



Manulife Investment-Linked Policy Sub-Funds (for Capital Fusion / Fusion Plans)



Report and Financial Statements 1 January 2019 to 30 June 2019

Welcome Message

30 August 2019

Dear Customer

This booklet contains the Semi-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 the best 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 email us at service@manulife.com.

Thank you for trusting Manulife with your investment needs, and 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 September 2019.

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.

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Manulife Singapore Bond Fund

Fund Facts

Launch Date / Price : February 2004 / S\$1.00 (Offer)
 Unit Price* : S\$1.4777 (Bid) / ^S\$1.5555 / ^^S\$1.5234

Net Asset Value (NAV) : S\$90,461,131.21

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

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

*Based on NAV as at 30 June 2019

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

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

Note:

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

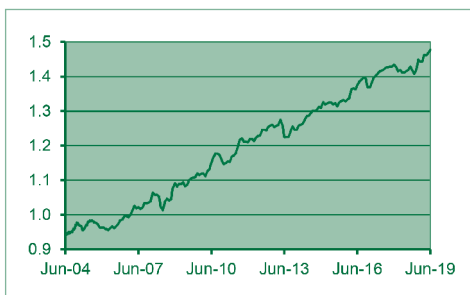
On 8 October 2018, the Manager was changed from Legg Mason Asset Management Singapore Pte. Limited. to Manulife Asset Management (Singapore) Pte. Ltd.

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

Fund Objective

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

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Singapore Bond Fund | Benchmark* |
|--|------------------------------------|------------|
| 3 months | +1.02% | +0.98% |
| 6 months | +1.97% | +1.09% |
| 1 year | +4.41% | +5.23% |
| 3 years | +2.40% | +1.77% |
| 5 years | +2.81% | +2.58% |
| 10 years | +3.11% | +2.55% |
| Since Inception | +2.92% | +0.69% |

Inception date: 18 February 2004

* Markit iBoxx ALBI Singapore Government Index

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

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

On 1 October 2006, the benchmark was changed from 70% 3-month Singapore Interbank Bid Rate and 30% UOB SGS Index to the UOB Singapore Government Bond Index All (S\$) to better reflect the investment objective.

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review***

US treasury and Singapore sovereign yields were broadly lower in the first half of 2019 (1H19) as markets digested the US Federal Reserve's (Fed) more dovish stance compared to 2018 and amidst ongoing tensions in global trade and geopolitical tensions. Major central banks across the globe have also signalled their intention to ease monetary policy to support their local economies as global growth showed signs of slowing down in 1H19.

Singapore's economy underperformed expectations in 1H19, with GDP coming in at 1.2% for the first quarter of the year, on the back of weakness in externally-oriented

sectors such as manufacturing. Non-oil domestic exports (NODX) were particularly weak with prints showing contractions in five out of six months of the first half of the year on a year-on-year basis. In view of this, the Monetary Authority of Singapore (MAS) stood pat in its policy stance at its April meeting.

Credits ended the first half of the year on a much better note relative to the end of 2018 with both Singapore dollar and Asian dollar credit spreads tightening as investors continued to deploy cash into riskier assets in the Asian fixed income space. Both investment grade and high yield spreads tightened up amidst a more dovish Fed intent on maintaining loose monetary policy. Global equities rallied in tandem with fixed income as investors started pricing in interest rate cuts by the Fed in the second half of the year.

During the period under review, the Fund returned 1.98% (NAV to NAV basis), outperforming the benchmark by 0.89%. The main contributor to the outperformance was lower bond yields as both US treasury and Singapore sovereign yields were broadly lower in 1H19. Tighter Singapore dollar and Asian US dollar corporate spreads also contributed to the outperformance.

Market Outlook and Investment Strategy***

Global growth should remain under pressure for the rest of the year as weaker economic data prevails in the European Union and Asia. Trade tensions have already weighed on growth figures for the year and will likely continue to provide headwinds going forward. Additionally, we expect some potential volatility for the rest of the year given increasing geopolitical tensions and other major geopolitical events.

With the Fed turning more dovish in their recent meeting, there should be continued support for risk assets globally and especially in Asia in the short to medium term. While we believe the US economy has entered into the last stage of the business cycle, we think that a dip into an actual recession in the short to medium term is unlikely, given supportive monetary policies globally.

In terms of credit, valuations ended the first half of the year at fair levels compared to being relatively cheap at the end of 2018. Given some modest widening in spreads over the second quarter, there exists scope to add credit risk in certain sectors and segments of the markets. However, bottom-up credit selection and relative valuation remain key in generating further returns. We continue to remain cognizant of rising idiosyncratic risks and slowing growth in Asia, particularly as major geopolitical events in the second half of the year come to fruition.

As the effects of the ongoing trade tensions are starting to become visible, we expect stronger headwinds for Singapore's economy in the second half of the year. The domestic economy has shown weakness on the back of global uncertainty with exports falling to the lowest level since 2016. Against such a backdrop and in addition to easing inflationary pressures in Singapore, the probability of the Monetary Authority of Singapore (MAS) easing monetary policy in their October meeting has increased. We forecast full year growth to be in the range of 0.5% to 1.5%.

Source: Bloomberg and Manulife Investment Management, as of 30 June 2019

Schedule of Investments

A) Distribution of Investments as at 30 June 2019***

| | Market Value (\$) | % of NAV |
|--------------------------|-------------------|----------|
| i) <u>Country</u> | | |
| Australia | 3,317,140 | 3.09 |
| China | 15,630,076 | 14.50 |
| France | 2,537,745 | 2.35 |
| Great Britain | 1,527,245 | 1.42 |
| Hong Kong | 2,255,744 | 2.10 |
| India | 3,486,495 | 3.24 |
| Macau | 562,489 | 0.52 |
| Malaysia | 276,022 | 0.26 |
| Philippines | 917,946 | 0.85 |
| Singapore | 71,176,222 | 66.07 |
| South Korea | 562,020 | 0.52 |
| Thailand | 275,028 | 0.26 |
| United States of America | 837,330 | 0.78 |
| ii) <u>Industry</u> | | |
| Airlines | 2,562,034 | 2.38 |
| Banks | 13,656,883 | 12.67 |
| Chemical | 1,719,665 | 1.60 |
| City Gas | 941,903 | 0.87 |
| Commercial Services | 277,564 | 0.26 |

