

Manulife Asia Total Return Bond Fund

Interim Report

for the six months financial period ended
31 May 2021

**MANULIFE
ASIA TOTAL RETURN BOND FUND**

CONTENTS	PAGE
1 General Information	1
2 Manager's Report	2
3 Policy On Stockbroking Rebates And Soft Commissions	12
4 Statement By The Manager	13
5 Trustee's Report	14
6 Statement Of Comprehensive Income	15
7 Statement Of Financial Position	16
8 Statement Of Changes In Net Assets Attributable To Unit Holders	18
9 Statement Of Cash Flows	19
10 Summary Of Significant Accounting Policies	20
11 Notes To The Financial Statements	26
12 Corporate Information	40

MANULIFE ASIA TOTAL RETURN BOND FUND

1 GENERAL INFORMATION

1.1 THE TRUST

The Fund commenced operations on 18 February 2019 and will continue its operations until terminated as provided under Clause 25 of the Deed.

1.2 FUND TYPE / CATEGORY

Income / Feeder Fund (Bond)

1.3 BASE CURRENCY

US Dollar (USD)

1.4 OBJECTIVE OF THE FUND

The Fund aims to provide total return from a combination of income and capital appreciation by investing in a collective investment scheme with investment focus on fixed income securities.

Note: Any material change to the Fund's investment objective would require Unit Holders' approval.

1.5 DISTRIBUTION POLICY

Depending on the level of income (if any) the Fund generates, the Fund aims to distribute all or part of its distributable income on a quarterly basis. The payment of distributions, if any, from the Fund will vary from period to period depending on the market conditions, performance of the Fund and the Target Fund.

The Manager has the right to make provisions for reserves in respect of distribution of the Fund. If the distribution available is too small or insignificant, any distribution may not be of benefit to the Unit Holders as the total cost to be incurred in any such distribution may be higher than the amount available for distribution. The Manager has the discretion to decide on the amount to be distributed to the Unit Holders.

1.6 PERFORMANCE BENCHMARK

50% JP Morgan Emerging Local Markets Index Plus (Asia) + 50% JP Morgan Asia Credit Index.

Note: The benchmark above is only used as a reference for investment performance comparison purpose. The benchmark chosen for the Fund is the same as that of the Target Fund whereby it reflects the universe of the investment strategy and the representative asset class exposures within the Target Fund. The risk profile of the Fund is not the same as the risk profile of this benchmark. The benchmark information is available in www.manulifeinvestment.com.my and www.jpmorgan.com.

1.7 INVESTMENT STYLE AND STRATEGY

The Fund will invest at least 95% of the Fund's NAV in Share Class I3 Inc of Manulife Global Fund - Asia Total Return Fund (the Target Fund), while the balance of the Fund's NAV will be in cash, money market instruments (including fixed income securities which have a remaining maturity period of less than 365 days) and/or placement of deposits with financial institutions for liquidity purposes.

The Fund's portfolio will be closely monitored and rebalanced from time to time to ensure that the Fund's assets are allocated in accordance with its prescribed asset allocation.

During the six months financial period under review, the Fund remained guided by its investment objective, having invested at least 95% of its NAV in the Target Fund and, with the balance NAV in cash and money market instruments.

MANULIFE ASIA TOTAL RETURN BOND FUND

2 MANAGER'S REPORT

2.1 FUND PERFORMANCE

For the six months financial period, the Feeder Fund's return increased 1.18% for its RM-Hedged Class, 0.71% for its USD Class and 1.85% for its CNH-Hedged class. Versus its benchmark return of 0.77%, the Fund managed to beat the benchmark in terms of RM-Hedged Class and CNH-Hedged Class but marginally trailed the benchmark in terms of USD Class.

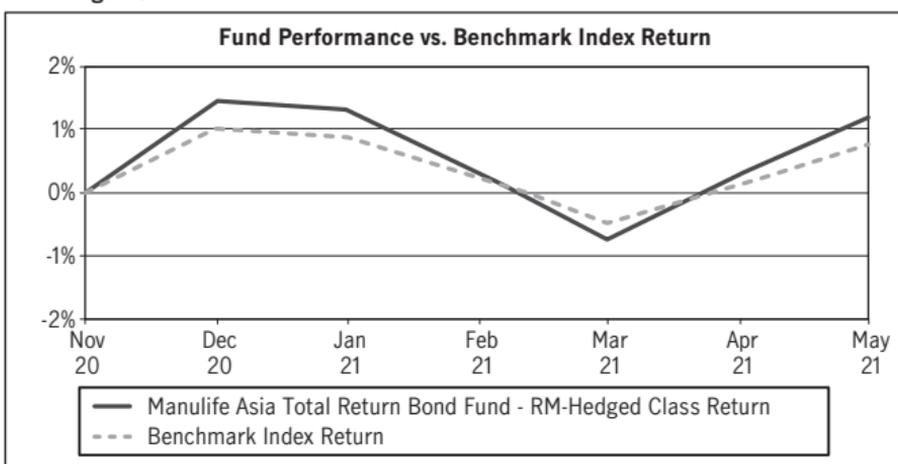
The underweight to US dollar interest rate duration and asset allocation contributed to performance; the underweight to US dollar Asian government-related bonds contributed as this segment detracted from the broad Asian credit market. In addition, overall security selection in US dollar-denominated Asian corporate bonds contributed, with bond holdings of a Chinese renewable energy company and a Chinese aluminum producer being the notable outperformers. However, the portfolio's underweight exposure to Indian local currency bonds detracted amid a strengthened currency towards the end of the period.

The gross distribution of 0.55 sen per unit for RM-Hedged Class and 0.53 cent per unit for USD Class and 0.40 cent per unit for CNH-Hedged Class on 5 February 2021 had the effect of reducing the NAV per unit of the Fund, and the ex-distribution NAV per unit were RM0.5301 for RM-Hedged Class, USD0.5246 for USD Class and CNH0.5324 for CNH-Hedged Class.

The gross distribution of 0.59 sen per unit for RM-Hedged Class and 0.55 cent per unit for USD Class and 0.57 cent per unit for CNH-Hedged Class on 7 May 2021 had the effect of reducing the NAV per unit of the Fund, and the ex-distribution NAV per unit were RM0.5195 for RM-Hedged Class, USD0.5136 for USD Class and CNH0.5238 for CNH-Hedged Class respectively.

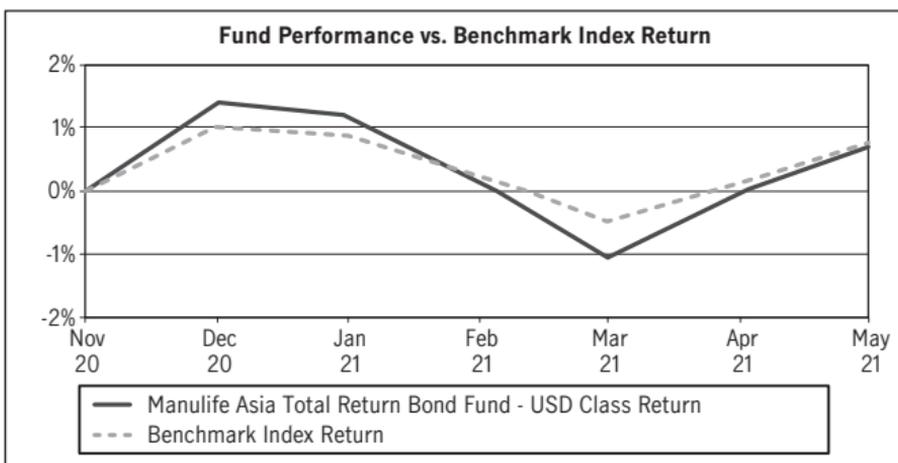
The graph below compares the 6-month performance of the Fund against its benchmark return:

RM-Hedged Class



Source: Lipper & RIMES

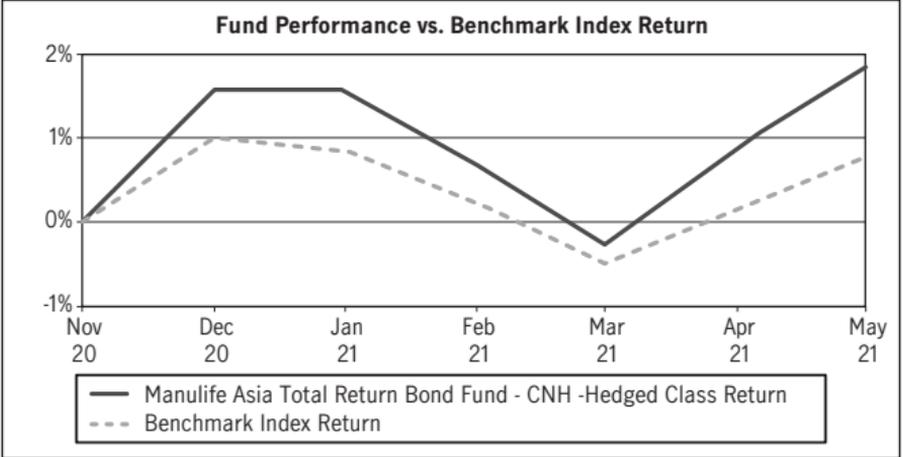
USD Class



Source: Lipper & RIMES

MANULIFE ASIA TOTAL RETURN BOND FUND

CNH-Hedged Class



Source: Lipper & RIMES

Note: The first subscription of the CNH-Hedged Class was made on 1 April 2019, being the commencement date.

