the market took longer to recover. To fund the increase in the Fund's corporate bond holdings, we cut back on the Fund's holdings of residential mortgage-backed securities, which had become less attractive relative to other segments of the bond market, and U.S. Treasury bonds, which had little upside with yields at historically low levels.

## Market Outlook And Investment Strategy***

The approval and initial distribution of multiple coronavirus vaccines imbues us with a sense of optimism as we enter 2021. That said, we are still many months away from a material return to normalcy—it will take some time for a critical mass of Americans to be immunized, and in the meantime, continued Covid-19 outbreaks in many parts of the country will likely dampen economic activity. Congress approved another stimulus package in late December to help individuals and small businesses bridge the gap. We believe an extended period of low interest rates will provide a tailwind for the credit-related sectors of the bond market as investor demand for yield remains robust.

Source: Bloomberg and Manulife Investment Management as of 31 December 2020

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| United States Treasury N/B 2.750% 15/Nov/2042 | 3,703,974 | 2.73 |
| United States Treasury N/B 0.375% 30/Nov/2025 | 2,789,210 | 2.05 |
| United States Treasury N/B 0.125% 30/Nov/2022 | 2,320,272 | 1.70 |
| Freddie Mac Pool 3.000% 1/Dec/2049 | 2,261,594 | 1.67 |
| United States Treasury N/B 3.125% 15/Nov/2041 | 2,235,899 | 1.64 |
| Freddie Mac 3.000% 1/Feb/2047 | 1,939,596 | 1.42 |
| Freddie Mac Pool 3.000% 1/Jan/2050 | 1,658,496 | 1.21 |
| United States Treasury N/B 2.500% 15/Feb/2045 | 1,615,360 | 1.19 |
| Fannie Mae Pool 3.500% 1/Apr/2047 | 1,602,482 | 1.18 |
| United States Treasury N/B 2.250% 15/Aug/2049 | 1,550,372 | 1.14 |

### Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| United States Treasury Bill 1.500% 30/Nov/2024 | 7,240,090 | 5.08 |
| United States Treasury N/B 2.250% 15/Aug/2049 | 5,907,914 | 4.15 |
| United States Treasury N/B 1.750% 15/Nov/2029 | 5,472,342 | 3.84 |
| United States Treasury N/B 3.000% 15/Feb/2047 | 3,325,124 | 2.33 |
| Freddie Mac 3.000% 1/Dec/2049 | 2,842,039 | 1.99 |
| United States Treasury N/B 2.750% 15/Nov/2042 | 2,389,236 | 1.68 |
| Freddie Mac 3.000% 1/Feb/2047 | 2,234,588 | 1.57 |
| Fannie Mae 3.000% 1/Sep/2049 | 1,908,731 | 1.33 |
| Fannie Mae Pool 3.500% 1/Apr/2047 | 1,809,534 | 1.27 |
| Fannie Mae 3.500% 1/Apr/2045 | 1,763,661 | 1.24 |

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

# Manulife Global Fund – U.S. Bond Fund

## B) 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

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

Not Applicable

## D) Amount and percentage of debt to NAV

Not Applicable

## E) Total amount of Subscriptions and Redemptions

Not Applicable

## F) 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.

## G) Expense Ratio***

31 December 2020 : 1.47%
31 December 2019 : 1.47%

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.

## H) Turnover Ratio***

31 December 2020 : 157.50%
31 December 2019 : 174.79%

## I) Any material information that shall adversely impact the valuation of the Fund

Not Applicable

## J) Soft dollar commissions/ arrangements

Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – U.S. Special Opportunities Fund

## Fund Objective

The Fund, has as its primary objective, the maximization of total returns from a combination of current income and capital appreciation. To pursue this objective, the Fund will invest at least 70% of its net assets and up to 100% of its net assets in US and non-US fixed income securities rated BB+ by Standard & Poor's or Fitch or Ba1 by Moody's or lower (ie below investment grade) and their unrated equivalents. Such fixed income securities may be issued by governments, agencies, supranationals and corporate issuers. The Fund will invest at least 70% of its net assets in issuers located in the United States.

## Investment and Market Review***

U.S. bonds posted solid gains in a singular and historic year underscored by the Covid-19 pandemic. Lockdowns and shelter-in-place policies designed to slow the spread of the virus led to a severe U.S. economic downturn in the first half of the year. The federal government responded with unprecedented monetary and fiscal stimulus to help shore up the economy and stabilize financial markets. A gradual easing of social-distancing restrictions in the third quarter led to an emergent economic recovery, but the rebound stalled in the fourth quarter amid a resurgence of coronavirus cases and renewed lockdowns. However, the year ended on a positive note as the nationwide rollout of vaccines for the virus began in December.

In the bond market, a pandemic-driven flight to quality pushed U.S. Treasury bond yields down to all-time lows by mid-year. Consequently, U.S. Treasury bonds were the best performers in the bond market during the first half of the year. Corporate bonds led the market's advance in the last six months amid optimism about a return to economic normalcy sometime in 2021. In particular, high-yield corporate bonds posted double-digit gains in the last half of the year.

Relative to the benchmark the portfolio benefitted from overweight industry allocations to airlines, banking, and wireless names as well as from an underweight to transportation services names. Name and issue selection within our oil field services and financials industry allocations was also positive.

Our overweight cash position was the largest detractor while underweight exposure to the independent energy and automotive industries also weighed on performance. Name and issue selection within our leisure and airline industry allocations also detracted from performance as did our slightly shorter duration profile in the US as rates moved sharply lower over the period.

## Market Outlook And Investment Strategy***

Corporate fundamentals have improved significantly since the US economy shut down in 1Q2020. Defensive business models continue to hold up relatively well while select cyclicals are staging a major rebound despite fundamentals that remain challenging. The high yield market, like US equities, is looking past the Covid-19 weakness and is optimistic about a return to normalcy with a vaccine. Global stimulus has succeeded in dampening the economic pain and we expect stimulus to remain a focus. We have been closely monitoring direct and indirect impacts of Covid-19 to high yield issuers and added exposure to many with ample liquidity as we believe they remain attractive.

Markets remain sensitive to a host of factors including Covid-19, massive government stimulus, extremely low rates globally and record-high equities. While uncertainty is high, we remain optimistic given strong pre-Covid-19 consumer balance sheets and elevated savings since Covid-19 largely shut down the economy in March 2020. Direct-to-consumer stimulus was finalized in late December but uncertainty regarding a Biden White House remains high, especially with the upcoming Georgia elections that could tilt the Senate to Democrats.

We believe that mandate flexibility allowing securities across the broader credit universe, including within capital structures and throughout the credit quality spectrum, is important when seeking to maximize risk-adjusted returns. Avoiding deteriorating credit remains a crucial component of portfolio construction and a key feature of our credit selection process.

High-yield markets continue to reprice credit risk and we believe the outlook remains balanced. High-yield returns were strong in the fourth quarter given vaccine optimism. While yields remain low on an absolute basis, we believe investors are being compensated for credit risks and high yield remains one of the last avenues for meaningful yield. We expect defaults to decline going forward given manageable maturity schedules, oil above $40/barrel and

# Manulife Global Fund
# – U.S. Special Opportunities Fund

reasonably easy access to financing. Our fundamental analysis and stress testing give us confidence in our ability to navigate these challenges.

Our positioning remains balanced overall. We retain a meaningful allocation to investment-grade credit which gives us upside to spread tightening. We also continue to fine-tune exposure to select Covid-19 sensitive issuers that stand to benefit from an economic recovery.