Manulife Singapore Bond Fund

| | | | | | |
|---|-------------|-------|--|---------------------|----------|
| Electronic | 703,873 | 0.65 | BB- | 1,116,204 | 1.04 |
| Energy | 278,031 | 0.26 | B+ | 281,752 | 0.26 |
| Entertainment | 837,330 | 0.78 | B | 282,777 | 0.26 |
| Finance | 7,009,237 | 6.51 | B- | 263,966 | 0.25 |
| Government | 40,345,159 | 37.46 | Not rated | 69,044,398 | 64.10 |
| Hotel | 562,489 | 0.52 | | | |
| Investments | 1,747,082 | 1.62 | | | |
| Metals | 270,363 | 0.25 | | | |
| Miscellaneous | 987,453 | 0.92 | | | |
| Oil & Gas | 3,263,126 | 3.03 | | | |
| Real Estate | 6,247,839 | 5.80 | | | |
| Real Estate Investment Trust | 16,446,128 | 15.27 | | | |
| Telecommunications | 2,652,689 | 2.46 | | | |
| Transport | 2,084,212 | 1.94 | | | |
| Utilities | 768,442 | 0.71 | | | |
| iii) <u>Asset</u> | | | | | |
| Fixed income securities | 103,361,502 | 95.96 | | | |
| Accrued interest on fixed income securities | 916,110 | 0.85 | | | |
| Other net assets | 3,434,220 | 3.19 | | | |
| iv) <u>Credit Rating</u> | | | | | |
| AAA | 1,020,660 | 0.95 | | | |
| AA | 277,564 | 0.26 | | | |
| A+ | 2,067,770 | 1.92 | | | |
| A | 1,240,130 | 1.15 | | | |
| A- | 5,114,220 | 4.74 | | | |
| BBB+ | 11,126,098 | 10.33 | | | |
| BBB | 6,986,703 | 6.49 | | | |
| BBB- | 4,539,260 | 4.21 | | | |
| B) Top 10 Holdings as at 30 June 2019*** | | | | | |
| | | | Securities | Market Value (\$\$) | % of NAV |
| | | | Government of Singapore 2.25% 01/08/2036 | 9,171,801 | 8.52 |
| | | | Government of Singapore 3.375% 01/09/2033 | 8,895,181 | 8.26 |
| | | | Government of Singapore 2.75% 01/07/2023 | 8,630,217 | 8.01 |
| | | | Government of Singapore 2.25% 01/06/2021 | 3,340,161 | 3.10 |
| | | | Land Transport Authority Ser MTN (Br) 3.38% 30/01/2059 | 2,893,605 | 2.69 |
| | | | ICICI Bank Ltd - Dubai 3.65% 14/01/2020 | 2,511,675 | 2.33 |
| | | | Starhub Ltd EMTN 3.55% 08/06/2026 | 2,027,920 | 1.88 |
| | | | Mapletree Industrial Trust Ser MTN (Br) 3.16% 28/03/2024 | 1,770,160 | 1.64 |
| | | | Government of Singapore 2.875% 01/09/2030 | 1,626,034 | 1.51 |
| | | | Starhill Global REIT Ser MTN (BR) 26/02/2021 | 1,519,770 | 1.41 |
| Top 10 Holdings as at 30 June 2018### | | | | | |
| | | | Securities | Market Value (\$\$) | % of NAV |
| | | | Singapore Govt Bond 3% 01/09/2024 | 11,406,890 | 10.79 |
| | | | Singapore Govt Bond 3.5% 01/03/2027 | 8,006,505 | 7.56 |

| | | |
|---|-----------|------|
| ABN Amro Bank NV Ser EMTN (Reg S) Var 01/04/2026 | 6,983,888 | 6.60 |
| DBS Group Holdings Ltd (Reg S) Var Perp | 6,644,430 | 6.28 |
| Singapore Govt Bond 2.125% 01/06/2026 | 4,886,250 | 4.62 |
| OCBC Capital Corporation Preference SGD100 | 4,769,137 | 4.51 |
| Singapore Govt Bond 2.75% 01/03/2046 | 3,911,960 | 3.70 |
| AACI REIT MTN Pte Ltd Ser MTN (Reg S) 3.6% 22/03/2022 | 3,362,310 | 3.18 |
| Mapletree Treasury Services EMTN (Reg S) Var Perp | 3,032,580 | 2.86 |
| Huarong Finance 2017 Co (Reg S) 3.2% 27/04/2021 | 2,956,560 | 2.79 |

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

C) Exposure to Derivatives

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

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

100% invested in Manulife Funds - Manulife Singapore Bond Fund Class A

E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|-----------------|
| Total Subscriptions | S\$7,508,632.15 |
| Total Redemptions | S\$7,940,302.90 |

G) Amount and terms of related-party transactions

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

H) Expense Ratio

30 June 2019 : 0.94%

30 June 2018 : 0.95%

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

I) Turnover Ratio***

30 June 2019 : 59.72%

30 June 2018 : 16.38%***

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

Nil

K) Soft dollar commissions/ arrangements***

The Manager does not receive any soft dollar commission or enter into any soft dollar arrangement in the management of the ILP Sub-Fund.

Note:

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

***Information given relates to the Legg Mason Western Asset Singapore Bond Fund

Manulife Golden Balanced Growth Fund

Fund Facts

Launch Date / Price : February 1997 / S\$1.00 (Offer)
 Unit Price* : S\$3.1256 (Bid) / ^S\$3.2901 /
 ^^S\$3.2223
 Net Asset Value (NAV) : S\$251,519,715.39
 Manager : Manulife Investment Management
 (Singapore) Pte. Ltd.
 CPFIS Risk : Medium - High Risk - Narrowly
 Classification : Focused – Country - Singapore
 Subscription : CPFIS-OA/SA/SRS/Cash
 *Based on NAV as at 30 June 2019
 ^Offer Price @ 5% sales charge – Regular Premium Plans
 ^^Offer Price @ 3% sales charge – Single Premium Plans

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

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

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

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

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

Fund Objective

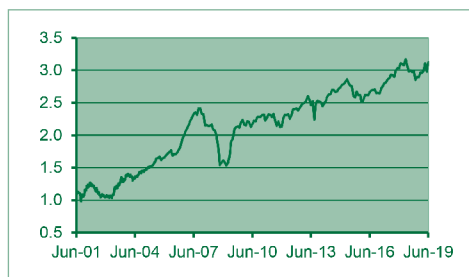
The investment objective of the ILP Sub-Fund is to achieve medium to long term capital growth by investing in a portfolio consisting of 60% equities and 40% fixed income securities primarily through investing in other ILP Sub-Funds.

The ILP Sub-Fund will invest 60% of its assets into Manulife Golden Singapore Growth Fund and 40% of its assets into Manulife Golden International Bond Fund. The Manulife Golden Singapore Growth Fund and Manulife Golden International Bond Fund are ILP Sub-Funds established by Manulife (Singapore) Pte. Ltd.

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

For bonds: Manulife Golden International Bond Fund seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries, Australia and New Zealand. The ILP Sub-Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust.