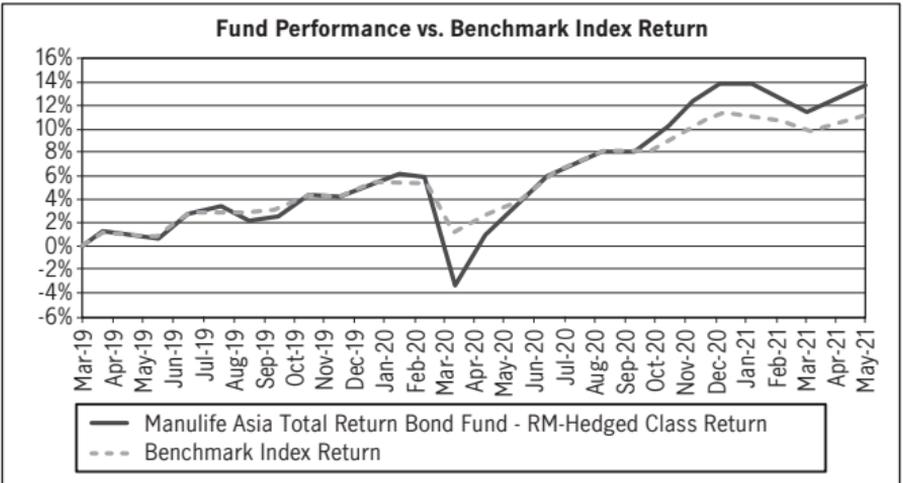
Fund Size

The Fund's total NAV decreased to USD23.11mil from USD30.02mil during the financial period under review.

Fund Returns

(a) The graph below compares the since commencement performance of the Fund against its benchmark return:

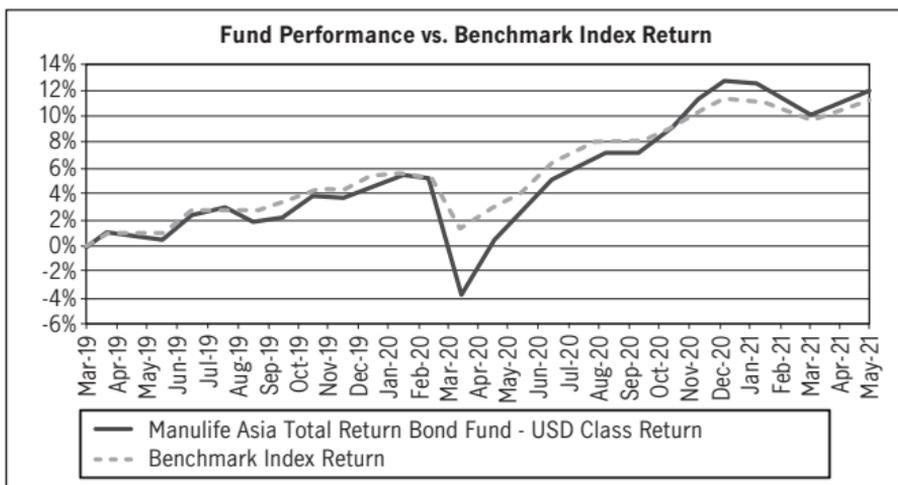
RM-Hedged Class



Source: Lipper & RIMES

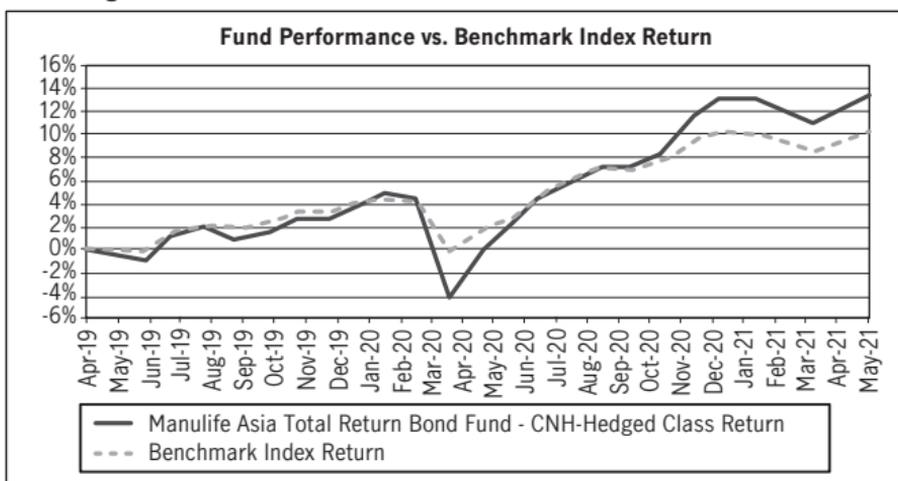
MANULIFE ASIA TOTAL RETURN BOND FUND

USD Class



Source: Lipper & RIMES

CNH-Hedged Class



Source: Lipper & RIMES

Note: The first subscription of the CNH-Hedged Class was made on 1 April 2019, being the commencement date.

(b) Average Total Return of the Fund:

RM-Hedged Class

For the financial period ended 31 May 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	10.25	7.23
Since Commencement	5.93	4.86
Investment commencement date: 11 March 2019		

Source: Lipper & RIMES

USD Class

For the financial period ended 31 May 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	9.35	7.23
Since Commencement	5.21	4.86
Investment commencement date: 11 March 2019		

Source: Lipper & RIMES

MANULIFE ASIA TOTAL RETURN BOND FUND

CNH-Hedged Class

For the financial period ended 31 May 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	11.37	7.23
Since Commencement	5.95	4.48
Investment commencement date: 1 April 2019		

Source: Lipper & RIMES

Note: The first subscription of the CNH-Hedged Class was made on 1 April 2019, being the commencement date.

(c) Annual Total Return of the Fund:

RM-Hedged Class

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 May 2021	10.25	7.23
31 May 2020	2.51	2.60
Since Commencement to 31 May 2019	0.62	1.04
Investment commencement date: 11 March 2019		

Source: Lipper & RIMES

USD Class

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 May 2021	9.35	7.23
31 May 2020	2.19	2.60
Since Commencement to 31 May 2019	0.22	1.04
Investment commencement date: 11 March 2019		

Source: Lipper & RIMES

CNH-Hedged Class

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 May 2021	11.37	7.23
31 May 2020	2.51	2.60
Since Commencement to 31 May 2019	(0.72)	(0.04)
Investment commencement date: 1 April 2019		

Source: Lipper & RIMES

Note: The first subscription of the CNH-Hedged Class was made on 1 April 2019, being the commencement date.

BASES OF CALCULATION

1. Net Asset Value (NAV)

Net Asset Value of the Fund is determined by deducting the value of all the Fund's liabilities from the value of all the Fund's assets, at the valuation point.

2. Net Asset Value per unit

Net Asset Value per unit is the net asset value of the Fund divided by the total number of units in circulation, at the valuation point.

3. Fund's Return

The total Fund's return comprises both NAV return and Income return. The returns can be calculated based on the computation methods as follows:

$$\text{Total Fund's Return} = [(\text{NAV Return} * \text{Series of Income Return}) - 1] \times 100\%$$

$$\text{NAV Return} = \{[\text{End NAV (Ex-distribution)} / \text{Beginning NAV}] - 1\} \times 100\%$$

$$\text{Income Return} = (\text{Gross Distribution} / \text{Ex-NAV price}) \times 100\%$$

$$\text{Average Total Return} = (\text{NAV Return} * \text{Series of Income Return})^{(365.25/n)} \times 100 - 100,$$

where n = number of days between beginning and end dates.

MANULIFE ASIA TOTAL RETURN BOND FUND

The following table shows other financial and performance data of the Fund for the past three financial periods:

Fund Data	31 May 2021	31 May 2020	30 November 2019
Net Asset Value (USD)			
RM-Hedged Class	20,696,419	31,086,910	34,922,819
USD Class	2,216,316	2,010,060	2,191,300
CNH-Hedged Class	200,657	2,355	558
Units in Circulation ('000)			
RM-Hedged Class	163,365	273,661	285,798
USD Class	4,297	4,107	4,326
CNH-Hedged Class	2,426	34	8
NAV (per unit)-in respective currencies			
RM-Hedged Class	0.5223	0.4936	0.5102
USD Class	0.5158	0.4894	0.5066
CNH-Hedged Class	0.5270	0.4907	0.5040
Highest / Lowest NAV (per unit) -in respective currencies			
RM-Hedged Class	0.5367/0.5168	0.5241/0.4565	0.5186/0.5000
USD Class	0.5318/0.5115	0.5199/0.4511	0.5174/0.4985
CNH-Hedged Class	0.5377/0.5200	0.5186/0.4518	0.5153/0.4933
1st Quarter Distribution			
Final Distribution - RM-Hedged Class			
Gross (RM per unit)	0.0055	0.0045	0.0026
Net (RM per unit)	0.0055	0.0045	0.0026
Final Distribution - USD Class			
Gross (USD per unit)	0.0053	0.0058	0.0014
Net (USD per unit)	0.0053	0.0058	0.0014
Final Distribution - CNH-Hedged Class			
Gross (CNH per unit)	0.0040	0.0046	-
Net (CNH per unit)	0.0040	0.0046	-
Ex-date	05.02.2021	17.02.2020	26.08.2019
2nd Quarter Distribution			
Final Distribution - RM-Hedged Class			
Gross (RM per unit)	0.0059	0.0071	0.0080
Net (RM per unit)	0.0059	0.0071	0.0080
Final Distribution - USD Class			
Gross (USD per unit)	0.0055	0.0058	0.0099
Net (USD per unit)	0.0055	0.0058	0.0099
Final Distribution - CNH-Hedged Class			
Gross (CNH per unit)	0.0057	0.0038	0.0100
Net (CNH per unit)	0.0057	0.0038	0.0100
Ex-date	07.05.2021	18.05.2020	22.11.2019
Total Fund Return (%)			
- RM-Hedged Class	1.18	(0.99)	4.17
NAV Return (%)	(0.99)	(3.35)	2.04
Income Return (%)	2.19	2.34	2.09
Total Fund Return (%)			
- USD Class	0.71	(1.13)	3.59
NAV Return (%)	(1.36)	(3.40)	1.32
Income Return (%)	2.09	2.35	2.24
Total Fund Return (%)			
- CNH-Hedged Class	1.85	(1.00)	2.80
NAV Return (%)	-	(2.64)	0.80
Income Return (%)	1.85	1.69	1.98
Management Expenses Ratio (%)	0.65	0.65	1.02
Portfolio Turnover Ratio (times)	0.36	0.22	0.64

