

# Manulife Investment Asia-Pacific REIT Fund

## **Annual Report**

for the financial year ended 31 August 2021

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

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# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 1 GENERAL INFORMATION

### 1.1 THE TRUST

The Fund commenced operations on 7 June 2007 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

### 1.2 FUND TYPE / CATEGORY

Income and Growth/ Fund-of-Funds

### 1.3 BASE CURRENCY

Ringgit Malaysia (RM)

### 1.4 OBJECTIVE OF THE FUND

To provide long-term capital appreciation and sustainable income through a combined investment in other collective investment schemes, namely Real Estate Investment Trusts (REITs) and infrastructure Funds/trusts.

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

### 1.5 DISTRIBUTION POLICY

Semi-annually, if any. Subject to the availability of income, the Manager has the discretion to declare distribution at a higher frequency.

### 1.6 PERFORMANCE BENCHMARK

Manulife Investment Asia REIT Ex Japan Index is a customised index which consists of the REIT funds universe within Asia ex-Japan markets, which include China, Hong Kong, India, Indonesia, Malaysia, Pakistan, the Philippines, Singapore, South Korea, Taiwan and Thailand. The index is a market capitalisation weighted index of REIT funds with market capitalisation of USD5 million or more. The performance benchmark above is only used as a reference for investment performance comparison purpose. The performance of the benchmark is obtainable via [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my). The risk profile of the Fund is different from the risk profile of the performance benchmark.

### 1.7 INVESTMENT STYLE AND STRATEGY

The Fund invests in REITs and infrastructure funds/ trusts that are listed on Asia-Pacific stock exchanges. The Fund focuses on REITs that have historically generated regular income and also are expected to generate future income with the potential for capital growth. In evaluating the suitability of a REIT, the Fund Manager will review key attributes including but not limited to, the underlying property of the REIT, performance of the REIT's manager, and its rental yield.

The underlying assets of infrastructure funds/ trusts will comprise listed equities of companies which focus primarily on but are not limited to utilities, transportation/ logistics and communications:-

- Utilities include facilities for the recycling, treatment, distribution and supply of water, as well as facilities for the generation, transmission, distribution and supply of electricity and gas.
- Transportation/ logistics include toll roads, railways, storage terminals, airports and seaports.
- Communications comprise broadcast transmission infrastructures, satellite systems and terrestrial wireline and wireless network infrastructures.

The countries that the Fund may invest in include, but are not limited to Australia, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.

During the financial year under review, the Fund remained guided by its investment objective of providing long-term capital appreciation and sustainable income by investing in REITs and infrastructure funds in Asia- Pacific.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

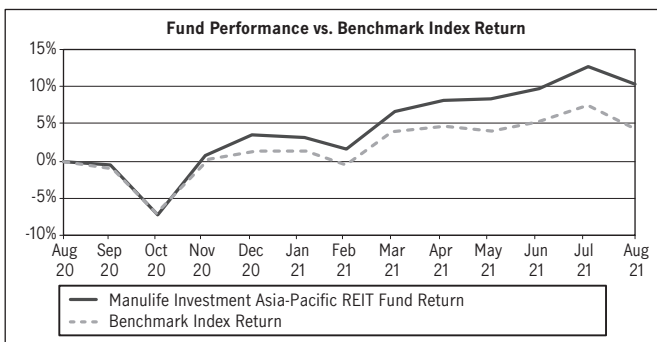
## 2 MANAGER'S REPORT

### 2.1 FUND PERFORMANCE

For the financial year ended 31 August 2021, the Fund's return increased by 10.34% and outperformed its benchmark return, which increased by 4.37%. The outperformance was mainly attributable to positive contributions from REIT holdings in Singapore, Australia and Hong Kong. The key sectors that contributed to the outperformance were retail REITs, office REITs and industrial REITs.

The distribution of 1.13 sen per unit on 24 February 2021 and 2.00 sen per unit on 26 August 2021 had the effect of reducing the NAV per unit of the Fund. The ex-distribution NAV per unit were RM0.4221 and RM0.4350 respectively.