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Golden Balanced Growth Fund | Benchmark* |
|--|--|------------|
| 3 months | +4.55% | +5.56% |
| 6 months | +8.10% | +10.19% |
| 1 year | +4.79% | +7.77% |
| 3 years | +5.48% | +7.36% |
| 5 years | +3.48% | +4.54% |
| 10 years | +4.87% | +5.63% |
| Since Inception | +5.47% | +5.35% |

Inception date: 18 February 1997

*60% of MSCI Singapore Free Index + 40% of FTSE World Government Bond Index ex Japan (hedged to S\$).

Prior to 1 April 2011, the benchmark was 60% MSCI Singapore Free Index + 40% Citigroup World Government Bond Index ex-Japan (unhedged in S\$). The change was made to reduce the impact of currency fluctuations on the performance of the benchmark.

Prior to 3 January 2005, the benchmark was 60% MSCI AC World+40% Citigroup World Government Bond Index (S\$). The reason for the change to Citigroup World Government Bond Index ex Japan (unhedged in S\$) is because it better reflects the investment focus and strategy of the Underlying Fund of the Manulife Golden International Bond Fund.

With effect from 1 January 2005 because of the changes in the Underlying Funds, the benchmark was changed from the 60% MSCI Straits Times Index + 40% Citigroup World Government Bond Index to 60% MSCI Singapore Total Index + 40% Citigroup World Government Bond Index ex Japan (unhedged in S\$).

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review

Please refer to respective ILP sub-funds.

Market Outlook and Investment Strategy

Please refer to respective ILP sub-funds.

Schedule of Investments

A) Distribution of Investments as at 30 June 2019

Please refer to respective ILP sub-funds.

B) Top 10 Holdings as at 30 June 2019 & 30 June 2018

Please refer to respective ILP sub-funds.

C) Exposure to Derivatives

Please refer to respective ILP sub-funds.

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

| | | |
|---|-------------------|--------|
| Manulife Golden Singapore Growth Fund | S\$154,727,087.69 | 61.52% |
| Manulife Golden International Bond Fund | S\$96,792,627.70 | 38.48% |

E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds.

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|------------------|
| Total Subscriptions | S\$12,836,568.35 |
| Total Redemptions | S\$16,895,513.15 |

G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds.

H) Expense Ratio

30 June 2019 : 1.34%

30 June 2018 : 1.33%

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

I) Turnover Ratio

Please refer to respective ILP sub-funds.

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

Please refer to respective ILP sub-funds.

K) Soft dollar commissions/ arrangements

Please refer to respective ILP sub-funds.

Manulife Golden Global Balanced Fund

Fund Facts

Launch Date / Price : October 2001 / S\$1.00 (Offer)
 Unit Price* : S\$1.5016 (Bid) / ^S\$1.5806 /
 ^^S\$1.5480
 Net Asset Value (NAV) : S\$71,336,144.79
 Manager : Manulife Investment Management
 (Singapore) Ptd. Ltd.
 CPFIS Risk Classification : Medium - High Risk - Broadly
 Diversified
 Subscription : CPFIS-OA/SA/SRS/Cash
 *Based on NAV as at 30 June 2019
 ^Offer Price @ 5% sales charge – Regular Premium Plans
 ^^Offer Price @ 3% sales charge – Single Premium Plans

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

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

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

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

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

Fund Objective

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

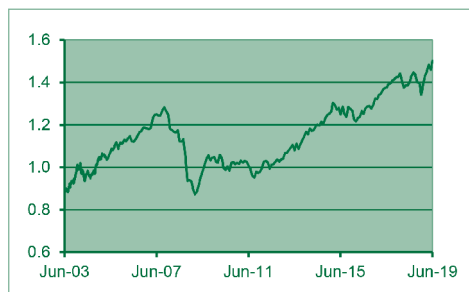
The ILP Sub-Fund will invest 60% of its assets into Manulife Golden Worldwide Equity Fund and 40% of its assets into Manulife Golden International Bond Fund. The Manulife Golden Worldwide Equity Fund and Manulife Golden International Bond Fund are ILP Sub-Funds of Manulife (Singapore) Pte. Ltd.

For equities: Manulife Golden Worldwide Equity Fund invests all or substantially all its assets into Manulife Global Fund – Global Equity Fund (“Underlying Fund”),

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

For bonds: Manulife Golden International Bond Fund seeks to maximise total returns in Singapore Dollar terms over the longer term by investing in a portfolio of high quality debt securities of Singapore and major global bond markets such as the G10 countries, Australia and New Zealand. The Manulife Golden International Bond Fund invests all or substantially all its assets into Legg Mason Western Asset Global Bond Trust.

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Golden Global Balanced Fund | Benchmark* |
|--|--|------------|
| 3 months | +3.44% | +3.70% |
| 6 months | +11.96% | +12.06% |
| 1 year | +7.16% | +6.61% |
| 3 years | +6.28% | +8.43% |
| 5 years | +4.57% | +6.87% |
| 10 years | +4.45% | +7.31% |
| Since Inception | +2.63% | +5.13% |

Inception date: 30 October 2001

* 60% MSCI World Index+ 40% FTSE World Government Bond Index ex Japan (hedged to S\$). The full track record of the previous index has been kept and chain-linked to the new one.

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

Prior to 1 April 2011, the benchmark was 60% MSCI AC World Index + 40% Citigroup World Government Bond Index ex Japan (unhedged in S\$). The change was made to reduce the impact of currency fluctuations on the performance of the benchmark.

Prior to 3 January 2005, the benchmark was 60% MSCI AC World Index + 40% Citigroup World Government Bond Index (S\$). The reason for the change to Citigroup World Government Bond Index ex Japan (unhedged in S\$) is because it better reflects the investment focus and strategy of the Underlying Fund of the Manulife Golden International Bond Fund.

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review

Please refer to respective ILP sub-funds.

Market Outlook and Investment Strategy

Please refer to respective ILP sub-funds.

Schedule of Investments

A) Distribution of Investments as at 30 June 2019

Please refer to respective ILP sub-funds.

B) Top 10 Holdings as at 30 June 2019 & 30 June 2018

Please refer to respective ILP sub-funds.

C) Exposure to Derivatives

Please refer to respective ILP sub-funds.

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

| | | |
|---|------------------|--------|
| Manulife Golden Worldwide Equity Fund | S\$43,102,825.51 | 60.51% |
| Manulife Golden International Bond Fund | S\$28,132,319.28 | 39.49% |

E) Amount and percentage of debt to NAV

Please refer to respective ILP sub-funds.

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|-----------------|
| Total Subscriptions | S\$1,703,378.27 |
| Total Redemptions | S\$4,697,947.84 |

G) Amount and terms of related-party transactions

Please refer to respective ILP sub-funds.

H) Expense Ratio

30 June 2019 : 1.50%

30 June 2018 : 1.43%

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

I) Turnover Ratio

Please refer to respective ILP sub-funds.