MANULIFE ASIA TOTAL RETURN BOND FUND

NOTES

(i) Management Expenses Ratio (MER)

MER can be calculated based on the ratio of the sum of fees and the recovered expenses of the unit trust fund to the average value of the unit trust fund calculated on a daily basis.

$$\frac{\text{Fees of the unit trust fund} + \text{Recovered expenses of the unit trust fund}}{\text{Average value of the unit trust fund calculated on a daily basis}} \times 100$$

Where:

Fees = All ongoing fees deducted / deductible directly from the unit trust fund in respect of the period covered by the management expenses ratio, expressed as a fixed amount, calculated on a daily basis. This would include the annual management fee, the annual trustee fee and any other fees deducted / deductible directly from the unit trust fund;

Recovered expenses = All expenses recovered from/ charged to the unit trust fund, as a result of the expenses incurred by the operation of the unit trust fund, expressed as a fixed amount. This should not include expenses that would otherwise be incurred by an individual investor (e.g. brokerage, taxes and levies); and

Average value of the unit trust fund = The NAV of the unit trust fund, including unit trust net income value of the fund, less expenses on an accrued basis, in respect of the period covered by the management expenses ratio, calculated on a daily basis.

The MER for the financial period is consistent with the previous financial period.

(ii) Portfolio Turnover Ratio (PTR)

PTR is computed based on the average of the acquisitions and disposals of investments of the unit trust fund divided by the average fund size of the unit trust fund calculated on a daily basis.

$$\frac{[\text{Total acquisitions of the fund for the period} + \text{Total disposals of the fund for the period}]/2}{\text{Average value of the unit trust fund calculated on a daily basis}}$$

The PTR for the financial period is higher as compared to the previous financial period mainly due to the increase in trading actives.

The Manager wishes to highlight that past performance of the Fund is not an indication of its future performance.

The price of units and the investment returns may go down as well as up.

Impact On NAV Arising From Distribution Distributed For The Financial Period Ended 31 May 2021.

RM-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV RM	GROSS DISTRIBUTION RM	EX DISTRIBUTION NAV RM
07.05.2021	0.5245	(0.0059)	0.5186
05.02.2021	0.5359	(0.0055)	0.5304

MANULIFE ASIA TOTAL RETURN BOND FUND

USD Class

EX-DATE	CUM DISTRIBUTION NAV USD	GROSS DISTRIBUTION USD	EX DISTRIBUTION NAV USD
07.05.2021	0.5182	(0.0055)	0.5127
05.02.2021	0.5305	(0.0053)	0.5252

CNH-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV CNH	GROSS DISTRIBUTION CNH	EX DISTRIBUTION NAV CNH
07.05.2021	0.5285	(0.0057)	0.5228
05.02.2021	0.5368	(0.0040)	0.5328

Impact On NAV Arising From Distribution Distributed For The Financial Period Ended 31 May 2020.

RM-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV RM	GROSS DISTRIBUTION RM	EX DISTRIBUTION NAV RM
18.05.2020	0.4918	(0.0071)	0.4847
17.02.2020	0.5232	(0.0045)	0.5187

USD Class

EX-DATE	CUM DISTRIBUTION NAV USD	GROSS DISTRIBUTION USD	EX DISTRIBUTION NAV USD
18.05.2020	0.4868	(0.0058)	0.4810
17.02.2020	0.5194	(0.0058)	0.5136

CNH-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV CNH	GROSS DISTRIBUTION CNH	EX DISTRIBUTION NAV CNH
18.05.2020	0.4871	(0.0038)	0.4833
17.02.2020	0.5183	(0.0046)	0.5137

Impact On NAV Arising From Distribution Distributed For The Financial Period Ended 30 November 2019.

RM-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV RM	GROSS DISTRIBUTION RM	EX DISTRIBUTION NAV RM
26.08.2019	0.5112	(0.0026)	0.5086
22.11.2019	0.5181	(0.0080)	0.5101

MANULIFE ASIA TOTAL RETURN BOND FUND

USD Class

EX-DATE	CUM DISTRIBUTION NAV USD	GROSS DISTRIBUTION USD	EX DISTRIBUTION NAV USD
26.08.2019	0.5089	(0.0014)	0.5075
22.11.2019	0.5164	(0.0099)	0.5065

CNH-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV CNH	GROSS DISTRIBUTION CNH	EX DISTRIBUTION NAV CNH
26.08.2019	-	-	-
22.11.2019	0.5141	(0.0100)	0.5041

2.2 ASSET ALLOCATION

Asset allocation for the past three financial period:

Sector Allocation	% of Net Asset Value		
	31 May 2021	31 May 2020	30 November 2019
Collective Investment Scheme	96.29	96.91	97.20
Other Assets & Liabilities	3.71	3.09	2.80

As at 31 May 2021, the Fund was 96.29% invested in one collective investment scheme and 3.71% in cash instruments. The Fund remained fully invested and a minimal level of cash was maintained for liquidity purposes.

Asset allocation of the Target Fund for the past three financial period:

Sector Allocation	% of Net Asset Value		
	31 May 2021	31 May 2020	30 November 2019
Treasury	53.50	32.20	49.10
Investment Grade Corporates	21.00	22.80	18.20
High Yield Corporates	13.90	20.10	18.00
Government-related	7.50	16.70	10.00
Non-rated Corporates	1.30	3.70	1.90
Cash	2.80	4.50	2.90

MANULIFE

ASIA TOTAL RETURN BOND FUND

2.3 MARKET REVIEW

During the financial period under review from 1st December 2020 to 31 May 2021, US treasury yields trended higher amid the fiscal packages by the Joe Biden administration, the number of new Covid-19 cases stabilising as vaccinations picked up and stronger-than-expected US economic data. First-quarter US gross domestic product (GDP) growth came in at 6.4% (annualised, quarter-on-quarter). The 10-year Treasury yield rose from 0.84% to 1.59% over the period.

In China, economic data suggested a continued two-speed economic recovery. The Caixin Manufacturing Purchasing Managers' Index rose in April (51.9) from March (50.6), reversing a two-month slide and moving further into economic expansion territory. Chinese onshore government bond yields trended lower over the period. In India, the government's Union budget released in February included pro-growth policies such as bank reforms and infrastructure spending, but also raised investor concerns over an escalating fiscal deficit and increasing debt issuance. Moody's slashed India's fiscal year 2022 GDP growth to 9.3% from 13.7%, citing Covid-19 concerns, while Fitch also warned about India's slow pace of vaccinations. Indian government bond yields range traded over the period, as the Covid-19 situation deepened towards the end of the period. In Indonesia, Bank Indonesia (BI) cut its key interest rates by 25 basis points to 3.5%, the lowest level since the policy rate was introduced in 2016, to stimulate its economy. Despite BI cutting interest rates, the Indonesian long-end bond yields rose amid a steeper US yield curve.

The Asian high-yield corporate segment outperformed Asian investment-grade credit, amid a rising US yield environment. The JP Morgan Asian Investment Grade Corporate Bond Index decreased by 1.04%, while the JP Morgan Asian High Yield Corporate Bond Index rose by 4.13% in US dollar terms. Selective China credit on the US sanction list generally outperformed, as the Biden administration delayed the investment ban, originally imposed by Donald Trump administration, for some companies to 27 May. On the other hand, a Chinese asset management company failed to publish its earnings results by the 31 March deadline and suspended its share trading; this subsequently deteriorated investor sentiment and raised concerns and speculation of a potential debt restructuring scenario. A Chinese high-yield property issuer underperformed following negative idiosyncratic headlines regarding disclosures. However, the negative sentiment did not spill-over to the Chinese investment-grade property space.

The performance of Asian currencies was mixed against the US dollar. The Chinese renminbi was one of the regional outperformers amid relatively successful Covid-19 containment and strong economic data. The Thai baht underperformed regional peers owing to a downward revision of its 2021 growth forecast and extension of regional travel restrictions.

2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

We believe the US Federal Reserve Board (Fed) is committed to a relatively accommodative monetary policy despite signs of recovery in the US economy amid a steady Covid-19 vaccine rollout. In contrast to past cycles, the Fed and other central banks should be more inclined to keep interest rate volatility low, and for financial conditions to remain stable to promote the economic recovery. North Asian economies, especially China, so far have demonstrated better containment of Covid-19 compared to their South Asian counterparts. Overall, we believe Asia's resilient underlying fundamentals, strong government sponsorship in the corporate sector and spread premium over developed bond markets, places Asian bonds in a unique position in the global context. Nonetheless, we believe fallen angel risk in Asia remains, as companies continue to navigate their way through the crisis. We continue to remain cognisant of both systemic and idiosyncratic risks while seeking out attractive opportunities, and believe that bottom-up credit selection will be key in generating further returns going forward. We favour markets such as China for its superior Covid-19 containment underpinning growth and relatively attractive yields in the single-A space, and Indonesia for its compelling yields and credit rating resilience.