Source: Bloomberg and Manulife Investment Management as of 31 December 2020

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| GMAC Capital Trust I | 656,690 | 1.51 |
| Wyndham Destinations Inc. 6.350% 1/Oct/2025 | 631,322 | 1.44 |
| Credit Agricole FRN Perp. | 617,150 | 1.41 |
| AerCap Ireland Capital DAC 6.500% 15/Jul/2025 | 599,080 | 1.37 |
| T-Mobile USA Inc. 6.500% 15/Jan/2026 | 580,392 | 1.33 |
| DCP Midstream Operating LP 5.375% 15/Jul/2025 | 572,303 | 1.32 |
| DISH DBS Corp. 5.875% 15/Jul/2022 | 575,056 | 1.31 |
| Netflix Inc. 5.875% 15/Nov/2028 | 539,349 | 1.23 |
| Sprint Capital Corp. 6.875% 15/Nov/2028 | 527,649 | 1.21 |
| Meredith Corp. 6.875% 1/Feb/2026 | 491,264 | 1.12 |

### Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| CCO Holdings LLC 5.125% 15/Feb/2023 | 659,425 | 1.49 |
| CSI Compressco LP 7.250% 15/Aug/2022 | 653,400 | 1.48 |
| GMAC Capital Trust I | 638,776 | 1.44 |
| Wyndham Destinations Inc. 6.350% 1/Oct/2025 | 620,268 | 1.41 |
| Credit Agricole FRN Perp. | 617,235 | 1.40 |
| Sprint Communications Inc. 6.000% 15/Nov/2022 | 563,583 | 1.27 |
| GCI LLC 6.875% 15/Apr/2025 | 540,428 | 1.23 |
| Sirius XM Radio Inc. 5.375% 15/Apr/2025 | 518,422 | 1.18 |
| Nova Chemicals Corp. 5.250% 1/Aug/2023 | 510,078 | 1.16 |
| Netflix Inc. 5.875% 15/Nov/2028 | 499,689 | 1.14 |

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

### B) 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

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

Not Applicable

## D) Amount and percentage of debt to NAV

Not Applicable

## E) Total amount of Subscriptions and Redemptions

Not Applicable

## F) 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 Managers may be members of the Manulife Group. The transactions with Manulife Group are the management fee charged by the Distributor.

## G) Expense Ratio***

31 December 2020 : 1.52%
31 December 2019 : 1.56%

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.

## H) Turnover Ratio***

31 December 2020 : 28.90%
31 December 2019 : 25.10%

## I) Any material information that shall adversely impact the valuation of the Fund

Not Applicable

## J) Soft dollar commissions/ arrangements

Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – U.S. Equity Fund
## (Formerly known as American Growth Fund)

### Fund Objective

The Fund aims to achieve capital growth by investing at least 70% of its net assets in a portfolio of equity and equity related securities of North American equities, with the main emphasis on the US. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts. The Fund will invest at least 70% of its net assets in securities of a carefully selected list of large capitalization companies. The Fund may also invest its remaining assets in smaller and medium-sized quoted companies.

### Investment And Market Review***

Despite a dismal first quarter, U.S. stocks surprised investors with a banner year in 2020. Equities sank in February and March as the coronavirus (Covid-19) outbreak in China spread to Europe and North America, officially reaching pandemic status. Countries worldwide shut down their economies to prevent the infection from spreading, raising recession fears, and ending the longest recorded economic cycle in U.S. history. Unemployment rose quickly as many workers were furloughed and required to stay home. However, massive federal government stimulus, subsequent plans by many states to begin reopening their economies, slowing Covid-19 infection rates and signs of progress developing a vaccine and new treatments triggered a sharp equity market rebound in the second quarter. These tailwinds outweighed concerns over a potential second wave of infections and the pace of the economic recovery.

Stocks continued to climb in the last six months of the year, rising ahead of news in the fourth quarter that two vaccines had shown over 90% efficacy in trials, gained emergency use authorization from U.S. federal government regulators, and would begin delivery to targeted populations before year end. In addition, uncertainty subsided after the November presidential election and the passage of a new stimulus measure late in the year. Throughout this period, business and economic fundamentals improved, supporting investor sentiment. Stocks rallied despite rising infection rates and hospitalizations in Europe and the U.S. at period end.

Within the broad-based Standard's & Poor's 500 Index, the biggest beneficiaries of this backdrop were Information Technology stocks, many of which provided cloud-computing and productivity-enhancing solutions that enabled people to work remotely. In addition, the Consumer Discretionary and Communication Services sectors stood out, delivering products and services – such as e-commerce shopping and social networking – that helped people navigate the lockdowns. Conversely, the Energy sector posted a steep decline for the year, as Covid-19 concerns brought travel to a near halt, pressuring demand for oil and pricing. The Financials sector also was a weak performer for much of the period, hurt by low interest rates, lackluster economic growth and credit risk fears. Late in the period, financials stocks began to recover as optimism around the cycle improved. More defensive, dividend-paying sectors, such as Utilities and Real Estate, were laggards over the course of the full year.

Security selection and an overweight in the strong-performing Consumer Discretionary sector drove much of the Fund's outperformance this period. Stock picks and a timely reweighting in the Health Care sector, security selection in the Energy sector and a lack of exposure to the Utilities sector also aided the Fund's relative result. Top individual contributors included an e-commerce giant and a leading homebuilder, both in the Consumer Discretionary sector. The former company's shares soared, thanks to its highly profitable cloud-computing business, leadership position in e-commerce and growing online grocery business. Each of these services was in especially high demand after the Covid-19 outbreak, helping the company to grow its customer base at an accelerated rate. The homebuilder's stock benefited from strong U.S. housing demand, fuelled by rising household formation and more consumers moving out of urban areas into the suburbs to seek more space during the pandemic. Continued low interest rates also made mortgage rates more affordable, further bolstering demand, which exceeded supply. The e-commerce giant was the Fund's top holding at year end, and both stocks were sizable overweights.

In the Information Technology sector, standouts included a consumer electronics leader and cloud-based software company. Shares of the consumer electronics company gained from strong sales and increased demand for its core products, ancillary services, and wearables, all of which help facilitate the mobility that became even more essential during the pandemic as many workers tried to do their jobs from home. Anticipation and the successful launch of a 5G-enabled phone later in the year, plus expectations that the company would expand its footprint in automotive end markets, also helped. A non-index position in a cloud-based software company that specializes in financial and human capital management also posted a steep gain, as more companies shifted to the cloud. Elsewhere, an overweight in a diversified financial company with a large wealth management franchise stood out. Its stock benefited from strong capital markets, a rising equity market that helped bolster assets under management, news that the company would acquire an asset management company and improving prospects for share buybacks in 2021. Lastly, an overweight in a social networking company rewarded investors, as the pandemic helped drive more usage and a growing user base as well as more interest in digital advertising.

Conversely, a sizable overweight in the Financials sector, small cash position and security selection in the Communication Services and Consumer Staples sectors hindered relative performance. The biggest individual detractors were notable overweights in two large diversified financials companies that declined due to continued low interest rates, weak economic growth, credit risk concerns, and an overhang around regulatory stress tests for much of the past year. One company also was weighed down by an upcoming CEO transition and additional expenses related to the necessity of investing more in compliance and risk infrastructure. The outlooks for both companies brightened late in the period as improved vaccine prospects bolstered expectations for economic growth in 2021 and stress tests paved the way for more flexible capital return in 2021. In the Communication Services sector, an overweight position in a broadcasting company slid amid declining viewership for sports programming as Covid-19 disrupted entire seasons. The shift to on-demand programming instead of live content also hurt. Another disappointment was a non-Index position in a Belgium-based global brewer, which was pressured by weak on-premises sales during the pandemic. Elsewhere, a non-Index stake in a liquefied natural gas (LNG) company detracted, weighed down by the pullback in energy prices. However, this stock held up much better than many of its energy peers, as investors rewarded the company for delivering on its 2020 revenue and earnings guidance despite end-market turbulence.