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

Please refer to respective ILP sub-funds.

K) Soft dollar commissions/ arrangements

Please refer to respective ILP sub-funds.

Manulife Golden Singapore Growth Fund

Fund Facts

Launch Date / Price : September 2000 / S\$1.00 (Offer)
 Unit Price* : S\$2.6064 (Bid) / ^S\$2.7436 /
 ^^S\$2.6870

Net Asset Value (NAV) : S\$253,703,279.93
 Manager : Manulife Investment Management
 (Singapore) Pte. Ltd.

Sub-Manager : Schroder Investment
 Management (Singapore) Ltd

CPFIS Risk : Higher Risk - Narrowly Focused -
 Classification : Country - Singapore

Subscription : CPFIS-OA/SRS/Cash

*Based on NAV as at 30 June 2019

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

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

Note:

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

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

Fund Objective

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

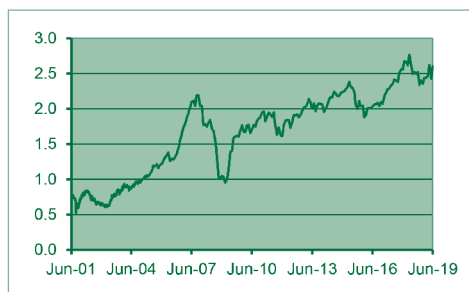
The investment objective of the Underlying Trust is to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The portfolio of the Underlying Trust will be broadly diversified with no specific industry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

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

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

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

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Golden Singapore Growth Fund | Benchmark* |
|--|---|------------|
| 3 months | +5.86% | +6.83% |
| 6 months | +10.66% | +12.76% |
| 1 year | +4.49% | +7.43% |
| 3 years | +8.57% | +10.52% |
| 5 years | +3.80% | +4.45% |
| 10 years | +6.35% | +6.97% |
| Since Inception | +5.51% | +5.15 % |

Inception date: 7 September 2000

*MSCI Singapore Free Index

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

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review***

The Fund posted strong year-to-date returns but underperformed the benchmark. Over the period, Singapore stocks moved along with the ebb and flow of trade war rhetoric between the US and China while the US Federal Reserve’s (Fed) increasingly accommodative stance propped up risk sentiment.

Macro data points are pointing to a deepening economic slowdown. Singapore's non-oil domestic exports have fallen sequentially with May and June 2019 figures at -16.3% and -17.3% year-on-year respectively. Electronics exports fell more sharply with declines of -31.9% Yoy in June 2019 and a similar pace in May 2019. Advanced estimates of second quarter (2Q) 2019 real GDP growth was also a negative surprise at -3.4% quarter-on-quarter growth.

For equity markets, the question is to what extent this will manifest in earnings momentum. What are valuations currently discounting, and how far can global monetary policy easing mitigate the earnings impact? Cyclical stocks have already fallen to mid-cycle valuations in most cases. However, compared with the 2008 crisis, this slowdown is very different as supply chains are suddenly wrenched by unexpected tariff and non-tariff restrictions. Mapping the potential earnings impact will be more complicated. Thus, the onus is much greater on monetary policy shifts to deliver the rate cuts to a sufficient degree to cushion the impact.

Market Outlook and Investment Strategy***

At this juncture, we remain overweight in REITs and select yield stocks. A proactive global bias by central banks towards monetary policy easing is a key differentiator of this cycle relative to the global financial crisis. While this is helpful to one aspect of equity valuations, a greater degree of uncertainty around the range of macro and market outcomes should be expected, given the impasse between the major economic blocs.

Schedule of Investments

A) Distribution of Investments as at 30 June 2019***

| | Market Value (S\$) | % of NAV |
|------------------------|--------------------|----------|
| i) <u>Country</u> | | |
| Singapore | 830,138,980 | 98.82 |
| ii) <u>Industry</u> | | |
| Agriculture | 26,469,527 | 3.15 |
| Central Bank | 3,977,712 | 0.47 |
| Consumer | 6,477,924 | 0.77 |
| Diversified Operations | 59,530,095 | 7.09 |

| | | |
|---------------------------------|-------------|-------|
| Finance | 396,616,901 | 47.21 |
| Health Care | 6,634,318 | 0.79 |
| Industrial And Transportation | 35,994,531 | 4.28 |
| Real Estate | 173,441,970 | 20.65 |
| Technology Hardware & Equipment | 16,767,297 | 2.00 |
| Telecommunications | 104,228,705 | 12.41 |

| | | |
|--------------------------------|-------------|-------|
| iii) <u>Asset</u> | | |
| Equities | 826,161,268 | 98.35 |
| Debt Securities | 3,977,712 | 0.47 |
| Other net assets/(liabilities) | 9,930,036 | 1.18 |
| (iv) <u>Credit Rating</u> | | |
| Not Applicable | | |

B) Top 10 Holdings as at 30 June 2019***

| Securities | Market Value (S\$) | % of NAV |
|--------------------------------------|--------------------|----------|
| DBS Group Hldg Ltd | 136,453,860 | 16.23 |
| Oversea-Chinese Banking Corp Ltd | 134,285,684 | 15.99 |
| United Overseas Bank Ltd | 109,865,205 | 13.08 |
| Singapore Telecommunications Ltd | 90,376,090 | 10.76 |
| Keppel Corp Ltd | 45,869,418 | 5.47 |
| City Developments Ltd | 27,843,069 | 3.32 |
| SATS Ltd | 23,805,810 | 2.83 |
| CapitaLand Ltd | 23,081,611 | 2.76 |
| Frasers Logistics & Industrial Trust | 20,775,470 | 2.47 |
| CapitaLand Mall Trust | 19,344,176 | 2.30 |

Top 10 Holdings as at 30 June 2018***

| Securities | Market Value (S\$) | % of NAV |
|----------------------------------|--------------------|----------|
| DBS Group Hldg Ltd | 143,284,525 | 17.84 |
| Oversea-Chinese Banking Corp Ltd | 126,430,165 | 15.74 |

Manulife Golden Singapore Growth Fund

| | | |
|--------------------------------------|-------------|-------|
| United Overseas Bank Ltd | 110,940,591 | 13.81 |
| Singapore Telecommunications Ltd | 65,710,691 | 8.18 |
| Keppel Corp Ltd | 45,393,205 | 5.65 |
| CapitaLand Ltd | 33,855,292 | 4.22 |
| City Developments Ltd | 22,965,395 | 2.86 |
| Hongkong Land Hldg Ltd | 21,036,446 | 2.62 |
| Frasers Logistics & Industrial Trust | 19,130,381 | 2.38 |
| Mapletree Industrial Trust | 14,930,991 | 1.86 |

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

C) Exposure to Derivatives

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

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

100% invested in Schroder Singapore Trust Class M

E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|-----------------|
| Total Subscriptions | S\$4,949,002.89 |
| Total Redemptions | S\$6,903,511.73 |

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

Not Applicable

H) Expense Ratio

30 June 2019 : 1.70%

30 June 2018 : 1.75%

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

I) Turnover Ratio***

30 June 2019 : 7.79%

30 June 2018 : 15.52%

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

Not Applicable

K) Soft dollar commissions/ arrangements***

In the management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:.