MANULIFE ASIA TOTAL RETURN BOND FUND

2.5 BREAKDOWN OF UNIT HOLDINGS BY SIZE AS AT 31 MAY 2021

The following table presents the distribution of the Fund's unit holders according to size of unit holdings:

RM-Hedged Class

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	191	34.98	4,396	2.69
5,001 to 10,000	173	31.68	402	0.25
10,001 to 50,000	75	13.74	562	0.34
50,001 to 500,000	94	17.22	12,920	7.91
Above 500,001	13	2.38	145,085	88.81
Manager's stock	-	-	-	-
Total	546	100.00	163,365	100.00

USD Class

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	4	66.67	649	15.10
Above 500,001	2	33.33	3,648	84.90
Manager's stock	-	-	-	-
Total	6	100.00	4,297	100.00

CNH-Hedged Class

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 50,000	1	50.00	6	0.23
50,001 to 500,000	-	-	-	-
Above 500,001	1	50.00	2,420	99.77
Manager's stock	-	-	-	-
Total	2	100.00	2,426	100.00

2.6 STATE OF AFFAIRS

NOTIFICATION OF CHANGES

The Third Supplemental Master Prospectus dated 5 April 2021 was issued to make the following general and administrative updates:

- inclusion of a disclosure that the Fund is not offered for sale to any US person and definition of a US person;
- inclusion of a note that the Manager may vary the minimum initial investment amount and additional investment amount from time to time.

The Third Supplemental Master Prospectus dated 5 April 2021 is available in the company website: www.manulifeinvestment.com.my.

The Eighth Supplemental Master Deed dated 10 February 2021 has been registered with Securities Commission Malaysia: insertion of a new clause to allow for virtual unit holders' meeting and remote voting.

MANULIFE ASIA TOTAL RETURN BOND FUND

3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS

The Management Company did not retain any rebates.

For the six month financial period ended 31 May 2021, the Manager and its Fund Manager did not receive any rebates or soft commissions.

4 STATEMENT BY THE MANAGER

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the unaudited financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to unit holders, statement of cash flows, summary of significant accounting policies and notes to the financial statements, are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 May 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows of the Fund for the six months financial period ended 31 May 2021 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

EDMOND CHEAH SWEE LENG

DIRECTOR

CHONG SOON MIN

DIRECTOR

Kuala Lumpur

26 July 2021

MANULIFE ASIA TOTAL RETURN BOND FUND

5 TRUSTEE'S REPORT

TO THE UNITHOLDERS OF MANULIFE ASIA TOTAL RETURN BOND FUND

We have acted as Trustee of Manulife Asia Total Return Bond Fund ("the Fund") for the financial period ended 31 May 2021. To the best of our knowledge, Manulife Investment Management (M) Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:-

- a) limitations imposed on the investment powers of the Management Company and the Trustee under the Deeds, the Securities Commission's Guidelines on Unit Trust Funds, the Capital Markets and Services Act 2007 and other applicable laws;
- b) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- c) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial period, a total distribution of 0.97 cent per unit (gross) for CNH-Hedged Class, 1.14 sen per unit (gross) for RM-Hedged Class and 1.08 cent per units (gross) for USD Class have been distributed to the unitholders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
26 July 2021

MANULIFE ASIA TOTAL RETURN BOND FUND

6 STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	Note	2021 USD	2020 USD
INVESTMENT INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions at amortised cost		-	244
Gross dividend income		618,092	808,883
Net loss on financial assets at fair value through profit or loss	6	(309,664)	(1,055,412)
Net loss on forward foreign currency contracts	7	(192,535)	(1,253,334)
Net foreign currency exchange gain/(loss)		1,754	(1,025)
		<u>117,647</u>	<u>(1,500,644)</u>
EXPENSES			
Manager's fee	3	177,397	218,634
Trustee's fee	4	5,677	6,996
Auditors' remuneration		786	792
Tax agent's fee		322	324
Other expenses		1,891	1,627
		<u>186,073</u>	<u>228,373</u>
LOSS BEFORE DISTRIBUTION AND TAXATION		(68,426)	(1,729,017)
DISTRIBUTION TO UNIT HOLDERS	16		
- CNH-Hedged Class		(3,759)	(7)
- RM-Hedged Class		(544,881)	(634,182)
- USD Class		(46,392)	(39,773)
		<u>(663,458)</u>	<u>(2,402,979)</u>
LOSS BEFORE TAXATION		(663,458)	(2,402,979)
TAXATION	5	-	-
LOSS AFTER TAXATION AND TOTAL COMPREHENSIVE LOSS		(663,458)	(663,458)
NET LOSS FOR THE FINANCIAL PERIOD, REPRESENTING THE DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(663,458)</u>	<u>(2,402,979)</u>
Decrease in net assets attributable to unit holders is made up as follows:			
Realised		175,461	(1,655,628)
Unrealised		(838,919)	(747,351)
		<u>(663,458)</u>	<u>(2,402,979)</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

MANULIFE ASIA TOTAL RETURN BOND FUND

7 STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2021

	Note	<u>31.05.2021</u>	<u>31.05.2020</u>
		USD	USD
ASSETS			
Financial assets at fair value through profit or loss	6	22,256,658	32,075,125
Derivative assets at fair value through profit or loss	7	79,348	-
Amount due from Manager	3	59,769	10,121
Amount due from manager of collective investment scheme			
- Sale of collective investment scheme		449,436	512,800
Amount due from dealers		532,287	313,219
Cash and cash equivalents	8	831,521	863,085
TOTAL ASSETS		<u>24,209,019</u>	<u>33,774,350</u>
LIABILITIES			
Amount due to Manager			
- Manager's fee	3	25,133	34,872
- Cancellation of units		470,710	307,072
Amount due to manager of collective investment scheme			
- Purchase of collective investment scheme		57,093	7,786
Amount due to dealers		531,021	312,716
Amount due to Trustee	4	804	1,116
Derivative liabilities at fair value through profit or loss	7	2,883	5,979
Other payables	9	7,796	4,614
Distribution payable		187	870
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		<u>1,095,627</u>	<u>675,025</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>23,113,392</u>	<u>33,099,325</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	2	<u>23,113,392</u>	<u>33,099,325</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS			
- CNH-Hedged Class		200,657	2,355
- RM-Hedged Class		20,696,419	31,086,910
- USD Class		2,216,316	2,010,060
		<u>23,113,392</u>	<u>33,099,325</u>
UNITS IN CIRCULATION (UNITS)			
- CNH-Hedged Class	10 (i)	2,426,078	34,362
- RM-Hedged Class	10 (ii)	163,364,502	273,661,409
- USD Class	10 (iii)	4,296,825	4,107,076
		<u>170,087,405</u>	<u>277,802,847</u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

MANULIFE ASIA TOTAL RETURN BOND FUND

NET ASSET VALUE PER UNIT (USD)

- CNH-Hedged Class	0.0827	0.0685
- RM-Hedged Class	0.1267	0.1136
- USD Class	0.5158	0.4894

NAV PER UNIT IN RESPECTIVE CURRENCIES

NAV PER UNIT - CNH-Hedged Class	0.5270	0.4907
NAV PER UNIT- RM-Hedged Class	0.5223	0.4936
NAV PER UNIT - USD Class	0.5158	0.4894

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

MANULIFE ASIA TOTAL RETURN BOND FUND

8 STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	<u>31.05.2021</u>	<u>31.05.2020</u>
	USD	USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	30,057,853	37,114,677
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications		
- CNH-Hedged Class	201,031	2,020
- RM-Hedged Class	6,208,973	4,187,167
- USD Class	419,195	694,407
Creation of units arising from distributions		
- CNH-Hedged Class	3,759	9
- RM-Hedged Class	541,609	739,297
- USD Class	46,392	47,884
Cancellation of units		
- CNH-Hedged Class	(46,410)	(204)
- RM-Hedged Class	(13,335,502)	(6,315,628)
- USD Class	(320,050)	(854,097)
Distribution equalisation		
- CNH-Hedged Class	-	(2)
- RM-Hedged Class	-	(105,115)
- USD Class	-	(8,111)
	<u>23,776,850</u>	<u>35,502,304</u>
Net loss for the financial period, representing the decrease in net assets attributable to unit holders	<u>(663,458)</u>	<u>(2,402,979)</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>23,113,392</u></u>	<u><u>33,099,325</u></u>

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

MANULIFE ASIA TOTAL RETURN BOND FUND

9 STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

	Note	2021 USD	2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Proceeds from sale of investments		12,875,805	8,385,669
Purchase of investments		(6,698,959)	(7,325,013)
Loss on forward foreign currency contracts		(67,230)	-
Net realised foreign exchange gain		1,754	-
Dividends received		618,092	808,883
Interest income received		-	244
Manager's fee paid		(183,024)	(222,618)
Trustee's fee paid		(5,857)	(7,104)
Audit fee paid		-	(1,726)
Tax agent's fee paid		-	-
Payment for other fees and expenses		(1,112)	(233)
Net cash generated from operating activities		6,539,469	1,638,102
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution paid		(3,085)	(774,476)
Proceeds from creation of units		6,815,022	5,835,988
Payments for cancellation of units		(13,464,818)	(6,862,857)
Net cash used in financing activities		(6,652,881)	(1,801,345)
Net decrease in cash and cash equivalents		(113,412)	(163,243)
Cash and cash equivalents at beginning of the financial period		944,933	1,026,328
Cash and cash equivalents at end of the financial period	8	831,521	863,085
Cash and cash equivalents comprise:			
Bank balance in a licensed bank	8	831,521	863,085

The accompanying summary of significant accounting policies and notes to the financial statements form an integral part of these financial statements.