## Market Outlook And Investment Strategy***

We believe there are multiple reasons for encouragement. We think the U.S. is the early stage of a new economic cycle, which we expect will be fuelled by the recent approval and delivery of vaccines that can help us return to more normal activity levels. Although infection rates have surged again, especially in the wake of fourth-quarter holiday celebrations, improved testing and treatments for people who contract Covid-19 have helped reduce mortality rates. In addition, Congress and the President authorized additional stimulus late in the year, which should help bridge the gap until an economic recovery is underway in the U.S. and globally. Expectations are that we will see a period of increased global cooperation and trade as we embark on the next economic cycle. We are further encouraged because the U.S. electoral uncertainty is behind us, with expectations that the new Biden administration will be more willing to spend to bolster economic growth. Lastly, we believe pent-up consumer demand bodes well for future growth.

Given this backdrop, we remain optimistic about prospects for the U.S. stock market in 2021, while acknowledging that there are potential risks that could create further market uncertainty and volatility. Chief among these risks is the pace of the economic recovery. The Fund remains positioned for steadily improving economic growth and normalizing consumption trends. Going forward, we plan to capitalize on market volatility when it creates attractive valuation opportunities in competitively advantaged businesses with compelling long-term cash flow growth prospects. In addition, valuation dispersions within sectors remain very wide at period end, which bodes well for disciplined and active stock pickers.

On December 31, 2020, the Fund had a higher stake — although a continued sizable underweight — in the Information Technology sector, compared with a year earlier. We also boosted our weight in the Communication Services sector this past year, while trimming exposure to the Consumer Staples and Financials sectors and reducing cash. The Fund ended the year with continued overweights in the Communication Services, Financials and Consumer Discretionary sectors.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2020

# Manulife Global Fund – U.S. Equity Fund
## (Formerly known as American Growth Fund)

### Schedule of Investments as at 31 December 2020

(unless otherwise stated)

A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Amazon.com Inc. | 27,591,696 | 8.05 |
| Apple Inc. | 23,770,158 | 6.93 |
| Facebook Inc. | 19,831,794 | 5.79 |
| Alphabet Inc. | 16,516,373 | 4.82 |
| Lennar Corp. | 14,607,889 | 4.26 |
| Cheniere Energy Inc. | 14,599,689 | 4.26 |
| Morgan Stanley | 14,013,374 | 4.10 |
| Workday Inc. | 13,744,324 | 4.01 |
| Anheuser-Busch InBev SA/ NV - ADR | 12,042,310 | 3.51 |
| JPMorgan Chase & Company | 11,111,955 | 3.24 |

Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Amazon.com Inc. | 25,192,390 | 7.88 |
| Apple Inc. | 18,587,530 | 5.81 |
| Bank of America Corp. | 15,424,586 | 4.83 |
| Facebook Inc. | 14,453,324 | 4.52 |
| Alphabet Inc. | 13,841,243 | 4.33 |
| Microsoft Corp. | 13,033,436 | 4.07 |
| Citigroup Inc. | 11,663,050 | 3.65 |
| Morgan Stanley | 11,534,690 | 3.61 |
| Lennar Corp. | 10,399,650 | 3.25 |
| Cheniere Energy Inc. | 9,500,876 | 2.97 |

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

B) 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

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

Not Applicable

D) Amount and percentage of debt to NAV

Not Applicable

E) Total amount of Subscriptions and Redemptions

Not Applicable

F) 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.

G) Expense Ratio***

31 December 2020 : 1.70%
31 December 2019 : 1.67%

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.

H) Turnover Ratio***
31 December 2020 : 32.29%
31 December 2019 : 28.50%

I) Any material information that shall adversely impact the valuation of the Fund
Not Applicable

J) Soft dollar commissions/ arrangements
Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – Asian Equity Fund

## Fund Objective

The Fund aims to achieve capital growth by investing at least 70% of its net assets in a diversified portfolio of equity and equity related securities of companies listed on stock markets throughout Asia including those in Australia, Hong Kong, Indonesia, Malaysia, New Zealand, the People's Republic of China, the Philippines, Singapore, South Korea, Taiwan, and Thailand, but not any of the stock exchanges in Japan. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts.

## Investment And Market Review***

The year in Asia ex Japan equities can be described as pre and post-Covid-19, the volatility that immediately followed, the fiscal and monetary stimulus from governments and central banks, and the subsequent expectations of a global economic rebound in 2021. Asia ex Japan equity markets moved significantly lower in the first quarter due to the global spread of Covid-19 and investors' flight to safety. In January, some regional equity markets posted losses as the Chinese government ordered a lockdown of Hubei province to stem the spread of Covid-19. In February, markets negatively reacted as the virus turned into a global pandemic, spreading to Asia, the Middle East, Europe, and the United States. Governments responded by locking down cities and quarantining entire regions, stopping economic activity and raising economic uncertainty. In March, amplified volatility resulted in steep losses as the specter of closed economies and a price war between Russia and Saudi Arabia over crude oil supply further roiled markets.

The second quarter was characterised by Asia ex Japan equity market gains on the back of global risk-on sentiment and unprecedented fiscal and monetary stimulus. In April, global and regional markets moved higher as central banks and governments across the globe introduced stimulus to combat the loss in economic activity due to Covid-19. Sino-US tensions rose in May as the US government passed and US Congress examined measures to limit financial and economic ties with China. However, the two sides met in Hawaii in June for the first time since January, reaffirming their joint commitment to the first-phase trade deal.

Asia ex-Japan equity markets continued its move higher in the third quarter due to a raft of better-than-expected technology third quarter earnings in the US and Europe, as well as dovish monetary policy and robust fiscal stimulus. In late August, the US Federal Reserve Board introduced a new policy framework that empowers the central bank to allow inflation above the current 2% target for a sustained period before increasing interest rates, which markets broadly interpreted as a signal of "lower for longer" interest rates that fueled bullish sentiment. In September, many Asian markets followed developed markets lower on a cocktail of worries: rising US-China tensions, a potential contested US presidential election in November, and stalled fiscal stimulus in key markets.

Asia ex Japan equity markets closed the year on a high note and posted strong gains for the last quarter. In October, global markets seesawed on the back of optimism over a potential "blue wave" (Democratic President and Congress) in the US presidential election, potentially unlocking stimulus and a weaker US dollar, and a pronounced spike in Covid-19 cases in the US and Europe. The US presidential election took centre stage in November with the election of Joe Biden and a split US Congress pending run-off elections in January. The result triggered risk-on sentiment that spurred capital inflows to emerging markets and Asia, with many lagging ASEAN markets posting banner months. In December, markets rose on the back of numerous positive catalysts such as the beginning of the Covid-19 vaccination rollout in many countries, the US Congress passing a US$900 billion stimulus bill, and the United Kingdom reaching a last-minute Brexit deal with the EU. Overall, a positive macro backdrop, coupled with a weaker US dollar, led to all Asian currencies strengthening against the greenback and all regional equity markets posting gains for the quarter.