The graph below compares the 12-month performance of the Fund against its benchmark return:



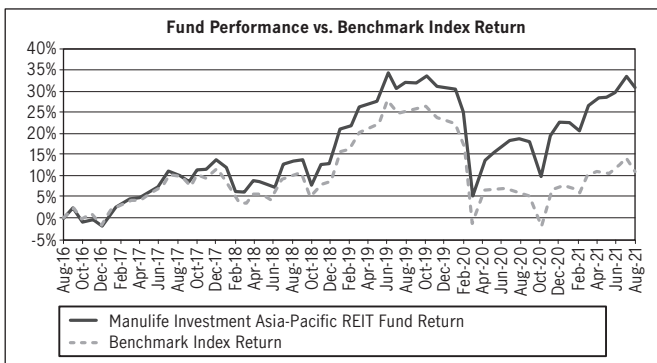
Source: Lipper, Bloomberg/ Factset

### Fund Size

The Fund's total NAV decreased to RM636.99mil from RM663.43mil during the financial year under review.

### Fund Returns

- (a) The graph below compares the 5-year performance of the Fund against its benchmark return:



Source: Lipper, Bloomberg/ Factset

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

(b) Average Total Return of the Fund:

For the financial year ended 31 August 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	10.34	4.37
3 years	4.87	0.09
5 years	5.53	2.06
Investment Commencement Date: 28 June 2007		

Source: Lipper, Bloomberg/ Factset

(c) Annual Total Return of the Fund:

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 August 2021	10.34	4.37
31 August 2020	(10.19)	(15.43)
31 August 2019	16.39	13.58
31 August 2018	2.74	0.44
31 August 2017	10.45	9.98
Investment Commencement Date: 28 June 2007		

Source: Lipper, Bloomberg/ Factset

The Fund has achieved its target of providing its unit holders with capital appreciation over the longer term based on the stated Fund's objective.

## 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

Fund's return can be calculated based on the computation methods as follows:

Daily Total Fund's Return =  $\frac{\{[\text{End NAV (Ex-distribution)} - \text{Beginning NAV} + \text{Dividend Distribution}] / \text{Beginning NAV}\} \times 100\%}{1}$

Total Fund's Return = Total fund's return for the period is derived from geometrically linking together the daily total fund's returns.  
The linking formula is  $[(1 + R_1) \times (1 + R_2) \times \dots \times (1 + R_n)] - 1$   
where:  $R_1$  is the first daily return for the period,  
 $R_2$  is the second daily return for the period, and  
 $R_n$  is the last daily return for the period.

Average Total Return = Annualised Total Return  
 $\frac{[(1 + \text{Total fund's return for the period})^{\frac{\text{Actual number of days in a year}}{\text{number of days during the period}}} - 1] \times 100\%}{1}$

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

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

Fund Data	31 August 2021	31 August 2020	31 August 2019
NAV (RM)	636,989,961	663,428,631	739,570,589
Units in Circulation ('000)	1,472,419	1,555,839	1,483,802
NAV per unit (RM per unit)	0.4326	0.4264	0.4984
Highest / Lowest NAV (RM per unit)	0.4665 / 0.3926	0.5075 / 0.3402	0.5422 / 0.4375
Total Fund Return (%)	10.34	(10.17)	16.39
NAV Return (%)	2.74	(15.05)	8.30
Income Return (%)	7.40	5.74	7.47
Final Distribution			
Gross (RM)	0.0113	0.0165	0.0150
Net (RM)	0.0113	0.0165	0.0150
Ex-date	24.02.21	26.02.20	26.02.19
Gross (RM)	0.0200	0.0093	0.0210
Net (RM)	0.0200	0.0093	0.0210
Ex-date	26.08.21	26.08.20	28.08.19
Management Expenses Ratio (%)	1.88	1.89	1.92
Portfolio Turnover Ratio (times)	0.30	0.32	0.52

## 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 year remains fairly consistent with the previous financial year.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (ii) Portfolio Turnover Ratio (PTR)

PTR can be calculated based on the ratio of the average sum of acquisitions and disposals of the unit trust fund for the financial year to the average value of the unit trust fund for the financial year calculated on a daily basis.

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

Average value of the unit trust fund calculated on a daily basis

The PTR for the financial year is lower as compared to the previous financial year mainly due to the decrease in trading activities.