MANULIFE ASIA TOTAL RETURN BOND FUND

10 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. The policies have been consistently applied to all the financial periods presented, unless otherwise stated.

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The unaudited financial statements of the Fund have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention, as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the six months financial period ended 31 May 2021.

The Fund has applied the following amendments for the first time for the financial period beginning on 1 June 2020:

- Amendments to references to the Conceptual Framework in MFRS Standards
- Amendment to MFRS 9, MFRS 139 and MFRS 7 - 'Interest Rate Benchmark Reform'
- Amendments to MFRS 3 'Business Combinations: Definition of Business'
- Accounting Policies, and Changes in Accounting Estimates and Errors: Definition of Material'

The adoption of the new standards, amendments to standards and interpretation above during the financial period did not result in any material financial impact to the financial statements of the Fund.

The new standards that are applicable to the Fund but not yet effective will be adopted by the Fund. The new standards are not expected to have any material effect on the financial statements in the period of initial application.

B FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification and measurement

Financial Assets

The Fund classifies its financial assets into the following categories: financial assets at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics ("SPPI test") and the business model for managing them.

The SPPI test determines whether the contractual cash flows are solely for payments of principal and interest. This assessment is performed at an instrument level.

Financial assets is classified as FVTPL if the financial assets are held for trading or are managed on a fair value basis (including derivatives). Other financial assets with contractual cash flow that are not solely payments of principal and interest, regardless of its business model are classified as FVTPL.

MANULIFE ASIA TOTAL RETURN BOND FUND

(a) Fair value through profit or loss ("FVTPL")

Financial assets is classified as FVTPL if the financial assets are held for trading or are managed on a fair value basis (including derivatives). Other financial assets with contractual cash flow that are not solely payments of principal and interest, irregardless of its business model are classified as FVTPL.

Certain financial assets that otherwise meets the requirements to be either measured at amortised cost or at FVOCI, may irrevocably be designated at FVTPL on initial recognition, when such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These investments are initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, these investments are remeasured at fair value. All subsequent fair value adjustments are recognised through profit or loss.

The Fund designates its investment in are collective investment scheme and derivatives as financial assets at fair value through profit or loss.

(b) Financial assets at amortised cost

A financial asset is measured at amortised cost if its business model is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognised at cost, being the fair value of the consideration paid for the acquisition of the financial assets. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of comprehensive income when the financial assets at amortised cost are derecognised or impaired, as well as through the amortisation process.

The Fund classifies amount due from Manager, amount due from manager of collective investment scheme, amount due from dealers, dividends receivable and cash and cash equivalents as financial assets measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Fund changes its business model for management of the financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in business model.

Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised when due and measured on initial recognition at the fair value of the consideration received plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

The Fund classifies amount due to Manager, amount due to Trustee, amount due to manager of collective investment scheme, amount due to dealers, other payables and distribution payable as other financial liabilities.

iii) Impairment of financial assets

Credit losses are recognised based on the 'Expected Credit Loss' ("ECL") model. The Fund recognises loss allowances for ECL on financial instruments that are not measured at FVTPL (financial assets that are debt instruments). The impairment model does not apply to collective investments schemes.

MANULIFE ASIA TOTAL RETURN BOND FUND

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date:
As the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);
- Financial assets that are credit-impaired at the reporting date:
As the difference between the gross carrying amount and the present value of estimated future cash flows.

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer or counterparty;
- Significant downgrade in credit rating of the instrument by a rating agency;
- A breach of contract such as a default or past due event; or
- The disappearance of an active market for a security because of financial difficulties.

For balances with short-term nature, full impairment will be recognised on uncollected balances after the grace period.

(iii) Derecognition

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are de-recognised when they are extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or has expired.

C CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, which are cancelled at the unit holders' option. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value. The outstanding unit is carried at the redemption amount that is payable at the date of the statement of financial position if the unit holder exercises the right to put the unit back to the Fund.

Units are created and cancelled at the unit holders' option at prices based on the Fund's net asset value per unit at the time of creation and cancellation. The Fund's net asset value is calculated by dividing the net assets attributable to unit holders with the total number of outstanding units.

The net asset value per unit is computed each dealing day. The price at which units are created or cancelled is calculated by reference to the net asset value per unit as at the close of business on the relevant dealing day.

Distribution equalisation is the amount attributable to net realised income that is included in the price of units created or units cancelled by the Fund during the reporting period.

D INCOME RECOGNITION

Interest income from deposits placed with licensed financial institutions is recognised on an accrual basis using the effective interest rate method.

Dividend income on collective investment schemes is recognised on the ex-dividend date.

Realised gains or losses on sale of collective investment schemes are accounted for as the difference between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the financial period.

MANULIFE ASIA TOTAL RETURN BOND FUND

E EXPENSES

Expenses are accounted for on an accrual basis and charged to the statement of comprehensive income. Transaction costs are costs incurred to acquire or dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

F AMOUNT DUE FROM/TO MANAGER OF COLLECTIVE INVESTMENT SCHEME

Amounts due from and amount due to manager of collective investment scheme represent receivables for collective investments scheme sold and payables for collective investments scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from manager of collective investment scheme is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on the amount due from manager of collective investment scheme at an amount equal to lifetime expected credit loss if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the manager of the collective investment scheme, probability that the manager of the collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and deposits held in highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

H FOREIGN CURRENCY

Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”).

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represent the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in United States Dollar (USD) primarily due to the following factors:

- (i) Significant portion of the net asset value is invested in the form of cash denominated in USD for the purpose of making settlement of the foreign trades;
- (ii) Significant portion of the Fund's expenses are denominated in USD; and
- (iii) Significant portion of the Fund's investments are denominated in USD.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rate prevailing at the date of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation at financial period-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

MANULIFE ASIA TOTAL RETURN BOND FUND

I DISTRIBUTION

A distribution to the Fund's members is accounted for as finance cost in the statement of comprehensive income, when they are appropriately authorised and no longer at the discretion of the Fund.

A proposed distribution is recognised as a financial liability in the financial period in which it is approved by the Trustee.

Distribution equalisation is the amount attributable to net realised income that is included in the price of units created or units cancelled by the Fund during the reporting period.

J FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants and the measurement date. The information presented herein represents the estimates of fair value as at the date of the statement of financial position.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

A range of methodologies and assumptions has been used in deriving the fair values of the Fund's financial instruments as at the date of statement of financial position. The total fair value of each financial instrument is not materially different from the total carrying value.

The fair values are based on the following methodologies and assumptions:

(a) Short-term deposits with financial institutions

For deposits and placements with financial institutions with maturities of less than three months, the carrying value is a reasonable estimate of fair value. For deposits and placements with maturities of three months and above, the estimated fair value is based on discounted cash flows by using prevailing interbank money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

(b) Quoted investments - collective investment scheme

The estimated fair value is based on quoted and observable market prices.

(c) Derivatives

The fair value of forward foreign currency contracts is determined using general exchange rates as at the date of the statement of financial position, with the resulting value discounted back to present value. All derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(d) Other short-term financial instruments

Other short-term financial instruments comprise amount due from/to Manager, amount due from/to manager of collective investment scheme, amount due from/to dealers, amount due to Trustee, other payables and distribution payable. The carrying values of the assets and liabilities are assumed to approximate their fair values due to the short tenure of less than one year.

MANULIFE ASIA TOTAL RETURN BOND FUND

K TAXATION

Current tax expense is determined according to the tax laws in the jurisdictions of the taxable profit earned during the financial period from the financial assets in which the Fund invests and includes all taxes based upon the taxable profit. No deferred tax is recognised as there are no material temporary differences.

L SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic asset allocation committee of the Manager that makes the strategic decisions.

MANULIFE ASIA TOTAL RETURN BOND FUND

11 NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2021

1 INFORMATION ON THE FUND

Manulife Asia Total Return Bond Fund ("the Fund") was established pursuant to a Principal Deed dated 16 August 2017 and Second Supplemental Master Deed dated 8 June 2018 (hereinafter referred to as ("the Deed") between Manulife Investment Management (M) Berhad ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The principal activity of the Fund is to invest in "Investments" as defined under Clause 17 of the Deed, which include one collective investment scheme having a similar objective, deposits and money market instruments, financial derivative instruments including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes, and any other form of investments as may be determined by the Management Company from time to time that is in line with the Fund's objective. The Fund commenced operations on 18 February 2019 and will continue its operations until terminated as provided under Clause 25 of the Deed.

The main objective of the Fund is to provide total return from a combination of income and capital appreciation by investing in a collective investment scheme with investment focus on fixed income securities.

The Target Fund is authorised by the Securities and Futures Commission in Hong Kong (the "SFC") for offering to the public in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance (as may be amended, supplemented or replaced from time to time).

The Manager of the Fund, a company incorporated in Malaysia, is a wholly-owned subsidiary of Manulife Holdings Berhad, a public limited liability company, incorporated and domiciled in Malaysia, and listed on the main market of Bursa Malaysia. Its principal activities are the management of unit trusts and private retirement schemes, fund management activities and financial planning.

The financial statements were authorised for issue by the Manager on 26 July 2021.

2 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

The net assets attributable to unit holders are classified as liabilities under the requirements of MFRS 132 "Financial Instruments: Presentation" as they are puttable instruments whereby the unitholders have the right to redeem their units in the Fund at their option, and the different classes of units do not have identical features.