During the year, the Fund performed positively on the back of stock selection at the country and sector level and asset allocation decisions at sector level. Asset allocation decisions at the country level partially offset the outperformance. Stock selection in Taiwan, South Korea, Hong Kong, Malaysia and India were the primary drivers of outperformance. The overweight to Australia and Taiwan and the underweight to Thailand and India also contributed positively. Detracting from performance was the underweight to China and the overweight to Indonesia and stock selection in Thailand and Indonesia.

Contributing positively was a South Korean electric vehicle (EV) battery manufacturer and energy storage solutions provider as the growth potential remains intact despite Covid-19. In fact, the outbreak is accelerating the transition to EVs and renewable energy. The company benefited from a tight battery supply amid over demand recovery and new battery technology ramp.

Also contributing was a Taiwanese electronic component maker as it reported stronger than expected second quarter results and guided positively about gross profit margins due to strong momentum in PCs and tablets in addition to continued product demand amidst growing data traffic and higher transmissions speeds.

The Fund's holdings in Indonesia negatively impacted performance during the year as the impact from Covid-19 was relatively greater in the Southeast Asia nation than other parts of Asia. Given the government response to mitigate the impact of the pandemic, we felt that the growth prospects and outlook, at that time, had changed and subsequently took down our Indonesia exposure. An Indonesia real estate developer that was sold down on concerns around slower presales and a weaker Indonesian rupiah and an Indonesian bank, sold-off with the sector on expectations of lower loan growth and anticipation of higher credit costs from the impact of Covid-19.

## Market Outlook And Investment Strategy***

During the onset of the Covid-19 outbreak, Asia ex-Japan economies managed to avert a severe shock to the system thanks to the swift fiscal response from governments. Looking ahead, consensus estimates that Asia ex-Japan economies will grow at a rate of 6.3% year-over-year in 2021. Overall, we expect the economic recovery in the region to be gradual and uneven. The economic stress felt in 2020 may have to work its way through 2021 and we expect to see a deterioration of loan asset quality along the way, particularly in sectors with prolonged earnings weakness. Instead of applying a broad-brush optimism over a swift recovery, we would rather focus on the key structural trends that would gather interest in 2021.

In the 14th Five Year Plan, one of the principles that would guide China's next phase of development is the "dual circulation" strategy in which the government aims to boost tech innovation and push Chinese firms up the global value chain, globalising China's home-grown companies, boosting household incomes, and in turn, stimulating domestic demand. We expect the will to support domestic consumption should continue to support earnings growth of consumer companies.

South Korea is one of the markets in Asia with the biggest exposure to cyclical sectors, i.e., automobiles, chemicals and petrochemicals, construction and shipbuilding. As global economies recover from Covid-19, the cyclical recovery can be played through South Korea. Taiwan's technology supply chain is expected to continue to play an important role in supporting technology innovations in China and the US.

On 15 November, China and 14 other countries signed the Regional Comprehensive Economic Partnership (RCEP), which accounts for 30% of the world population and 30% of global gross domestic product making it the world's largest trading region. The RCEP is a key milestone for Southeast Asian countries to advance as a global manufacturing hub.

In India, the Fund is positioned for a recovery in domestic consumption (private vehicles) and a recovery in banks' earnings as credit costs turned out to be much lower than initially expected.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2020

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Samsung Electronics Company Limited | 15,083,527 | 9.75 |
| Taiwan Semiconductor Manufacturing Company Limited | 12,958,675 | 8.36 |
| Tencent Holdings Limited | 11,230,740 | 7.25 |
| Alibaba Group Holding Limited | 10,251,502 | 6.62 |
| Ping An Insurance Group Company of China Limited | 4,208,549 | 2.71 |
| NARI Technology Company Limited | 3,964,071 | 2.56 |
| Minth Group Limited | 3,945,544 | 2.55 |
| New Oriental Education & Technology Group Inc. - ADR | 3,956,668 | 2.55 |
| NetEase Inc. | 3,481,625 | 2.24 |
| Will Semiconductor Limited | 3,181,738 | 2.05 |

# Manulife Global Fund – Asian Equity Fund

### Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Alibaba Group Holding Limited | 11,100,400 | 8.61 |
| Samsung Electronics Company Limited | 10,464,614 | 8.13 |
| Taiwan Semiconductor Manufacturing Company Limited | 10,003,897 | 7.76 |
| Tencent Holdings Limited | 9,217,479 | 7.15 |
| Ping An Insurance Group Company of China Limited | 4,080,418 | 3.16 |
| ICICI Bank Limited | 3,339,987 | 2.59 |
| Largan Precision Company Limited | 3,002,310 | 2.33 |
| Bank Mandiri Tbk Pt | 2,923,145 | 2.27 |
| Hyundai Mobis | 2,780,608 | 2.16 |
| Hangzhou Hikvision Digital Technology Company Limited - A*** | 2,767,097 | 2.14 |

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

### B) 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

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

Not Applicable

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

Not Applicable

### E) Total amount of Subscriptions and Redemptions

Not Applicable

### F) 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.

### G) Expense Ratio***

31 December 2020 : 1.75%
31 December 2019 : 1.77%

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.

### H) Turnover Ratio***

31 December 2020 : 80.44%
31 December 2019 : 67.44%

### I) Any material information that shall adversely impact the valuation of the Fund

Not Applicable

### J) Soft dollar commissions/ arrangements

Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – European Growth Fund

## Fund Objective

The Fund aims to achieve capital growth from investing at least 70% of its net assets in a diversified portfolio of equity and equity related securities in large capitalisation companies quoted on stock markets in Europe (including in the United Kingdom), or companies that have substantial business interests in Europe. The main emphasis of the investment strategy of the Fund is on the assessment and selection of individual stocks within the European markets.

## Investment And Market Review***

The Morgan Stanley Capital International (MSCI) Europe Index fell more than 5% in 2020 in euro terms, despite rebounding sharply from the first-quarter losses triggered by nationwide coronavirus lockdowns. However, in US dollar terms, it rose almost 6% as the weaker dollar enhanced gains for US dollar investors.

European shares declined in January, after touching record highs, as the rapidly spreading coronavirus respiratory disease became a global health emergency and raised fears of a hit to economic growth. After a brief rebound, equities weakened again in February on concerns that the worsening coronavirus outbreak would trigger a global recession. They recorded their worst week since 2008 at the end of the month. The imposition of strict nationwide lockdowns in Europe triggered a steep correction in extremely volatile trading in March. Waves of economic stimulus measures in Europe and the US then calmed markets and spurred bargain hunting, sparking a rebound.

In April, easing lockdown restrictions in major European countries and aggressive stimulus measures in the US propelled shares higher. May started weak due to a fresh spat between the US and China, and a collapse of business activity sowed doubts about a quick recovery. Then, positive comments on a recovery from the US Federal Reserve Board (Fed) and the statement that there were “no limits” to what the Fed could do to support the economy reversed the losses. Stocks were also buoyed by the announcement of a 750-billion-euro recovery fund by the European Commission and the promise of a large stimulus programme in Germany.The gradual and relatively successful reopening of economies, improving economic data, doses of fresh stimulus from the European Central Bank (ECB), and rising hopes of an EU agreement on a recovery fund drove equities higher in June.

In July, shares suffered their first monthly drop since the March correction, amid increasing concerns about a resurgence of the coronavirus after lockdowns were eased and escalating US-China tensions. The hit to economic growth from the coronavirus was also worse than expected, with economies suffering precipitous declines in growth. The ECB continued to pledge more support if required, which helped to reassure investors. Equities ended the third quarter lower on concerns that a second wave of coronavirus infections could derail a nascent economic recovery. Signs that the next round of US fiscal stimulus could be delayed until after the election also weighed on sentiment.