- research, analysis or price information;
- performance measurement;
- portfolio valuations; and
- administration services.

The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

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

Manulife Golden Worldwide Equity Fund

Fund Facts

Launch Date / Price : January 2001 / S\$1.00 (Offer)
 Unit Price* : S\$1.0592 (Bid) / ^S\$1.1149 / ^^S\$ 1.0920
 Net Asset Value (NAV) : S\$110,802,758.09
 Manager : Manulife Investment Management (Singapore) Pte. Ltd
 CPFIS Risk Classification : Higher Risk / Broadly Diversified
 Subscription : CPFIS-OA/SRS/Cash
 *Based on NAV as at 30 June 2019
 ^Offer Price @ 5% sales charge – Regular Premium Plans & Easi Investor Plans
 ^^Offer Price @ 3% sales charge – Single Premium Plans

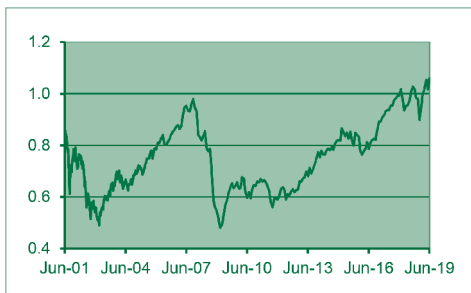
Note:
 On 19 August 2019, Manulife Asset Management (Singapore) Pte. Ltd. has changed its legal name to Manulife Investment Management (Singapore) Pte. Ltd.

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

Fund Objective

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

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Golden Worldwide Equity Fund | Benchmark* |
|--|---|------------|
| 3 months | +4.09% | +3.88% |
| 6 months | +17.96% | +16.12% |
| 1 year | +9.13% | +5.51% |
| 3 years | +10.44% | +11.96% |
| 5 years | +6.12% | +8.36% |
| 10 years | +6.22% | +9.97% |
| Since Inception | +0.59% | +3.87% |

Inception date: 2 January 2001
 *MSCI World Index

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

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review***

Over the period, central banks took centre stage in influencing global equity performance. In the first quarter, the rebound in global equity markets from their sharp December declines was fuelled by the US Federal Reserve Board (Fed)’s dovish pivot in rate increases, better-than-expected earnings results and optimism that a US-China trade deal would be reached. While the first two months of 2019 were a virtually linear recovery, a needed caution surfaced in March as inversion extended further out on the yield curve, to the three-month to 10-year spread for the first time since 2007. This inversion sparked concerns of a recession and shifted investor sentiment towards quality and defensive-style stocks.

The second quarter began with global equities still performing well as concerns about slowing global economic growth prompted lower first-quarter earnings expectations, which provided an opportunity for many companies to surprise on the upside. Entering May, global equities benefited from the Fed’s dovish tilt on interest

Manulife Golden Worldwide Equity Fund

rates, globally accommodative central banks, a recovery in Chinese growth and investor optimism over a potential trade deal between the US and China. Unfortunately, the climate turned dramatically negative on news the US would be implementing tariff increases on US imports from China, causing global equity markets to decline.

As was the case in late 2018, global equity markets were rescued by the central banks in June. Despite weaker economic data (especially declining manufacturing survey results globally), recession concerns and risks to the trade outlook, both the Fed and the European Central Bank's dovish stances regarding further monetary stimulus raised optimism for lower rates. This helped fuel a broad June rally and strong close to the quarter.

For the period, North America was the best-performing region on the strength of the US, while Asia and emerging markets, which both posted gains, trailed the leaders. Growth outperformed value, supporting information technology as the best-performing sector, while the healthcare sector lagged.

Stock selection in the industrials, consumer staples and consumer discretionary sectors contributed to performance. Individual contributors included positions in an aircraft and military equipment manufacturer, a building products and technology solutions company and a consumer financial services company. Shares of the aircraft and military equipment manufacturer rose after the company reported stronger-than-expected fourth-quarter earnings, issued a robust 2019 outlook for aircraft deliveries and stated it would formally cancel a struggling product line. Shares of the building products and technology solutions company rose after it reported strong organic revenue and earnings growth from its fiscal second quarter and increased its guidance for its 2019 fiscal year. The consumer financials company's share price rose after it reported stronger-than-expected fourth-quarter earnings and extended an important strategic partnership with a major retailer, as well as benefiting from the retailer's parent company dropping a lawsuit against the financials company.

Stock selection in the communication services sector, an underweight position in the information technology sector and an overweight position in the financials sector detracted from performance. Individual detractors included positions in a global asset manager, a diversified

financial services company and a retail supermarket operator. Shares of the global asset manager declined after it posted first-quarter results that reported net flows and assets under management that were below expectations, although earnings per share were in-line with expectations, supported by slightly increased revenue. Shares of the diversified financial services company declined on concerns over global trade disputes and potential economic slowdowns. The company also reported lower-than-expected fourth-quarter revenue, stated expectations that it would continue to operate under a Fed-imposed cap on its assets and announced a major leadership change. Shares of the supermarket operator declined after it lowered its full-year forecast in response to an 11-day strike at a US division in April.

During the period, we initiated positions in a global consulting, technology services and digital transformation company, a food processing company, a business intelligence and academic publishing services company and a leading provider of defence technology such as missiles, radars, sensors and cybersecurity. We added the global consulting and technology company on the view that the broader market is undervaluing the revenue opportunity represented by the company's industry-leading digital capabilities and incumbent position with many European clients. The company also has the ability to increase operating margins by managing costs with a mainly offshore base of employees. We believe the broader market has underestimated the significance of the food processing company's turnaround from being overly focused on growth to having a better balance between top-line and bottom-line results. The company operates in attractive business categories and geographic markets that are growing at favourable rates, in our view, driven by high demand growth for plant-based products, infant/medical nutrition and waters. Nearly half the company's revenue comes from fast-growing emerging markets. The business intelligence and publishing company was added to the Fund as we believe the broader market is underestimating the quality and durability of the company's brand and business model, strengthened as the result of a restructuring plan and transformation of its business portfolio through merger-and-acquisition activity. The defence technology provider was added as we expect solid global demand will lead to strong free cash flow generation and an increasing ability of the company to deploy capital. All of these factors are supported by an under-levered balance sheet.