3 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of 1.25% per annum (2020: 1.25% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

There will be no further liability to the Manager in respect of Manager's fee other than the amount recognised above.

Amount due from Manager relates to the creation of units by the Fund. Amount due to Manager relates to the amount payable to the Manager arising from the accruals for Manager's fee and cancellation of units by the Fund at the end of the financial period. The amounts due to/from Manager are unsecured, trade related, interest free and payable on demand. All amounts are receivable/payable within one month.

MANULIFE ASIA TOTAL RETURN BOND FUND

4 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee of 0.04% per annum (2020: 0.04% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

There will be no further liability to the Trustee in respect of Trustee's fee other than the amount recognised in the statement of comprehensive income on the above basis.

Amount due to Trustee relates to the amount payable to Trustee arising from the accruals for Trustee's fee at the end of the financial period. The amount due to Trustee are unsecured, trade related, interest free and repayable on demand. All amounts are payable within one month.

5 TAXATION

	<u>2021</u>	<u>2020</u>
	USD	USD
Current taxation	-	-

Numerical reconciliation between loss before taxation multiplied by the Malaysian statutory tax rate and tax expenses of the Fund is as follows:

	<u>2021</u>	<u>2020</u>
	USD	USD
Loss before taxation	(68,426)	(1,729,017)
Tax calculated at Malaysian tax rate of 24% (2020: 24%)	(16,422)	(414,964)
Tax effect in respect of:		
- Expenses not deductible for tax purposes	1,751	2,004
- Restriction on tax deductible expenses for unit trust funds	42,907	52,806
- Investment (income)/loss not subject to tax	(28,236)	59,108
- Effect of foreign tax on foreign taxable income	-	301,046
Tax expenses	-	-

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31.05.2021</u>	<u>31.05.2020</u>
	USD	USD
Financial assets at fair value through profit or loss		
- Collective investment scheme	22,256,658	32,075,125
	<u>2021</u>	<u>2020</u>
	USD	USD
Net loss on financial assets at fair value through profit or loss		
- Realised	403,949	(193,676)
- Unrealised	(713,613)	(861,736)
	<u>(309,664)</u>	<u>(1,055,412)</u>

MANULIFE ASIA TOTAL RETURN BOND FUND

<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost of shares</u> USD	<u>Fair value as at 31.05.2021</u> USD	<u>Fair value as at 31.05.2021 expressed as percentage of value of Fund</u> %
<u>31.05.2021</u>				
Manulife Global Fund - Asia Total Return Fund	21,056,440	21,586,004	22,256,658	96.29
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>21,056,440</u>	<u>21,586,004</u>	<u>22,256,658</u>	<u>96.29</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>670,654</u>		
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>22,256,658</u>		

<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost of shares</u> USD	<u>Fair value as at 31.05.2020</u> USD	<u>Fair value as at 31.05.2020 expressed as percentage of value of Fund</u> %
<u>31.05.2020</u>				
Manulife Global Fund - Asia Total Return Fund	32,262,246	32,575,624	32,075,125	96.91
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>32,262,246</u>	<u>32,575,624</u>	<u>32,075,125</u>	<u>96.91</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(500,499)</u>		
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>32,075,125</u>		

7 DERIVATIVE ASSETS/(LIABILITIES) AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 May 2021, the notional principal amount of the 4 (2020 : 3) outstanding forward foreign currency contracts amounted to USD21,987,944 (31.05.2020: USD29,893,296). The forward foreign currency contracts entered into are for hedging against the currency exposure arising from the investment in collective investment scheme denominated in USD. As the Fund has not adopted hedge accounting, the change in the fair value of the forward foreign currency contract is recognised immediately in the statement of comprehensive income.

	<u>31.05.2021</u> USD	<u>31.05.2020</u> USD
Forward foreign currency contract		
- Financial assets	79,348	-
- Financial liabilities	(2,883)	(5,979)
	<u>76,465</u>	<u>(5,979)</u>

MANULIFE ASIA TOTAL RETURN BOND FUND

	31.05.2021	31.05.2020
	USD	USD
Net loss on forward foreign currency contracts at fair value through profit or loss		
- Net realised loss on forward currency contracts	(67,230)	(1,367,719)
- Net unrealised (loss)/gain on forward currency contracts	(125,305)	114,385
Total net loss on derivatives	(192,535)	(1,253,334)
8 CASH AND CASH EQUIVALENTS	31.05.2021	31.05.2020
	USD	USD
Bank balances in licensed banks	831,521	863,085
9 OTHER PAYABLES	31.05.2021	31.05.2020
	USD	USD
Auditors' remuneration	2,296	682
Tax agent's fee	995	985
Sundry payables and accruals	4,505	2,947
	7,796	4,614
10 UNITS IN CIRCULATION		
(i) CNH-Hedged Class	31.05.2021	31.05.2020
	No. of units	No. of units
At beginning of the financial period	501,993	7,778
Add: Creation of units arising from application	2,448,921	29,459
Add: Creation of units arising from distributions	45,908	61
Less: Cancellation of units	(570,744)	(2,936)
At end of the financial period	2,426,078	34,362
(ii) RM-Hedged Class	31.05.2021	31.05.2020
	No. of units	No. of units
At beginning of the financial period	215,459,841	285,797,673
Add: Creation of units arising from application	47,559,579	36,453,113
Add: Creation of units arising from distributions	4,213,967	3,970,732
Less: Cancellation of units	(103,868,885)	(52,560,109)
At end of the financial period	163,364,502	273,661,409
(iii) USD Class	31.05.2021	31.05.2020
	No. of units	No. of units
At beginning of the financial period	4,025,467	4,325,781
Add: Creation of units arising from application	802,116	1,402,956
Add: Creation of units arising from distributions	89,370	48,844
Less: Cancellation of units	(620,128)	(1,670,505)
At end of the financial period	4,296,825	4,107,076

MANULIFE ASIA TOTAL RETURN BOND FUND

11 BROKERS' TRANSACTIONS

There were no transactions with brokers as at 31 May 2021 and 31 May 2020.

As at the end of the financial period, there were no brokers' transaction with related parties.

12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Manulife Investment Management (M) Berhad	The Manager
Manulife Financial Corporation ("Manulife")	Ultimate holding company of the Manager
Manulife Holdings Berhad	Immediate holding company of the Manager
Directors of Manulife Investment Management (M) Berhad	Directors of the Manager
Subsidiaries and associates of Manulife as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager
Directors of Manulife Investment Management (M) Berhad	Directors of the Manager

As at 31 May 2021 and 31 May 2020 there were no units held by the Manager.

The Manager is of the opinion that all transactions with the related parties have been entered into the normal course of business at agreed terms between the related parties.

In addition to the related party disclosure mentioned elsewhere in the financial statements, there were no other significant related party transactions and balances.

13 MANAGEMENT EXPENSES RATIO ("MER")

	<u>31.05.2021</u>	<u>31.05.2020</u>
	%	%
MER	0.65	0.65

MER represents expenses including Manager's fee, Trustee's fee, auditors' remuneration, tax agent's fee and other expenses (excluding SST on transaction costs and withholding tax) expressed as an annual percentage of the Fund's average net asset value calculated on a daily basis.

14 PORTFOLIO TURNOVER RATIO ("PTR")

	<u>31.05.2021</u>	<u>31.05.2020</u>
	%	%
PTR (times)	0.36	0.22

PTR represents the average of total acquisitions and disposals of investments in the Fund for the financial period over the Fund's average net asset value calculated on a daily basis.

MANULIFE ASIA TOTAL RETURN BOND FUND

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk and capital risk.

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to all rules and regulations as stipulated by the Securities Commission's Guidelines on Unit Trust Funds.

Market risk

(a) Price risk

Price risk arises mainly from uncertainty about future prices of collective investment scheme. It represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The Manager manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

The table below shows the assets of the Fund which are exposed to price risk.

	31.05.2021	31.05.2020
	USD	USD
Financial assets at fair value through profit or loss		
- Collective investment scheme	22,256,658	32,075,125

The following table summarises the sensitivity of the Fund's profit or loss before tax and net asset value to price risk movements as at the end of each reporting period. The analysis is based on the assumptions that the market price of collective investment schemes fluctuates by 5% with all other variables being held constant. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

<u>As at:</u>	<u>Changes in price</u>	<u>Impact on profit of loss before tax</u>	<u>Impact on net asset value</u>
	%	USD	USD
<u>31.05.2021</u>			
Financial assets at fair value through profit or loss			
- Collective investment scheme	5	1,112,833	1,112,833
<u>31.05.2020</u>			
Financial assets at fair value through profit or loss			
- Collective investment scheme	5	1,603,756	1,603,756

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate.

The Fund's exposure to the interest rate risk is mainly confined to deposits with financial institutions. The Manager overcomes this exposure by way of maintaining deposits on short-term basis.

(c) Currency risk

For collective investment schemes denominated in foreign currencies, the currency risk may have a significant impact on the returns of the Fund. The Manager will evaluate the likely direction of a foreign currency versus US Dollar based on consideration of economic fundamentals such as interest rate differentials, balance of payment position, debt level and technical considerations.