In October, European shares tumbled the most since March, as investors worried that renewed lockdowns aiming to contain the coronavirus could push the eurozone economy into a double-dip recession. Political uncertainty in the US also weighed on sentiment. However, markets rallied in November on encouraging announcements related to the development of potential vaccines fueled optimism of an economic recovery, while Democratic candidate Joe Biden’s victory in the US presidential election reduced political uncertainty. In December, shares continued to rise, lifted by a post-Brexit trade deal at the end of the year, but the emergence of a new variant of the coronavirus curbed gains.

Over the year, eight of the 11 sectors in the index rose in US dollar terms, led by information technology (IT) and utilities, which posted stellar gains. Materials, consumer discretionary, and industrials and business services also climbed. Communication services and real estate weakened. Energy fell sharply.

Our overweight and stock selection within consumer discretionary were the largest contributors. Financials and industrials and business services were also top-performing sectors due our overweight exposures and stock picking. Our choice of securities in communication services was also strong. On the other hand, IT was the only sector that detracted from performance, due to an underweight allocation.

In consumer discretionary, a company which owns Europe’s largest online fashion retail platform, was the portfolio’s biggest relative and absolute contributor by far. A global maker of products for home and business comforts, and a Sweden-based company that makes outdoor power and consumer watering products, cutting equipment, and diamond tools for the construction and stone industries, also made strong positive contributions. The fashion retail platform rebounded to record levels from the March correction, as quarterly results showed strong revenue growth and gross merchandise value numbers, helped by an accelerated shift to online shopping during the country lockdowns.

Stock selection and a modest overweight allocation boosted performance in financials. The main positive effect stemmed from not holding Europe's biggest bank, which has struggled to recover from the market downturn in March and continues to be caught in the crossfire between the US and China. Among our holdings, a global insurer based in Switzerland, delivered the best return. The company delivered solid quarterly results as it continued to successfully implement a turnaround and benefited in the strong rotation into financials in November after positive vaccine developments fueled hopes of an economic recovery.

The industrials and business services sector recovered strongly from the March correction as markets looked past lockdowns to an economic recovery in 2021. Our top-performing investments were a leading Italy-based cable manufacturer; a leading specialist in engineering joining technology; a leading France-based global specialist in energy management and automation; and a leading provider of products, solutions, and services to the global mining and infrastructure markets. The cable manufacturer, which garnered favour as a beneficiary of the transition to "green energy" during the year, also delivered strong quarterly results and raised earnings guidance from 2020.

In communication services, a Spanish company engaged in the wireless transmissions business, and an off-benchmark Germany-based online classified advertising firm made the strongest contributions to relative performance. The wireless transmissions company's shares reached a record level in November, boosted by strong quarterly results and the acquisition of large tower portfolios that transformed the size and earnings potential of the company. The online classified advertising firm surged on the sale of Europe's largest online market for autos at a premium price and the start of a sizable share buyback. Resilient quarterly results that beat expectations and the reinstatement of 2020 guidance helped push shares to a record level in August.

On the negative side, IT was a drag on returns largely because of one of the largest relative and absolute detractors in the portfolio – the fourth-largest enterprise software vendor in the world, which unexpectedly changed its medium-term goals, indicating that the transition to a cloud-based delivery of services would be more disruptive to revenues and earnings than previously thought. We sold our holding as a result of the broken thesis.

Germany, the UK, and Italy were the top-performing countries, all mainly due to our stock picking. An overweight allocation to the UK was also beneficial. In contrast, stock selection in France and an underweight allocation to Denmark were the main drags on performance.

<u>Positioning</u>
Tobias Mueller, the manager of the European Select Strategy, joined Dean Tenerelli as co-portfolio manager of the Europe Equity and Europe ex-UK Equity Strategies on 1 July, 2020, and succeeded him as sole portfolio manager on 1 October, 2020.

- Since the beginning of July, we added 32 new names as we repositioned the Fund, namely seeking quality businesses that benefit from change where the team has an insight on the key drivers for the stock.

- We sold 30 names, which can also be separated into two categories: those that are not compliant with our focus, such as not being attractive from an environmental, social, and governance perspective or being on the wrong side of change in other ways, and those where the thesis played out, or in which we had no insight.

- During the fourth quarter, we increased the portfolio's cyclical exposure and added to existing positions that are likely to benefit from the reopening and normalisation of economies and where the valuation opportunity is still attractive.

- The activity has resulted in a greater exposure to the IT and consumer discretionary sectors. There has been a corresponding reduction in sectors that we believe face structural challenges over the medium-term, most notably energy.

- In relative terms, industrials and business services, consumer discretionary, and materials are the largest allocations; consumer staples, energy, and utilities are the smallest.

<u>Industrials and Business Services Largest Exposure</u>
We raised our overweight in industrials and business services, the portfolio's largest exposure. We added a global provider of credit information at an attractive valuation; a global industrial company operating in the power and gas, digital factory, and process industries and

in renewables markets; a global leader in security lock products and solutions; and a company which develops, produces, markets, and services braking systems for rail and commercial vehicles.

Overweight Consumer Discretionary
We moved from an underweight to a large overweight in consumer discretionary. We added a leading global luxury goods company; a maker of high-performance, luxury supercars and a constructor team in F1 racing with a long run-rate; the world's second-biggest sportswear company; the world's third-largest hotel franchisor; and the UK's leading online rail and coach booking platform.

Now Overweight Financials
We moved from an underweight to a modest overweight in financials. Our new names include a high-quality traditional property and casualty insurance business, on share price weakness; a company which runs exchanges, indices, and trading platforms; a company which owns a non-life business, a domestic life insurer, and a stake in a bank; and a leading Sweden-based high-quality retail bank. After these moves, we moved to an underweight position in banks and to a modestly overweight exposure to insurance. With the addition of the company which runs exchanges, indices, and trading platforms, we moved from an underweight to an overweight position in capital markets.

Underweight in Utilities
We moved from an overweight to an underweight in utilities exiting a multi-utility, in which we have no differentiated insight; a German utility, after it cancelled its dividend; and Italy's largest gas distributor, which is a pure fossil energy business. We favour energy utilities that are part of the transition to a green economy. Our positions here now include a Spain-based integrated energy company that operates in the renewables, electricity transmission, and distribution markets, and a multi-utility that manages regulated electricity and gas networks in the UK and US.

Large Underweight in Energy
We moved from a modest overweight to a sizeable underweight in energy as a result of our investment approach. Our only holding is in one of the leading tank storage operators.

Pared Healthcare Overweight
We cut our large overweight in healthcare and broadened the range of our holdings. We exited three large pharmaceuticals reducing our exposure. We also eliminated a Swedish medical technology company after a strong run. New investments included a France-based pharmaceutical company; a Switzerland-based manufacturer of eye care devices; a Danish biotechnology company engaged in producing and marketing research-grade antibodies; and a Switzerland-based holding company and supplier to the pharmaceutical, healthcare, and life science industries.

## Market Outlook And Investment Strategy***

The coronavirus pandemic is having a dramatic impact on societies and economies in Europe, triggering far-reaching changes in activity and policy. While economic activity has slowed down sharply as a result, the development of effective vaccines now offers the hope of a recovery from deep recession, beginning later this year.

A recovery will to some extent depend on the evolution of the disease and the efficacy and distribution of any vaccines to treat it. In addition, the level of continuing policy support, the evolution of corporate and consumer confidence, and the degree of disruption caused by newly agreed post-Brexit trading arrangements will determine the longer-term trajectory of activity.