## Impact on NAV Arising From Distribution Distributed For The Past Three Financial Years:

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
26.08.2021	0.4577	(0.0200)	0.4377
24.02.2021	0.4352	(0.0113)	0.4239

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
26.08.2020	0.4324	(0.0093)	0.4231
25.02.2020	0.4995	(0.0165)	0.4830

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
27.08.2019	0.5136	(0.0210)	0.4926
25.02.2019	0.4968	(0.0150)	0.4818

*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.*

## 2.2 ASSET ALLOCATION

Asset allocation for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 August 2021	31 August 2020	31 August 2019
Quoted REITs - Local	-	2.96	3.40
Quoted REITs - Foreign	96.82	93.68	89.60
<b>Total Quoted Investments</b>	<b>96.82</b>	<b>96.64</b>	<b>93.00</b>
Deposits with Licensed Financial Institutions	0.29	0.23	4.14
Other Assets & Liabilities	2.89	3.13	2.86



# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

Country Allocation	% of Net Asset Value		
	31 August 2021	31 August 2020	31 August 2019
Singapore	59.58	59.86	56.15
Hong Kong / China	23.02	18.41	25.10
Australia	11.55	12.15	6.64
Thailand	2.67	3.26	1.71
Malaysia	-	2.96	3.40
<b>Total Investments</b>	<b>96.82</b>	<b>96.64</b>	<b>93.00</b>

As at 31 August 2021, the Fund was 96.82% invested in REITs and 3.18% in cash deposits and other assets & liabilities. During the year, the Fund increased the allocation to Hong Kong/China while exited the position in Malaysia.

## 2.3 MARKET REVIEW

During the financial year under review (1st September 2020 to 31st August 2021), major REITS markets in Asia were all higher despite the continually changing COVID-19 environment. Post the initial sell-off in November due to the uncertainty around the US Presidential election, buying confidence was further lifted on the back of news that the efficacy of several COVID-19 vaccines were better than expected. Investors focused on economic recovery and rental cashflows recovery as Asia pressed ahead with borders re-opening efforts. However, the regional surge of COVID-19 infections and slow pace of vaccinations stalled reopening plans across many Asian cities. During the period, the US Federal Reserve (Fed) maintained its stance that it would keep easy monetary policy despite a strengthening economy and rising inflation.

Australia REITs market did well. Office, industrial and diversified REITs posted earnings results highlighted by positive asset revaluations and supportive guidance. Increased physical market activity with transactions done at tighter cap rates were also drivers of REIT performance. Despite continued lockdowns, retail REITs performed well in August after they reported less negative leasing spreads in 1H CY2021. The central bank continued to support the market with the Reserve Bank of Australia cutting its cash rate target to record low of 0.1% and introduced an AUD100bn Quantitative Easing programme. REITs with residential component fared well on strong residential sales, stimulated by the Federal Government Home Builders Grants.

Hong Kong REITs were higher during the period as sentiment remained positive with the Covid-19 situation under control. Retail REITs fared well in anticipation of retail sales recovery and less rental reliefs for tenants. Investors appeared to look forward to a retail sales recovery in 2021 as the city's government assured the public that all residents would have access to Covid-19 vaccines from January 2021. In the latest Budget Address 2021, the Hong Kong government announced that it would issue electronic consumption vouchers in instalments with a total value of HK\$5,000 to each eligible HK permanent resident and new arrivals aged 18 or above, so as to encourage and boost local consumption.

The relative underperformer was Singapore REITs market as the country returned to a quasi-lockdown mode to contain a new wave of community Covid-19 cases caused by new variants of concern. Singapore REITs market recovered in June 2021 as the country accelerated the vaccination programme and administered up to 80,000 vaccine doses daily. Re-opening plays saw buying interest returning as social distancing restrictions were gradually relaxed from middle of June 2021 with dining-in allowed to resume. Close to 70% of the eligible population was vaccinated as of National Day (August 9) and the government guided that it would move to treat Covid-19 as an endemic disease by the end of the year.