We sold a position in a Latin American electronic payment solutions company. The company's response to competitive pressures has been more aggressive than we expected, which could lead to the company recovering market share but at significantly lower margins.

Market Outlook and Investment Strategy***

On the last day of June 2019, the Fed announced results of the 2019 Comprehensive Capital Analysis and Review (CCAR). This proved to be positive for 18 of the largest US banks as their capital plans were approved. "The results show that the US financial system is resilient in normal times and under stress," stated Randal Quarles, the Fed's vice chairman of banking supervision. This supports why we retain our exposure to US banks and shy away from their European counterparts, where we feel capital problems have not truly been addressed. The CCAR results validated the ability of US banks to once again return value back to shareholders in the form of dividends and buybacks while maintaining required levels of capital. In terms of shareholder yield, our major US bank holdings have an average of 4% coming from dividends and 10% coming from share buybacks, all of which are to be completed within a 12-month timeframe.

The MSCI World Index, following its significant recovery from the fourth quarter of 2018, has been trading close to 15-year highs on its next-12-month price/earnings ratio. While some of this multiple expansion is predicated on low global yields, profitability levels measured by earnings before interest and tax margins are also at highs. We believe the only factor holding back peak return on equity is the ongoing decline in asset productivity (assets/sales). In other words, our view is we remain in a high-margin, high-debt, low-growth world with high multiples to match. Therefore, we maintain a defensive tilt within the Fund. Disaggregating world markets, the US trades at a 15-year peak relative multiple compared to international markets. While international equity profitability is cyclically high, it remains 400 basis points below its US equivalent on average. As a result, the Fund has overweight exposure to international markets, largely in companies that are global in nature.

Source: Bloomberg and Manulife Investment Management as of 30 June 2019

Schedule of Investments

A) Distribution of Investments as at 30 June 2019***

| | Market Value (US\$) | % of NAV |
|---------------------------|------------------------|-------------|
| i) <u>Country</u> | | |
| Australia | 5,704,209 | 2.71 |
| Cayman Islands | 1,899,930 | 0.90 |
| France | 21,410,322 | 10.16 |
| Germany | 4,473,688 | 2.12 |
| Hong Kong | 1,790,613 | 0.85 |
| Ireland | 12,200,340 | 5.79 |
| Japan | 4,102,088 | 1.95 |
| Jersey - Channel Islands | 1,633,357 | 0.78 |
| Netherlands | 28,915,865 | 13.73 |
| Republic of Korea (South) | 4,604,710 | 2.19 |
| Switzerland | 18,874,230 | 8.97 |
| Taiwan | 2,129,604 | 1.01 |
| United Kingdom | 3,443,534 | 1.63 |
| United States | 91,734,890 | 43.57 |
| ii) <u>Industry</u> | | |
| Basic materials | | 1.27 |
| Communications | | 7.15 |
| Consumer, cyclical | | 5.48 |
| Consumer, Non-cyclical | | 12.59 |
| Energy | | 4.84 |
| Financials | | 20.14 |
| Healthcare | | 9.93 |
| Industrials | | 20.49 |
| Technology | | 14.47 |

Manulife Golden Worldwide Equity Fund

| | | | | | |
|--------------------------|--|-------|------------------------------------|-----------|------|
| iii) <u>Asset Class</u> | | | Verizon Communications Inc. | 5,124,701 | 2.65 |
| Equities | 202,917,380 | 96.36 | United Technologies Corp. | 4,952,945 | 2.56 |
| Other net assets | 7,664,865 | 3.64 | Johnson Controls International Plc | 4,956,137 | 2.56 |
| iv) <u>Credit Rating</u> | Note: Any differences in the percentage of the Net Asset figures are the result of rounding. | | | | |
| Not Applicable | | | | | |

B) Top 10 Holdings as at 30 June 2019***

| Securities | Market Value (US\$) | % of NAV |
|--|---------------------|----------|
| Apple Inc. | 8,393,111 | 3.99 |
| Microsoft Corp. | 7,911,092 | 3.76 |
| United Technologies Corp. | 6,773,970 | 3.22 |
| Wells Fargo & Company | 6,731,086 | 3.21 |
| Compagnie Generale des Etablissements Michelin SCA | 6,640,438 | 3.15 |
| Johnson & Johnson | 6,205,921 | 2.95 |
| Unilever NV | 6,145,368 | 2.92 |
| Philips NV | 6,039,921 | 2.87 |
| Chubb Limited | 5,838,446 | 2.77 |
| Nestle SA - Reg | 5,799,485 | 2.76 |

Top 10 Holdings as at 30 June 2018***

| Securities | Market Value (US\$) | % of NAV |
|-------------------------|---------------------|----------|
| Nestle SA - Reg | 7,844,368 | 4.05 |
| Microsoft Corp. | 6,587,726 | 3.41 |
| Wells Fargo & Company | 6,549,047 | 3.38 |
| Apple Inc. | 6,401,210 | 3.30 |
| Amcort Limited | 6,147,528 | 3.17 |
| Johnson & Johnson | 5,685,129 | 2.94 |
| Advance Auto Parts Inc. | 5,132,792 | 2.65 |

C) Exposure to Derivatives

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

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

100% invested in Manulife Global Fund – Global Equity Fund

E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|-----------------|
| Total Subscriptions | S\$1,375,859.65 |
| Total Redemptions | S\$1,293,239.18 |

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

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

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

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

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

H) Expense Ratio

30 June 2019 : 1.75%

30 June 2018 : 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.

I) Turnover Ratio***

30 June 2019 : 21.17%

30 June 2018 : 52.61%

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

Nil

K) Soft dollar commissions/ arrangements

The Manager of the ILP Fund is currently not receiving or in soft dollar commissions/arrangements in respect of the ILP Sub-Fund.

The Investment Manager of the Underlying Fund, Manulife Investment Management (US) LLC, may enter into soft commission arrangements in respect of the Underlying Fund's transactions with brokers.

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

Appendix

- Manulife Golden International Bond Fund

Manulife Golden International Bond Fund

Fund Facts

Launch Date / Price : January 1997 / S\$1.00 (Offer)
 Unit Price* : S\$2.2907 (Bid) / ^S\$2.4113 / ^^S\$2.3615
 Net Asset Value (NAV) : S\$212,349,232.71
 Manager : Manulife Investment Management (Singapore) Pte. Ltd.
 Sub-Manager : Legg Mason Asset Management Singapore Pte. Limited
 CPFIS Risk Classification : Low - Medium Risk - Broadly Diversified
 Subscription : CPFIS-OA/SA/SRS/Cash

*Based on NAV as at 30 June 2019

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

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

Note:

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

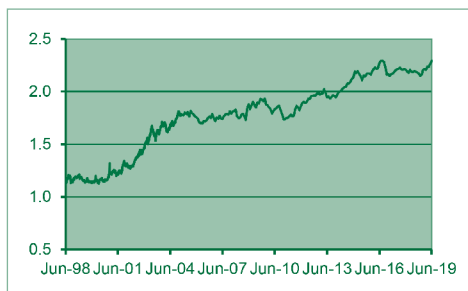
On 1 February 2019, Manulife Asset Management (Singapore) Pte. Ltd. was appointed as the Manager of the ILP Sub-Funds and Legg Mason Asset Management Singapore Pte. Limited as the Sub-Manager.