Massive central bank action and governmental fiscal measures continue to support economies, facilitated by the acceptance that policymakers should use fiscal policy as a tool to engineer an economic recovery. European Union integration has also advanced with the agreement by leaders to coordinate their policy response, a departure from the monetary orthodoxy that dominated the policy response to earlier crises.

The pandemic is serving as a catalyst for change as well, accelerating trends that were emerging before the crisis, particularly the shift from the offline to the online world and the further heightening of awareness around sustainability and green issues.

In these uncertain times, it is important to be prepared for market dislocations trigged by events. Opportunities may emerge to buy companies at attractive valuations that are emerging stronger as a result of change triggered by the coronavirus crisis and to sell those that are likely to be fundamentally weakened by it.

We believe it is imperative that we continue to implement our investment philosophy and process in a disciplined manner and avoid actions that aim to mitigate short-term pressures. We retain a strong conviction that holdings across the portfolio will continue to prove to be highly successful investments.

# Manulife Global Fund – European Growth Fund

Seeking to invest in companies that we believe are "on the right side of change" is core to our investment theses, and although the market has proven to be quite efficient at sorting out the winners and losers in this disruptive period, we still expect to be consistently rewarded through rigorous consistency in this approach.

Source: Bloomberg and Manulife Investment Management, as of 31 December 2020

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Roche Holding AG | 3,416,998 | 3.42 |
| ASML Holding NV | 3,244,143 | 3.25 |
| Siemens AG | 2,426,342 | 2.42 |
| Zalando SE | 2,326,316 | 2.33 |
| Astrazeneca Plc | 2,187,602 | 2.19 |
| Zurich Insurance Group AG | 2,191,295 | 2.19 |
| Sanofi | 2,067,226 | 2.07 |
| Iberdrola SA | 2,018,172 | 2.02 |
| Burberry Group Plc | 1,936,866 | 1.93 |
| Smith & Nephew Plc | 1,897,544 | 1.89 |

### Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Roche Holding AG | 4,401,712 | 3.93 |
| Nestle SA | 4,328,364 | 3.86 |
| Zurich Financial Services AG | 3,761,178 | 3.35 |
| Novartis AG | 3,325,352 | 2.96 |
| Air Liquide SA | 2,904,579 | 2.59 |
| Total SA | 2,663,839 | 2.37 |
| Getinge AB - B | 2,617,277 | 2.33 |
| Schneider Electric SE | 2,580,217 | 2.29 |
| Astrazeneca Plc | 2,307,385 | 2.06 |
| ENI SpA | 2,242,765 | 2.00 |

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

### B) 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

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

Not Applicable

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

Not Applicable

### E) Total amount of Subscriptions and Redemptions

Not Applicable

### F) 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.

## G) Expense Ratio***

31 December 2020 : 1.76%
31 December 2019 : 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.

## H) Turnover Ratio***

31 December 2020 : 86.46%
31 December 2019 : 51.70%

## I) Any material information that shall adversely impact the valuation of the Fund

Not Applicable

## J) Soft dollar commissions/ arrangements

Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – Global REIT Fund
## (Formerly known as Manulife Global Fund – Global Property Fund)

### Fund Objective
The Fund is an equity fund which is primarily designed to provide medium to long-term capital growth with the secondary goal of generating income. The Fund is suitable for those who hold a long-term investment view and who are prepared to accept significant fluctuations in the value of their investments in order to achieve long-term returns.

It is intended that the investments will be made on a diversified basis. At least 70% of the Fund's net assets will be invested in real estate securities, primarily real estate investment trusts (REITs) of U.S. and non-U.S. companies. Real estate securities refer to securities of companies which derive a significant portion of their earnings from the development or management of real estate situated in the U.S. and non-U.S. countries. The investment instruments of the portfolio include, but not limited to, North American REITs (in the U.S. and Canada), non-U.S. REITs, equity and equity related securities of real estate companies and non-real estate companies (including sponsored and unsponsored American Depository Receipts), corporate bonds, short-term debt securities, cash and deposits.

The Fund may also invest up to 20% of its net assets in corporate bonds of any maturity, including corporate bonds that are below investment grade (ie below Baa3 by Moody's or BBB- by Standard & Poor's or Fitch) that are rated as low as BB by Standard & Poor's or Fitch, or if unrated, their equivalent.

### Investment and Market Review***
Global equities finished 2020 meaningfully higher, although the journey was anything but uneventful. After a benign start to the year, equities began to move sharply lower in mid-February as concerns mounted over the impact of Covid-19 on the global economy. Fortunately, the response from policymakers—most notably the U.S. Federal Reserve—was swift and strong. Stocks began to recover in late March in response, and the rally persisted until uncertainty about the virus and the U.S. elections caused sentiment to waver in September. The rally regained steam in November thanks to positive developments with respect to Covid-19 vaccines, and it continued through year-end.

U.S. equities outpaced the developed international markets for the year, as worries about slowing growth weighed heavily on Europe. Emerging markets performed well, led by China and other Asian countries, as the region was the first to overcome the virus and return to relative economic normalcy. Large-cap stocks and the growth style outperformed their small-cap and value counterparts, respectively, although these trends showed signs of easing late in the period.

In this environment, Global REITs underperformed global stocks for the year as the sector was negatively impacted by the Covid-19 pandemic. While returns for the overall Global REIT sector were negative, the Industrial and Technology related sub-sectors posted double digit returns with outsized weakness from the Hotel & Resort, Office and Retail sub-sectors.

The Fund's stock selection in the U.S. and Japan as well as an overweight to Australia contributed to performance. The Fund's exposure to the Industrial and Technology related REITs such as Data Center and Tower REITs, which outperformed the overall Global REIT market, positively contributed to the year's performance. The fund also benefitted from having a limited exposure to the Office and Residential sub-sectors. Individual contributors to performance during the past year were Industrial REITs as real estate fundamentals remained strong during the pandemic as e-commerce growth led to strong demand for industrial real estate. The fund also benefitted from a specialty REIT that focuses on the acquisition and development of industrial facilities that are leased to tenants in the regulated medical-use cannabis industry. The REIT outperformed as more states expanded the availability of cannabis for legal use.

The Fund's positions in France, Hong Kong, and Canada detracted from performance. Our overweight within the Retail sub-sector and exposure to Healthcare REITs also negatively impacted performance. Individual detractors included REITs from the retail and office sub-sectors as they were significantly impacted by the mitigation measures taken during the Covid-19 pandemic. Office REITs, especially those with exposure to major global cities such as New York, San Francisco, and London, were weaker as people moved to a work-from-home environment thus reducing the demand for office space. Within the retail sub-sector many countries imposed severe restrictions that led to closing retail properties, especially if they were not deemed essential. This significantly impacted operating results for Global Retail REITs during the past year.

## Market Outlook And Investment Strategy***

Markets continue to rally from positive developments of the Covid-19 vaccines and the beginning of distributions of those vaccines. As the number of individuals receiving vaccinations accelerates in 2021, expectations are that the second half of the year will see a resurgence of economic growth. We believe that economic growth will continue to improve, albeit volatility may increase, as the recovery is likely to be uneven as certain regions have seen a surge in Covid-19 cases to end 2020. The pace of the recovery in 2021 will be dependent on the continuing spread of the virus and the pace of vaccine distribution. While the recent vaccine news is a positive that should support the overall global economic recovery, we continue to monitor potential risks, including geopolitical risks that could weigh on global markets in 2021.