## 2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

We have seen further progress in vaccination rates in Asia with Singapore reaching the 80% mark by the end of August 2021. The country is on track to reopen further and is shifting focus to generating new growth, jobs and prosperity for the future. We stay positive on Singapore REITs as the rapid progress of vaccination put the country on solid ground for economy re-opening, ahead of regional peers. The continued progress on vaccination and reopening of borders continue to be key catalysts for further operational improvements in Asia REITs.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 2.5 BREAKDOWN OF UNIT HOLDINGS BY SIZE AS AT 31 AUGUST 2021

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

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	7,378	44.39	175,404	11.91
5,001 to 10,000	3,237	19.47	8,751	0.59
10,001 to 50,000	2,644	15.91	19,275	1.31
50,001 to 500,000	3,259	19.61	390,454	26.52
Above 500,001	103	0.62	878,535	59.67
Manager's stock	-	-	-	-
<b>Total</b>	<b>16,621</b>	<b>100.00</b>	<b>1,472,419</b>	<b>100.00</b>

## 2.6 STATE OF AFFAIRS

### NOTIFICATION OF CHANGES

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

- change of trustee with the retirement of RHB Trustees Berhad and replacement by HSBC (Malaysia) Trustee Berhad;
- 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](http://www.manulifeinvestment.com.my).

### **3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS**

The Management Company did not retain any rebates.

For the financial year ended 31 August 2021, the Management company or 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 accompanying financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 August 2021 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended 31 August 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

25 October 2021

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 5 TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

We have acted as Trustee of Manulife Investment Asia-Pacific REIT Fund ("the Fund") for the financial year ended 31 August 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 year, a total distribution of 3.13 sen per unit (gross) has been distributed to the unit holders of the Fund. We are of the view that the distribution is not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
25 October 2021

## 6 INDEPENDENT AUDITORS' REPORT

### TO THE UNIT HOLDERS OF MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

#### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

##### Our opinion

In our opinion, the financial statements of Manulife Investment Asia-Pacific Reit Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

##### What we have audited

We have audited the financial statements of the Fund which comprise the statement of financial position as at 31 August 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 13 to 37.

##### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Independence and other ethical responsibilities

We are independent of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

##### Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises Manager's Report but does not include the financial statements of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of the financial statements of the Fund that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Fund, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- (d) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## OTHER MATTERS

This report is made solely to the unit holders of the Fund and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP 0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
25 October 2021

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	2021 RM	2020 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from deposits with licensed financial institutions at amortised cost		43,247	352,888
Gross dividend income		27,437,518	28,854,507
Net gain/(loss) on financial assets at fair value through profit or loss	6	39,347,033	(97,762,072)
Net foreign currency exchange loss		(256,998)	(1,337,524)
		<u>66,570,800</u>	<u>(69,892,201)</u>
<b>EXPENSES</b>			
Manager's fee	3	11,018,274	12,796,825
Trustee's fee	4	377,769	438,748
Auditors' remuneration		5,800	5,800
Tax agent's fee		2,700	2,950
Other expenses		2,527,679	2,559,975
Transaction costs		547,645	859,263
		<u>14,479,867</u>	<u>16,663,561</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		52,090,933	(86,555,762)
<b>TAXATION</b>	5	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		<u>52,090,933</u>	<u>(86,555,762)</u>
Profit/(loss) after taxation is made up as follows:			
Realised		6,410,446	(2,699,706)
Unrealised		45,680,487	(83,856,056)
		<u>52,090,933</u>	<u>(86,555,762)</u>

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



# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 8 STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2021

	Note	31.08.2021 RM	31.08.2020 RM
<b>ASSETS</b>			
Cash and cash equivalents	7	16,898,687	20,168,450
Financial assets at fair value through profit or loss	6	616,746,493	641,169,982
Amount due from Manager		1,609,543	332,201
Amount due from dealer		17,795	-
Amount due from stockbrokers		263,300	2,708,560
Dividends receivable		4,377,276	2,608,836
Other receivables		-	175,089
<b>TOTAL ASSETS</b>		<b>639,913,094</b>	<b>667,163,118</b>
<b>LIABILITIES</b>			
Amount due to Manager			
- Manager's fee		964,833	980,697
- Cancellation of units		1,553,983	1,531,409
Amount due to Trustee		33,080	33,624
Amount due to stockbrokers		-	1,078,127
Amount due to dealer		17,780	-
Other payables	8	39,485	22,669
Distribution payable		313,972	87,961
<b>TOTAL LIABILITIES</b>		<b>2,923,133</b>	<b>3,734,487</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>636,989,961</b>	<b>663,428,631</b>
<b>EQUITY</b>			
Unit holders' capital		588,138,114	662,266,091
Retained earnings		48,851,847	1,162,540
		<b>636,989,961</b>	<b>663,428,631</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	2	<b>636,989,961</b>	<b>663,428,631</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	9	<b>1,472,418,501</b>	<b>1,555,839,496</b>
<b>NAV PER UNIT</b>		<b>0.4326</b>	<b>0.4264</b>