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

Fund Objective

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

Fund Performance



| Fund Performance/ Benchmark returns | Manulife Golden International Bond Fund | Benchmark* |
|--|---|------------|
| 3 months | +2.50% | +3.20% |
| 6 months | +4.00% | +5.89% |
| 1 year | +4.43% | +7.42% |
| 3 years | +0.26% | +2.18% |
| 5 years | +2.34% | +3.99% |
| 10 years | +1.99% | +2.91% |
| Since Inception | +3.99% | +5.28% |

Inception date: 10 January 1997

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

Prior to 3 January 2005, the benchmark against which the performance of the ILP Sub-Fund was measured was the Citigroup World Government Bond Index (S\$). The reason for the change is because the Citigroup World Government Bond Index ex Japan better reflects the investment focus and strategy of the Underlying Fund.

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

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

- Performance is in SGD as at 30 June 2019 on bid-to-bid basis, with any income or dividends reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Investment and Market Review***

At this month's European Central Bank (ECB) Governing Council meeting, forward guidance was extended by seven months to hold rates at current levels "at least through the first half of 2020," and ECB President Mario Draghi was at pains to stress that all tools remain at the bank's disposal. Later in the month, Draghi struck an even more dovish tone at the ECB's annual summit in Sintra, Portugal as he signaled that rates could be cut further, and that there was considerable room to restart its Asset Purchase Programme if the inflation or growth outlooks failed to improve. The Federal Open Market Committee also delivered a dovish interest rate signal by removing the "patient" wording from its statement and saying it would "closely monitor the implications of incoming information," committing to "act as appropriate to sustain the expansion" and downgrading the outlook from a "solid rate" of expansion to "moderate." Jerome Powell also acknowledged that the case for a cut has increased due to rising uncertainties. Confirmation of the Federal Reserve's dovish policy shift prompted the US dollar to weaken, which boosted EM currencies. Developed market bond yields declined and investment grade and high-yield credit spreads tightened over the course of the month.

Market Outlook and Investment Strategy***

Global growth concerns have intensified since last quarter as an initial trade spat between the US and China has morphed into a broader conflict with the risk of expanding on new fronts. Markets have also been rattled by the prospect of a US recession, a sustained slowdown in eurozone growth, and higher oil price volatility on escalating tensions in the Middle East. Despite these concerns, we expect global growth to remain resilient on the back of steady US growth, improving domestic conditions in Europe, and signs that sustained monetary and fiscal stimuli across Asia are gaining traction. We acknowledge that trade friction will be an ongoing drag on investor and business confidence, but central banks globally have become much more explicit in their commitment to unleash additional policy accommodation to truncate downside risks.

Schedule of Investments

A) Distribution of Investments as at 30 June 2019***

| | Market Value (\$) | % of NAV |
|----------------------|-------------------|----------|
| i) <u>Country</u> | | |
| Australia | 1,526,885.04 | 0.38 |
| Belgium | 10,812,495.73 | 2.65 |
| Canada | 8,119,369.50 | 1.99 |
| France | 20,714,443.55 | 5.07 |
| Germany | 36,147,262.41 | 8.85 |
| Great Britain | 15,887,066.13 | 3.90 |
| Italy | 33,894,377.3 | 8.31 |
| Japan | 9,244,905.71 | 2.26 |
| Kuwait | 4,238,687.90 | 1.04 |
| Mexico | 20,523,887.98 | 5.02 |
| Poland | 9,040,542.64 | 2.21 |
| Spain | 24,412,274.97 | 5.98 |
| Supra-national | 13,522,807.70 | 3.31 |
| United Arab Emirates | 4,410,021.90 | 1.08 |
| USA | 177,841,258.62 | 43.49 |
| ii) <u>Industry</u> | | |
| Government | 378,851,546.13 | 92.71 |
| Financials | 13,522,807.70 | 3.31 |
| Others* | (2,038,066.75) | -0.48 |
| iii) <u>Asset</u> | | |
| Fixed Income | 390,336,287.08 | 95.54 |
| Cash | 18,182,712.74 | 4.46 |

Manulife Golden International Bond Fund

iv) Credit Rating

| | | |
|------|----------------|-------|
| Aaa | 60,223,117.15 | 14.74 |
| Aa1 | 178,253,231.90 | 43.59 |
| Aa2 | 45,268,023.92 | 11.09 |
| Aa3 | 10,812,495.73 | 2.65 |
| A2 | 9,310,832.82 | 2.28 |
| A3 | 9,040,542.64 | 2.21 |
| Baa1 | 24,412,274.97 | 5.98 |
| Baa2 | 20,523,887.98 | 5.02 |
| Baa3 | 33,894,377.30 | 8.31 |
| NR* | (1,402,497.33) | -0.33 |

* A temporary negative position may be due to unsettled trade activity and/or the use of particular investment policies as allowed by the prospectus.

Top 10 Holdings as at 30 June 2018***

| Securities | Market Value (S\$) | % of NAV |
|--|--------------------|----------|
| US Treasury Bond 1.5% 31/12/2018 | 34,696,783.19 | 8.85 |
| US Treasury Bond 1.750% 31/03/2022 | 30,048,881.31 | 7.67 |
| US Treasury Bond 1.625% 15/11/2022 | 27,339,296.90 | 6.98 |
| France (Govt of) (REG S) 0.25% 25/11/2026 | 21,343,587.35 | 5.45 |
| Buoni Poliennali Del Tes (BR) 1.45% 15/09/2022 | 20,621,548.32 | 5.27 |
| US Treasury Bond 4.5% 15/08/2039 | 18,407,161.55 | 4.70 |
| US Treasury Bond 2.125% 29/02/2024 | 14,908,630.01 | 3.81 |
| US Treasury Bond 2.875% 15/05/2043 | 13,150,598.95 | 3.36 |
| Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042 | 12,856,001.94 | 3.28 |
| UK Treasury 4.25% 07/12/2040 | 12,679,469.30 | 3.24 |