The REIT sector may see some earnings pressure over the next quarter as the impact from Covid-19 is still being felt by certain sub-sectors, and we have positioned the Fund accordingly. We believe near-term pressure on real estate fundamentals will ease in the coming quarters as the global economy continues to recover, especially in the Office and Residential sub-sectors. From a regional perspective we continue to favour the U.S., Canada, Australia and Singapore owing to a combination of attractive valuations and distribution yields. Within those regions and from a global perspective we favour Industrial and technology-related REITs. We have minimised our exposure to the Japanese and Hong Kong REIT markets based on their relative distribution yields and valuations.

Overall, we believe the long-term outlook for global REITs remains positive given the continued trajectory of the recovery and likely lower-for-longer interest rate environment. Distribution yields within the sector remain attractive compared to other yield-oriented investments. The spread between the yields of REITs and fixed income securities is well above historical averages in the last 20-year period. Even with the strong recent performance, the sector remains below pre-pandemic levels and we continue to find attractive opportunities within the REIT market that trade at significant discounts to what we view as their intrinsic net asset values.

We see additional developments that will have a positive impact on the sector. In 2020, some REITs took a conservative approach and reduced their dividends, however, we expect REITs with stable and growing cash flow to increase their dividends as the economy recovers. In addition, REIT valuations trading below their respective net asset values may lead to an increase in merger-and-acquisition (M&A) activity. M&A is also supported by a large amount of institutional capital that is designated to real estate investments.

Source: Bloomberg and Manulife Investment Management as of 31 December 2020

## Schedule of Investments as at 31 December 2020

(unless otherwise stated)

### A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Simon Property Group Inc. | 457,409 | 3.11 |
| Stockland | 368,373 | 2.51 |
| Prologis Inc. | 346,030 | 2.35 |
| American Finance Trust Inc. | 330,835 | 2.25 |
| Riocan Real Estate Investment Trust | 327,568 | 2.23 |
| Global Net Lease Inc. | 311,118 | 2.11 |
| SmartCentres Real Estate Investment Trust | 293,655 | 2.00 |
| Digital Realty Trust Inc. | 267,252 | 1.82 |
| Goodman Group | 251,436 | 1.71 |
| Innovative Industrial Properties Inc. | 244,769 | 1.67 |

# Manulife Global Fund – Global REIT Fund
## (Formerly known as Manulife Global Fund – Global Property Fund)

### Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Simon Property Group Inc. | 533,215 | 4.02 |
| Prologis Inc. | 496,643 | 3.74 |
| Digital Realty Trust Inc. | 389,318 | 2.93 |
| Avalonbay Communities Inc. | 337,155 | 2.54 |
| Essex Property Trust Inc. | 308,399 | 2.32 |
| Mitsubishi Estate Company Limited | 305,823 | 2.31 |
| Welltower Inc. | 284,340 | 2.15 |
| Mitsui Fudosan Company Limited | 282,856 | 2.14 |
| Boston Properties Inc. | 242,113 | 1.83 |
| Mid-America Apartment Communities Inc. | 218,169 | 1.65 |

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

### B) 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

### C) Amount and percentage of NAV invested in collective investment schemes
Not Applicable

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

### E) Total amount of Subscriptions and Redemptions
Not Applicable

### F) 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.

### G) Expense Ratio***
31 December 2020 : 2.37%
31 December 2019 : 2.28%

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.

### H) Turnover Ratio***
31 December 2020 : 57.34%
31 December 2019 : 12.59%

### I) Any material information that shall adversely impact the valuation of the Fund
Not Applicable

### J) Soft dollar commissions/ arrangements
Not Applicable

Note: ***Information given is provided by the Fund Manager.

# Manulife Global Fund – Japan Equity Fund
## (Formerly known as Manulife Global Fund – Japanese Growth Fund)

### Fund Objective

The Fund aims to achieve capital growth from investing at least 70% of its net assets in a portfolio of Japanese equity and equity related securities, with the emphasis on larger companies. Such equity and equity related securities include common stocks, preferred stocks and depositary receipts.

### Investment And Market Review***

After the initial impact of the coronavirus shock in March, the Japan equity market swiftly recovered as governments and central banks practised loose monetary and fiscal policies. As well as some expected recovery to the weak earnings seen in the first half of the year, valuations rose significantly as demand for equities rose. This led to a total market return of over 13% in US dollar terms.

The best performing sectors over the year were electronics, telecoms and games. The worst performing sectors over the year were mining, airlines and oil. Sector performance was a reflection of the impact of the pandemic on demand as workers were forced to work from home and many consumers spent their money on home entertainment. Lack of travel impacted oil demand and airlines were particularly hard hit as international travel dried up in Japan.

M3, Inc. was the best performing stock in the Topix 500. The company dominates the market of using web-based tools to market pharmaceuticals to doctors and hospitals. Mitsubishi Motors was the worst performer as it saw a sharp decline in demand for its cars while Nissan announced its intention to cut its 34% stake in the company.

The most positive contributing stocks were a sushi conveyor-belt restaurant chain, an online fashion retailer and a global med-tech company. The sushi conveyor-belt restaurant chain was the highest contributor to performance for the second year in a row. After a weak first quarter due to concerns over the impact of a lockdown on the restaurant sector, the sushi conveyor-belt restaurant chain saw a strong recovery. This was driven by an increase in demand for takeaway as well as a swift return of customers to its restaurants from June as the lockdown ended. Its brand strength and ability to raise prices even in such tough conditions is expected to drive a strong earnings recovery in the second half.

The most negative contributing stocks were a major real estate developer, a multinational banking and financial services group and a construction and engineering business. One of the weakest sectors in 2020 was financials and real estate was the most affected of these sectors. The move towards working from home has put increasing pressure on companies to reconsider their use of office space. However, rents have remained resilient and the weakness in the real estate sector has been felt mainly in the equity market and not in transaction prices for commercial real estate. As a result, the major real estate developer is trading at its lowest multiple to underlying net asset value in recent history.

### Market Outlook And Investment Strategy***

Last year, the Japanese market was affected by the fallout from US-China trade tensions. However, the market recovered from late August as it appeared that tensions were abating and demand for semiconductors, most notably for 5G, began to improve. Some overseas investors regained some interest in the Japanese market, focusing on the improvement in corporate governance and the buying-in of subsidiaries by their parent companies. This year, Covid-19 has become the driver of market sentiment. The initial concern over the impact to short-term earnings has been replaced with seeing a clear path to recovery, although some valuations are starting to look stretched.

From a longer-term point of view, we still believe that there is an underlying strength in Japanese companies benefiting from the move towards factory efficiency and ongoing demand in construction projects which will now be supported by government spending. Japan certainly faces a slowing domestic market as demographic decline takes its toll, but an improvement in free cash flow generation and capital efficiency among many Japanese companies will help to offset any weakness in domestic demand.

Japan remains one of the cheapest developed markets trading on a price to earnings multiple that is 10% below European multiples and 20% cheaper than US ones. Japan's return on equity was down in 2020 due to the impact of Covid-19 on aggregate earnings. However, the ongoing focus on higher returns to shareholders should help to further improve return on equity over time.