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

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 9 STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
<b>BALANCE AS AT 1 SEPTEMBER 2020</b>	662,266,091	1,162,540	663,428,631
Movement in unit holders' contribution:			
Creation of units arising from applications	79,329,346	-	79,329,346
Creation of units arising from distribution	43,595,645	-	43,595,645
Cancellation of units	(157,438,334)	-	(157,438,334)
Total comprehensive income	-	52,090,933	52,090,933
Distribution (Note 15)	(39,614,634)	(4,401,626)	(44,016,260)
<b>BALANCE AS AT 31 AUGUST 2021</b>	<u>588,138,114</u>	<u>48,851,847</u>	<u>636,989,961</u>

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
<b>BALANCE AS AT 1 SEPTEMBER 2019</b>	647,750,884	91,819,705	739,570,589
Movement in unit holders' contribution:			
Creation of units arising from applications	183,545,912	-	183,545,912
Creation of units arising from distribution	40,719,836	-	40,719,836
Cancellation of units	(172,837,911)	-	(172,837,911)
Total comprehensive loss	-	(86,555,762)	(86,555,762)
Distribution (Note 15)	(36,912,630)	(4,101,403)	(41,014,033)
<b>BALANCE AS AT 31 AUGUST 2020</b>	<u>662,266,091</u>	<u>1,162,540</u>	<u>663,428,631</u>

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

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 10 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

	Note	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Purchase of investments		(157,527,198)	(297,000,471)
Sale of investments		219,576,778	233,049,597
Capital distribution from investments		2,605,159	3,040,446
Dividends received		23,595,221	25,268,630
Interest income received		43,247	352,888
Manager's fee paid		(11,034,138)	(12,877,912)
Trustee's fee paid		(378,313)	(441,528)
Audit fee paid		(5,800)	(5,800)
Tax agent's fee paid		(2,700)	(2,950)
Payment for other fees and expenses		(326,647)	(566,082)
Net realised foreign exchange loss		(323,052)	(1,925,075)
Net cash generated from/(used in) operating activities		76,222,557	(51,108,257)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Distribution paid		(194,718)	(428,806)
Proceeds from creation of units		78,052,118	191,643,987
Payments for cancellation of units		(157,415,760)	(171,306,502)
Net cash (used in)/generated from financing activities		(79,558,360)	19,908,679
Net decrease in cash and cash equivalents		(3,335,803)	(31,199,578)
Currency translation differences		66,040	587,574
Cash and cash equivalents at the beginning of the financial year		20,168,450	50,780,454
Cash and cash equivalents at the end of the financial year	7	16,898,687	20,168,450
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions	7	1,843,817	1,521,202
Bank balances in licensed banks	7	15,054,870	18,647,248
		16,898,687	20,168,450

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

## **11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 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 years presented, unless otherwise stated.

### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The 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 financial year. 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 financial year ended 31 August 2021.

#### **(i) Amendments to published standard and interpretations that are effective and relevant**

The Fund has applied the following amendments and interpretations for the first time for the financial year beginning on 1 September 2020:

- Amendments to the definition of 'material' (Amendments to MFRS 101 and MFRS 108) effective 1 January 2020

The amendments clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of 'material' has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments also:

- Clarify that an entity assess materiality in the context of the financial statements as a whole.
- Explain the concept of obscuring information in the new definition. Information is obscured if it have the effect similar as omitting or misstating of that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- Clarify the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

- The Conceptual Framework for Financial Reporting ("Framework") (effective 1 January 2020)

The Framework was revised with the primary purpose to assist the International Accounting Standards Board ("IASB") to develop IFRS that are based on consistent concepts and enable preparers to develop consistent accounting policies where an issue is not addressed by an IFRS.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting;
- reinstating prudence as a component of neutrality;
- defining a reporting entity, which may be a legal entity, or a portion of an entity;
- revising the definitions of an asset and a liability;
- removing the probability threshold for recognition and adding guidance on derecognition;
- adding guidance on different measurement basis; and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

The adoption of the amendments to published standards and revised Framework did not have any impact on the current financial year or any prior period and is not likely to affect future periods.