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

B) Top 10 Holdings as at 30 June 2019***

| Securities | Market Value (S\$) | % of NAV |
|--|--------------------|----------|
| US Treasury Bond 2.875% 15/05/2043 | 35,987,407.89 | 8.80 |
| US Treasury Bond 1.750% 31/03/2022 | 23,425,571.86 | 5.72 |
| Bundesrepub Deutschland (Br) 1.75% 15/02/2024 | 21,868,687.67 | 5.34 |
| US Treasury Bond 1.625% 15/11/2022 | 20,921,605.51 | 5.11 |
| US Treasury Bond 2.125% 29/02/2024 | 15,561,206.53 | 3.80 |
| Buoni Poliennali Del Tes (Br) 2% 01/12/2025 | 15,265,950.75 | 3.74 |
| Mex Bonds Desarr Fix RT Ser M 7.75% 13/11/2042 | 12,803,054.82 | 3.13 |
| UK Treasury Bond 4.25% 07/12/2040 | 12,634,058.76 | 3.09 |
| US Treasury Bond 0.5% 15/04/2024 | 12,618,961.00 | 3.09 |
| US Treasury Bond 2.875% 30/04/2025 | 12,393,745.02 | 3.03 |

C) Exposure to Derivatives

- market value of derivative contracts
Not Applicable
- net gains/losses on derivative contracts realised
Not Applicable
- net gains/losses on outstanding derivative contracts
Not Applicable

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

100% invested in Legg Mason Western Asset Global Bond Trust

E) Amount and percentage of debt to NAV

Not Applicable

F) Total amount of Subscriptions and Redemptions

| | |
|---------------------|-----------------|
| Total Subscriptions | S\$3,142,097.61 |
| Total Redemptions | S\$5,152,829.04 |

G) Amount and terms of related-party transactions

Not Applicable

H) Expense Ratio

30 June 2019 : 0.90%

30 June 2018 : 0.90%

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

I) Turnover Ratio***

30 June 2019 : 45.06%

30 June 2018 : 27.41%

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

Nil

K) Soft dollar commissions/ arrangements***

The Managers currently do not but shall be entitled to receive or enter into soft dollar commissions/ arrangements in respect of the Trust.

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

Financial Statements

for the Period 1 January 2019 to 30 June 2019

- Statement of Assets and Liabilities
- Capital Account
- Notes to the Accounts

Statement Of Assets And Liabilities

As At 30 June 2019

| | *Manulife Golden Balanced Growth Fund | Manulife Golden International Bond Fund | Manulife Golden Singapore Growth Fund | Manulife Golden Worldwide Equity Fund | * Manulife Golden Global Balanced Fund | Manulife Singapore Bond Fund |
|--|---|---|---|---|--|---------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |

INVESTMENTS

| | | | | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Cash and Cash Equivalents | - | - | - | - | - | - |
| Value of Investment in Unit Trusts | 251,518,995 | 212,182,423 | 253,818,482 | 110,725,145 | 71,248,162 | 90,597,082 |
| | <u>251,518,995</u> | <u>212,182,423</u> | <u>253,818,482</u> | <u>110,725,145</u> | <u>71,248,162</u> | <u>90,597,082</u> |

OTHER ASSETS

| | | | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Due from Brokers for investment sales | - | 184,838 | 141,700 | 18,441 | 23,000 | - |
| Other assets | 18,377 | 33 | - | 67,013 | 78,000 | 10 |
| Total Assets | <u>251,537,372</u> | <u>212,367,294</u> | <u>253,960,182</u> | <u>110,810,599</u> | <u>71,349,162</u> | <u>90,597,092</u> |

LIABILITIES

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Due to Brokers for investment purchases | - | (3,052) | - | - | - | (129,525) |
| Other liabilities | (17,657) | (15,009) | (256,902) | (7,841) | (13,017) | (6,436) |
| Value of Fund as at 30 June 2019 | <u>251,519,715</u> | <u>212,349,233</u> | <u>253,703,280</u> | <u>110,802,758</u> | <u>71,336,145</u> | <u>90,461,131</u> |

* The Manulife Golden Balanced Growth Fund and Manulife Golden Global Balanced Fund invest in existing Manulife Investment-Linked Policy sub-funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden International Bond Fund and Manulife Golden Singapore Growth Fund respectively.

Capital Account For The Period 1 January 2019 To 30 June 2019

| | *Manulife Golden Balanced Growth Fund \$ | Manulife Golden International Bond Fund \$ | Manulife Golden Singapore Growth Fund \$ | Manulife Golden Worldwide Equity Fund \$ | * Manulife Golden Global Balanced Fund \$ | Manulife Singapore Bond Fund \$ |
|--|---|---|---|---|--|---|
| Value of Fund as at 1 January 2019 | 236,562,253 | 217,321,227 | 225,309,368 | 95,964,083 | 66,424,967 | 89,797,952 |
| Amount paid (by)/to the fund for (liquidation)/ creation of units | (4,058,945) | (2,010,731) | (1,954,509) | 82,620 | (2,994,570) | (431,671) |
| Investment income | - | - | - | - | - | - |
| Net realised gain/(loss) on sale of investments | - | - | - | - | - | - |
| Unrealised appreciation/(loss) in value of investment during the period | 18,937,923 | (2,927,801) | 31,706,007 | 14,706,913 | 7,868,593 | 1,110,357 |
| Exchange gain/(loss) | - | - | - | - | - | - |
| Fund income/ (expenses) | 78,484 | (33,462) | (1,357,586) | 49,142 | 37,155 | (15,507) |
| Value of Fund as at 30 June 2019 | 251,519,715 | 212,349,233 | 253,703,280 | 110,802,758 | 71,336,145 | 90,461,131 |

* The Manulife Golden Balanced Growth Fund and Manulife Golden Global Balanced Fund invest in existing Manulife Investment-Linked Policy sub-funds namely Manulife Golden Worldwide Equity Fund, Manulife Golden International Bond Fund and Manulife Golden Singapore Growth Fund respectively.

Notes To The Accounts

1. Significant Accounting Policies

- (a) **Basis of Accounting**
The accounts of the Manulife Investment-Linked Policy sub-funds, expressed in Singapore dollars, are prepared under the historical cost convention except for the investments which are stated at market value.
- (b) **Cash and Cash equivalents**
Cash and cash equivalents comprise cash deposited with financial institutions that are subject to an insignificant risk of changes in value.
- (c) **Investments**
Unit trusts are valued at the market prices on 30 June 2019.
- (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 30 June 2019:

| | |
|---|-------------------|
| Manulife Golden Balanced Growth Fund | 80,469,879.91710 |
| Manulife Golden International Bond Fund | 92,700,338.53765 |
| Manulife Golden Singapore Growth Fund | 97,272,329.27728 |
| Manulife Golden Worldwide Equity Fund | 104,550,178.45726 |
| Manulife Golden Global Balanced Fund | 47,439,049.38062 |
| Manulife Singapore Bond Fund | 61,219,586.93727 |

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