MANULIFE ASIA TOTAL RETURN BOND FUND

The Fund's foreign currency risk concentrations are as follows:

As at	Cash and cash equivalents	Amount due from Manager	Amount due from dealers	Other liabilities*	Total
	USD	USD	USD	USD	USD
<u>31.05.2021</u>					
MYR	62,339	59,047	468,878	(526,270)	63,994
CNH	108	722	3,742	(4,464)	108
	<u>62,447</u>	<u>59,769</u>	<u>472,620</u>	<u>(530,734)</u>	<u>64,102</u>
<u>31.05.2020</u>					
MYR	61,749	8,309	307,072	(312,290)	64,840
CNH	133	1,812	-	(1,812)	133
	<u>61,882</u>	<u>10,121</u>	<u>307,072</u>	<u>(314,102)</u>	<u>64,973</u>

*Other liabilities include amount due to dealers, amount due to Manager - Cancellation of units and distribution payable.

The table below summarises the sensitivity of the Fund's profit or loss before tax and net asset value to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remaining constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures below are shown in absolute terms, changes and impacts could be positive or negative.

As at:	Changes in foreign exchange	Impact on profit or loss before tax	Impact on net asset value
	%	USD	USD
<u>31.05.2021</u>			
MYR	5	3,200	3,200
CNH	5	5	5
		<u>3,205</u>	<u>3,205</u>
<u>31.05.2020</u>			
MYR	5	3,242	3,242
CNH	5	7	7
		<u>3,249</u>	<u>3,249</u>

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The Manager manages credit risk by undertaking credit evaluation to minimise such a risk.

Credit risk arising from placement of deposits in licensed financial institutions is managed by ensuring that the Fund will only place deposits in reputable licensed financial institutions.

The settlement terms of the proceeds from the creation of units receivable by the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

MANULIFE ASIA TOTAL RETURN BOND FUND

(i) Credit risk exposure

At the reporting date, the Fund's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. None of the Fund's financial assets were past due or impaired as at the reporting date.

(ii) Credit risk concentration

The following table analyses the Fund's cash at banks, amount due from Manager, amount due from manager of collective investment scheme, amount due from dealers and derivative asset/liability at fair value through profit or loss by rating categories. The rating is obtained from RAM Holdings Bhd's official website.

The maximum exposure to credit risk before any credit enhancements in the carrying amount of the financial assets is as set out below:

	Neither Past Due Nor Impaired					Total
	Cash and cash equivalents	Amount due from Manager	Amount due from manager of collective investment scheme	Amount due from dealers	Derivative asset/liability at fair value through profit or loss	
<u>As at</u>	USD	USD	USD	USD	USD	USD
<u>31.05.2021</u>						
AAA	831,521	-	-	-	-	831,521
Not rated	-	59,769	449,436	532,287	76,465	1,117,957
	<u>831,521</u>	<u>59,769</u>	<u>449,436</u>	<u>532,287</u>	<u>76,465</u>	<u>1,949,478</u>
<u>As at</u>						
<u>31.05.2020</u>						
AAA	863,085	-	-	-	-	863,085
Not rated	-	10,121	512,800	313,219	(5,979)	830,161
	<u>863,085</u>	<u>10,121</u>	<u>512,800</u>	<u>313,219</u>	<u>(5,979)</u>	<u>1,693,246</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining a sufficient level of liquid assets to meet anticipated payments and cancellations of units by unit holders. The liquid assets comprise cash at banks, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the following table are the contractual undiscounted cash flows.

As the unit holders can request for redemption of their units, they have been categorised as having maturity of "within one year". The financial assets of the Fund are grouped "within one year" as they are capable of being converted into cash should all of the Fund's unit holders redeem their units.

MANULIFE ASIA TOTAL RETURN BOND FUND

<u>As at</u>	<u>Within one year</u>	<u>Total</u>
<u>31.05.2021</u>	<u>USD</u>	<u>USD</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss	22,256,658	22,256,658
Derivative assets at fair value through profit or loss	79,348	79,348
Amount due from Manager	59,769	59,769
Amount due from manager of collective investment scheme		
- Sale of collective investment scheme	449,436	449,436
Amount due from dealers	532,287	532,287
Cash and cash equivalents	831,521	831,521
	<u>24,209,019</u>	<u>24,209,019</u>

Financial liabilities

Amount due to Manager		
- Manager's fee	25,133	25,133
- Cancellation of units	470,710	470,710
Amount due to manager of collective investment scheme		
- Purchase of collective investment scheme	57,093	57,093
Amount due to dealers	531,021	531,021
Amount due to Trustee	804	804
Derivative liabilities at fair value through profit or loss	2,883	2,883
Other payables	7,796	7,796
Distribution payable	187	187
	<u>1,095,627</u>	<u>1,095,627</u>

<u>As at</u>	<u>Within one year</u>	<u>Total</u>
<u>31.05.2020</u>	<u>USD</u>	<u>USD</u>

Financial assets

Financial assets at fair value through profit or loss	32,075,125	32,075,125
Amount due from Manager	10,121	10,121
Amount due from manager of collective investment scheme		
- Sale of collective investment scheme	512,800	512,800
Amount due from dealers	313,219	313,219
Cash and cash equivalents	863,085	863,085
	<u>33,774,350</u>	<u>33,774,350</u>

MANULIFE ASIA TOTAL RETURN BOND FUND

<u>As at</u>	<u>Within one year</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>
<u>31.05.2020</u>		
<u>Financial liabilities</u>		
Amount due to Manager		
- Manager's fee	34,872	34,872
- Cancellation of units	307,072	307,072
Amount due to manager of collective investment scheme		
- Purchase of collective investment scheme	7,786	7,786
Amount due to dealers	312,716	312,716
Amount due to Trustee	1,116	1,116
Derivative liabilities at fair value through profit or loss	5,979	5,979
Other payables	4,614	4,614
Distribution payable	870	870
	<u>675,025</u>	<u>675,025</u>

Capital risk

The capital of the Fund is represented by net assets attributable to unit holders of USD23,113,392 (2020: USD33,099,325). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders, and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active market for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets at fair value through profit or loss consisting of USD22,256,658 (2020: USD32,075,125) is classified within level 1. The carrying values of other financial assets/liabilities of the Fund are reasonable approximation of fair values due to their short-term maturity.

MANULIFE ASIA TOTAL RETURN BOND FUND

16 DISTRIBUTION

Distribution to unit holders is derived from the following sources:

i) CNH-Hedged Class

	2021		2020	
	1st Quarter USD	2nd Quarter USD	1st Quarter USD	2nd Quarter USD
Realised income	1,890	2,839	7	4
Distribution equalisation	-	-	-	2
Less:				
Expenses	(295)	(675)	(2)	(2)
	<u>1,595</u>	<u>2,164</u>	<u>5</u>	<u>4</u>
Gross distribution per unit (cent in local currency)	<u>0.40</u>	<u>0.57</u>	<u>0.46</u>	<u>0.38</u>
Net distribution per unit (cent in local currency)	<u>0.40</u>	<u>0.57</u>	<u>0.46</u>	<u>0.38</u>
Ex-date	<u>05.02.2021</u>	<u>07.05.2021</u>	<u>17.02.2020</u>	<u>18.05.2020</u>

ii) RM-Hedged Class

	2021		2020	
	1st Quarter USD	2nd Quarter USD	1st Quarter USD	2nd Quarter USD
Realised income	385,776	326,595	296,520	444,020
Net realised gain	-	-	107,187	-
Distribution equalisation	-	-	-	105,115
Less:				
Expenses	(85,398)	(82,092)	(107,187)	(106,358)
	<u>300,378</u>	<u>244,503</u>	<u>296,520</u>	<u>442,777</u>
Gross distribution per unit (sen in local currency)	<u>0.55</u>	<u>0.59</u>	<u>0.45</u>	<u>0.71</u>
Net distribution per unit (sen in local currency)	<u>0.55</u>	<u>0.59</u>	<u>0.45</u>	<u>0.71</u>
Ex-date	<u>05.02.2021</u>	<u>07.05.2021</u>	<u>17.02.2020</u>	<u>18.05.2020</u>

MANULIFE ASIA TOTAL RETURN BOND FUND

iii) USD Class

	2021		2020	
	1st Quarter	2nd Quarter	1st Quarter	2nd Quarter
	USD	USD	USD	USD
Realised income	29,902	30,425	24,916	23,538
Net realised gain	-	-	4,552	-
Distribution equalisation	-	-	1,551	6,560
Less:				
Expenses	(6,437)	(7,498)	(6,673)	(6,560)
	<u>23,465</u>	<u>22,927</u>	<u>24,346</u>	<u>23,538</u>
Gross distribution per unit (cent in local currency)	<u>0.53</u>	<u>0.55</u>	<u>0.58</u>	<u>0.58</u>
Net distribution per unit (cent in local currency)	<u>0.53</u>	<u>0.55</u>	<u>0.58</u>	<u>0.58</u>
Ex-date	<u>05.02.2021</u>	<u>07.05.2021</u>	<u>17.02.2020</u>	<u>18.05.2020</u>

Gross distribution per unit is derived from gross realised income less expenses divided by the number of units in circulation, while net distribution per unit is derived from gross realised income less expenses and taxation divided by the number of units in circulation.

Distribution equalisation represents the average amount of distributable income included in the creation and cancellation prices of units. It is computed as at each date of creation and cancellation of units. For the purpose of determining amount available for distribution, distribution equalisation is included in the computation of realised gains or income available for distribution.

There are unrealised loss of USD838,919 (2020: USD747,351) arising during the financial period.

17 SEGMENT INFORMATION

The Manager determines the asset allocation on behalf of the Fund. The Fund determines the operating segments based on the objective of the Fund.

The Investment Manager is responsible for the Fund's entire portfolio and considers the business to have two operating segments.