Source: Bloomberg and Manulife Investment Management as of 31 December 2020

# Manulife Global Fund – Japan Equity Fund
## (Formerly known as Manulife Global Fund – Japanese Growth Fund)

### Schedule of Investments as at 31 December 2020
(unless otherwise stated)

A) Top 10 Holdings as at 31 December 2020***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Hoya Corp. | 3,088,176 | 7.11 |
| KDDI Corp. | 2,496,360 | 5.75 |
| Sumitomo Mitsui Financial Group Inc. | 2,450,285 | 5.65 |
| Mitsui Fudosan Company Limited | 2,220,399 | 5.12 |
| Sushiro Global Holdings Limited | 2,161,970 | 4.97 |
| Sekisui Chemical Company Limited | 1,773,002 | 4.09 |
| Shin-Etsu Chemical Company Limited | 1,750,692 | 4.04 |
| Recruit Holdings Company Limited | 1,710,872 | 3.94 |
| Toyota Industries Corp. | 1,613,441 | 3.72 |
| Dai-ichi Mutual Life Insurance Company | 1,421,795 | 3.28 |

Top 10 Holdings as at 31 December 2019***

| Securities | Market Value (US$) | % of NAV |
|---|---|---|
| Mitsui Fudosan Company Limited | 2,484,209 | 4.56 |
| Hoya Corp. | 2,462,559 | 4.53 |
| KDDI Corp. | 2,335,657 | 4.29 |
| Sumitomo Mitsui Financial Group Inc. | 2,051,805 | 3.76 |
| Sushiro Global Holdings Limited | 1,983,800 | 3.64 |
| SoftBank Group Corp. | 1,654,871 | 3.04 |
| Japan Tobacco Inc. | 1,569,644 | 2.88 |
| Sekisui Chemical Company Limited | 1,523,060 | 2.80 |
| Dai-ichi Mutual Life Insurance Company | 1,458,083 | 2.67 |
| Shin-Etsu Chemical Company Limited | 1,443,181 | 2.65 |

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

B) 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

C) Amount and percentage of NAV invested in collective investment schemes
Not Applicable

D) Amount and percentage of debt to NAV
Not Applicable

E) Total amount of Subscriptions and Redemptions
Not Applicable

F) 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.

### G) Expense Ratio***

31 December 2020 : 1.78%
31 December 2019 : 1.79%

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.

### H) Turnover Ratio***

31 December 2020 : 38.54%
31 December 2019 : 36.75%

### I) Any material information that shall adversely impact the valuation of the Fund

Not Applicable

### J) 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 2020

- Statement of Assets and Liabilities
- Capital Account
- Notes to the Accounts
- Independent Auditor's Report

# Statement Of Assets And Liabilities As At 31 December 2020

| | SRP Aggressive | SRP Balanced | SRP Growth |
|---|---|---|---|
| | US$ | US$ | US$ |
| INVESTMENTS | | | |
| Cash and Cash Equivalents | - | 129,871 | 194,292 |
| Value of Investment in Unit Trusts | 38,953,797 | 6,431,959 | 19,497,759 |
| Currency Forward | - | - | - |
| **Value of Investments** | **38,953,797** | **6,561,830** | **19,692,051** |
| OTHER ASSETS | | | |
| Due from Brokers for investment sales | - | - | - |
| **Total Assets** | **38,953,797** | **6,561,830** | **19,692,051** |
| LIABILITIES | | | |
| Due to Brokers for investment purchases | (84,460) | (7,762) | - |
| Other liabilities | (68,145) | (10,067) | (30,757) |
| **Value of Fund as at 31 December 2020** | **38,801,192** | **6,544,001** | **19,661,294** |

# Capital Account For The Period 1 January 2020 To 31 December 2020

| | SRP Aggressive US$ | SRP Balanced US$ | SRP Growth US$ |
|---|---|---|---|
| **Value of Fund as at 1 January 2020** | **38,075,854** | **6,466,217** | **19,828,162** |
| Amount paid (by)/to the fund for (liquidation)/ creation of units | (3,881,548) | (439,256) | (1,986,644) |
| Investment income | 295,637 | 122,179 | 288,341 |
| Net realised gain/(loss) on sale of investments | - | - | - |
| Unrealised appreciation/(loss) in value of investment during the period | 5,046,849 | 507,634 | 1,870,608 |
| Exchange gain/(loss) | - | - | - |
| Fund income/(expenses) | (735,600) | (112,773) | (339,173) |
| **Value of Fund as at 31 December 2020** | **38,801,192** | **6,544,001** | **19,661,294** |

# Notes To The Accounts

## 1. Significant Accounting Policies

(a) Basis of Accounting
The accounts of the SRP Lifestyle Portfolio Funds (US$),are prepared under the historical cost convention except for the investments which are stated at market value. As the SRP Lifestyle Portfolio Funds are denominated in the United States dollars, the annual report is expressed in United States dollars.

(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 2020.

(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 2020:

| | |
|---|---|
| SRP Aggressive (US$) | 24,133,487.11318 |
| SRP Balanced (US$) | 4,160,132.72027 |
| SRP Growth (US$) | 12,028,379.56598 |

## 3. Expense Ratio

The audited expense ratio as of valuation date 31 December 2020:

| | |
|---|---|
| SRP Aggressive (US$) | 3.73% |
| SRP Balanced (US$) | 3.37% |
| SRP Growth (US$) | 3.45% |

Expense ratio is calculated in accordance with Investment Management Association of Singapore ("IMAS") Guidelines for the Disclosure of Expense Ratios.

# Statement Of Assets And Liabilities As At 31 December 2020

| | S$ SRP Balanced<br>S$ | S$ SRP Growth<br>S$ |
|---|---|---|
| **INVESTMENTS** | | |
| Cash and Cash Equivalents | 416,065 | 894,407 |
| Value of Investment in Unit Trusts | 20,623,922 | 89,851,436 |
| Currency Forward | 173,253 | 745,988 |
| **Value of Investments** | **21,213,240** | **91,491,831** |
| **OTHER ASSETS** | | |
| Due from Brokers for investment sales | 526 | 1,111 |
| **Total Assets** | **21,213,766** | **91,492,942** |
| **LIABILITIES** | | |
| Due to Brokers for investment purchases | - | (5,000) |
| Other liabilities | (34,307) | (149,191) |
| **Value of Fund as at 31 December 2020** | **21,179,459** | **91,338,751** |

# Capital Account For The Period 1 January 2020 To 31 December 2020

| | S$ SRP Balanced<br>S$ | S$ SRP Growth<br>S$ |
|---|---|---|
| **Value of Fund as at 1 January 2020** | **21,643,331** | **90,944,256** |
| Amount paid (by)/to the fund for (liquidation)/ creation of units | (1,844,455) | (6,100,589) |
| Investment income | 400,612 | 1,321,321 |
| Net realised gain/(loss) on sale of investments | - | - |
| Unrealised appreciation/(loss) in value of investment during the period | 1,373,889 | 6,794,118 |
| Exchange gain/(loss) | - | - |
| Fund (expenses)/income | (393,918) | (1,620,355) |
| **Value of Fund as at 31 December 2020** | **21,179,459** | **91,338,751** |

# Notes To The Accounts

## 1. Significant Accounting Policies

(a) Basis of Accounting
The accounts of the SRP Lifestyle Portfolio Funds (S$), expressed in Singapore dollars, are prepared under the historical cost convention except for the investments and derivatives 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 and derivatives
Unit trusts and derivatives are valued at the market prices on 31 December 2020.

(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 2020:

| | |
|---|---|
| S$ SRP Balanced (S$) | 13,799,175.88969 |
| S$ SRP Growth (S$) | 55,812,364.12401 |

## 3. Expense Ratio

The audited expense ratio as of valuation date 31 December 2020:

| | |
|---|---|
| S$ SRP Balanced (S$) | 3.45% |
| S$ SRP Growth (S$) | 3.53% |

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 2020

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 2020, 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 2020, 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 46, 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.

# Independent Auditor's Report For The Year Ended 31 December 2020

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 Life Insurance 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.

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 2021

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MCI (P) 059/02/2021

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