The Manager is responsible for allocating resources available to the Fund in accordance with the overall investment strategies as set out in the Investment Guidelines of the Fund. The Fund is managed by two segments:

- A portfolio of investment in the feeder fund, MGF-Asia Total Return Fund
- A portfolio of deposits with financial institutions

The investment objective of each segment is to achieve consistent returns from the investments in each segment while safeguarding capital by investing in diversified portfolios.

MANULIFE ASIA TOTAL RETURN BOND FUND

	FVTPL assets	Deposits with financial institutions	Total
	USD	USD	USD
31.05.2021			
Interest income	-	-	-
Gross dividend income	618,092	-	618,092
Net loss on financial assets at fair value through profit or loss	(309,664)	-	(309,664)
Net loss on forward contract currency contracts	(192,535)	-	(192,535)
Net foreign currency exchange gain	1,754	-	1,754
Total segment operating income for the period	117,647	-	117,647
FVTPL financial assets	22,256,658	-	22,256,658
Cash and cash equivalents	-	831,521	831,521
Other assets	79,348	1,041,492	1,120,840
Total segment assets	22,336,006	1,873,013	24,209,019
31.05.2020			
Interest income	-	244	-
Gross dividend income	808,883	-	808,883
Net loss on financial assets at fair value through profit or loss	(1,055,412)	-	(1,055,412)
Net loss on forward contract currency contracts	(1,253,334)	-	(1,253,334)
Net foreign currency exchange loss	(1,025)	-	(1,025)
Total segment operating income for the period	(1,500,888)	244	(1,500,644)
FVTPL financial assets	32,075,125	-	32,075,125
Cash and cash equivalents	-	863,085	863,085
Other assets	-	836,140	836,140
Total segment assets	32,075,125	1,699,225	33,774,350

Expenses of the Fund are not considered part of the performance of any operating segment. Liabilities of the Fund are also not considered to be part of the net liabilities of any individual segment.

18 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The worsening of the macro-economic outlook as a consequence of the Covid-19 pandemic, both domestically and globally, could result in a deterioration of the Fund's net asset value per unit as at the date of this report. This is mainly due to the decrease in fair value of the Fund's investments at fair value through profit or loss.

The Manager is monitoring the situation closely and will be actively managing the portfolio to achieve the Fund's objective.

MANULIFE ASIA TOTAL RETURN BOND FUND

19 RECLASSIFICATION OF COMPARATIVES

As disclosed in Note 2, the net assets attributable to unit holders are classified as liabilities under the requirements of MFRS 132 “Financial Instruments: Presentation”. In the previous financial period, the net assets attributable to unit holders were classified as equity.

The reclassification of net assets attributable to unit holders did not give rise to any impact of the Net Assets Attributable to the unit holders of the Fund.

No restatements were made to the comparative financial statements except for the following:

	As previously disclosed	Reclassification	As restated
	USD	USD	USD
<u>Statement of comprehensive income</u>			
Profit/(loss) before distribution and taxation	(1,729,017)	-	(1,729,017)
Distribution to unit holders		(673,962)	(673,962)
Profit/(loss) before taxation	(1,729,017)	(673,962)	(2,402,979)
Net profit/(loss) for the financial period, representing the increase/(decrease) in net assets attributable to unit holders	(1,729,017)	(673,962)	(2,402,979)
<u>Statement of changes in net assets attributable to unit holders</u>			
Net profit/(loss) for the financial period, representing the increase/(decrease) in net assets attributable to unit holders	(1,729,017)	(673,962)	(2,402,979)
Distribution	(787,190)	673,962	(113,228)

MANULIFE ASIA TOTAL RETURN BOND FUND

12 CORPORATE INFORMATION

MANAGER

Manulife Investment Management (M) Berhad
Registration No.: 200801033087 (834424-U)
13th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur

BOARD OF DIRECTORS

Dato' Dr Zaha Rina Binti Zahari (Independent)
Edmond Cheah Swee Leng (Independent)
Gianni Fiacco (Non-Independent)
Vibha Hamsi Coburn (Non-Independent)
Wong Boon Choy (Non-Independent)
Chong Soon Min (Jason) (Non-Independent Executive)

INVESTMENT COMMITTEE

Dato' Dr Zaha Rina Binti Zahari (Independent)
Edmond Cheah Swee Leng (Independent)
Wong Boon Choy (Non-Independent)
Chong Soon Min (Jason) (Non-Independent)
Wan Shuhaida Wan Zainal (Non-Independent)

INVESTMENT MANAGER

Manulife Investment Management (M) Berhad
Registration No: 200801033087 (834424-U)
10th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur

TRUSTEE OF THE FUND

HSBC (Malaysia) Trustee Berhad
Registration No. 193701000084 (1281-T)
13th Floor, Bangunan HSBC, South Tower,
No.2, Leboh Ampang
50100 Kuala Lumpur

AUDITORS

Ernst & Young PLT
Registration No: (LLP0022760-LCA) & AF 0039
Level 23A, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

TAX CONSULTANTS

Deloitte Tax Services Sdn Bhd
Registration No: 197701005407 (36421-T)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur

MANULIFE ASIA TOTAL RETURN BOND FUND

HEAD OFFICE

Manulife Investment Management (M) Berhad
Registration No.: 200801033087 (834424-U)
13th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur
Tel: (03) 2719-9228 Fax: (03) 2094-7654
Customer Service Hotline: (03) 2719-9271
E-mail : MY_CustomerService@manulife.com
Website: www.manulifeinvestment.com.my

BRANCH OFFICES

Kota Bharu

1st Floor, Lot 10900
Wisma Seri Setia
Jalan Dusun Muda, Sek 26
15200 Kota Bharu
Kelantan
Tel: (09) 747-2388
Fax: (09) 747-2588

Sungai Petani

Lot 88, No. 17, 2nd Floor
Jalan Perdana Heights 2/2
Perdana Heights
08000 Sungai Petani
Kedah Darul Aman
Tel: (04) 423-3233
Fax: (04) 423-3233

Penang

1-2-18, Elit Avenue,
Jalan Mayang Pasir 3,
11950 Bayan Baru,
Penang
Tel: (04) 611-9944 / 618-0044
Fax: (04) 618-0505

Ipoh

No. 1, 1A & 1B
Pusat Perdagangan Canning 2
Pusat Perdagangan Canning
31400 Ipoh
Perak Darul Ridzuan
Tel: (05) 541-6839
Fax: (05) 541-6627

Dataran Sunway

26-2 & 28-2, Jalan PJU 5/8
Dataran Sunway
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Tel: (03) 6140-8101 / 6140-8102
Fax: (03) 6140-8103

Shah Alam

30-1, Block 5,
Jalan Setia Prima (S)
U13/S, Setia Alam,
Seksyen U13,
40170 Shah Alam
Selangor Darul Ehsan
Tel: (03) 3362-6668
Fax: (03) 3362-6662

MANULIFE ASIA TOTAL RETURN BOND FUND

Klang

No. 3-1 & 3-2,
Jalan Mahogani 5/K507,
Bandar Botanic,
41200 Klang
Selangor Darul Ehsan
Tel: (03) 3318-6088
Fax: (03) 3318-4011

Kuala Lumpur

2nd Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur
Tel: (03) 2719-9204

Seremban

160-2, Taipan Senawang
Jalan Taman Komersil Senawang 1
Taman Komersil Senawang
70450 Seremban
Negeri Sembilan
Tel: (06) 671-5019
Fax: (06) 678-0016

Melaka

No. 87-01 & 87-02
Jalan Melaka Raya 25
Taman Melaka Raya 1
75000 Melaka
Tel: (06) 281-3866
Fax: (06) 282-0587

Johor Bahru

No. 1-01, Jalan Setia Tropika 1/15
Taman Setia Tropika
81200 Johor Bahru
Johor Darul Takzim
Tel: (07) 234-5871
Fax: (07) 234-4620

Kuching

No. 63 & 65, 2nd Floor
Jalan Tun Jugah
93350 Kuching
Sarawak
Tel: (082) 593-380
Fax: (082) 593-382

Miri

Lot. 3554, 1st & 2nd Floor
Block 5 MCLD
Jalan Miri Pujut
101 Commercial Centre
98000 Miri
Sarawak
Tel: (085) 325-770
Fax: (085) 326-262

Bintulu

No. 2, Lot 3288
1st Floor
Parkcity Commerce Square
Jalan Tun Ahmad Zaidi
97000 Bintulu
Sarawak
Tel: (086) 343-288
Fax: (086) 343-289

MANULIFE ASIA TOTAL RETURN BOND FUND

Sibu

No. 1 & 3, 1st Floor, Lorong 1,
Jalan Tun Abang Haji Openg
96000 Sibu
Sarawak
Tel: (084) 320-469
Fax: (084) 320-476

Kota Kinabalu

Lot J-55-2, Block J,
2nd Floor, Signature Office,
KK Times Square,
Off Jalan Coastal Highway,
88100 Kota Kinabalu
Sabah
Tel: (088) 486-671 / 486-672
Fax: (088) 486-670

Sandakan

Taman Nasalim Shoplot
Lot 88, 1st Floor, Phase 7A
Jalan Lintas Utara
90000 Sandakan
Sabah
Tel: (089) 220-220 / 229-045
Fax: (089) 226-868

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

THIS PAGE IS INTENTIONALLY LEFT BLANK

Manulife Investment Management (M) Berhad
200801033087 (834424-U)
13th Floor, Menara Manulife
6, Jalan Gelenggang, Damansara Heights
50490 Kuala Lumpur
Tel: (03) 2719 9228 Fax: (03) 2094 7654
Customer Service Hotline: (03) 2719 9271
www.manulifeinvestment.com.my