- (ii) Standards, amendments and interpretations that have been issued but not yet effective and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 September 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

## **B FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

### **(i) Classification**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss and
- those to be measured at amortised cost

The Fund classifies its investments based on both Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate quoted equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from stockbrokers, dividends receivable, amount due to dealer and other receivables as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amounts outstanding.

The Fund classifies amount due to Manager, amount due to Trustee, amount due to stockbrokers, amount due to dealer, other payables and distribution payable as other financial liabilities measured at amortised cost.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the assets. Investments are initially recognised at fair value. Transaction costs are expensed in the statement of comprehensive income.

Financial liabilities are recognised in the statement of financial position when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised 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 derecognised when they are extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or has expired.

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial year which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of gross dividend income when the Fund's right to receive payments is established.

Quoted securities in Malaysia are valued at the last done market price quoted on Bursa Malaysia Securities Bhd ("Bursa Securities") at the date of the statement of financial position.

Foreign quoted securities are valued at last traded market price quoted on the respective foreign stock exchanges at the close of the business day of the respective foreign stock exchanges.

If a valuation based on the market price does not represent the fair value of the quoted securities, for example during abnormal market conditions or when no market price is available, including in the event of a suspension in the quotation of the quoted securities for a period of exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted securities are valued as determined in good faith by the Manager, based on the methods or bases approved by the Trustee after appropriate technical consultation.

Deposits with licensed financial institutions are stated at cost plus accrued interest calculated on the effective interest methods over the period from the date of placement to the date of maturity of the respective deposits.

Financial assets at amortised cost and other financial liabilities are subsequently carried at amortised cost using the effective interest method.

## (iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. The Manager considers both historical analysis and forward looking information in determining any expected credit loss. The Manager considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12 months expected credit losses as any such impairment would be wholly insignificant to the Fund.

## (iv) Significant increase in credit risk

A significant increase in credit risk is defined by the Manager as any contractual payment which is more than 30 days past due.

## (v) Definition of default and credit-impaired financial assets

Any contractual payment which is more than 90 days past due is considered credit impaired.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (vi) Write-off

The Fund writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Fund may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains. There are no write-offs/recoveries during the financial year.

## C INCOME RECOGNITION

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividend income on quoted investments is recognised on the ex-dividend date.

Realised gains or losses on disposal of quoted investments is calculated based on the differences between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

## D EXPENSES

Expenses are accounted for on an accrual basis and charged to the statement of comprehensive income. Expenses arising from net disposal of investments are recognised as transaction costs (Note K to the financial statements).

## E AMOUNT DUE FROM/TO STOCKBROKERS

Amounts due from and to stockbrokers represent receivables for quoted securities sold and payables for quoted securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively.

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 the stockbroker at an amount equal to lifetime expected credit losses if the credit risk have 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 stockbroker, probability that the stockbrokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If the 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.

## F 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.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## G DISTRIBUTION

A distribution to the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution to unit holders is recognised in the statement of changes in equity upon approval 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 year.

## H 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"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation 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 represents the economic effects of the underlying transactions, event and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- (i) Significant portion of the Fund's expenses are denominated in RM; and
- (ii) Units of the Fund are denominated in RM.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income, except when deferred in other comprehensive income (OCI) as qualifying cash flow hedges.

## I 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 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

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



# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (c) Other short-term financial instruments

Other short-term financial instruments comprise amount due from/to Manager, amount due to from/to dealer, amount due from/to stockbrokers, amount due from/to dealer, dividends receivable, other receivables, 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.

## **J TAXATION**

Current tax expense is determined according to the Malaysian tax laws at the current rate based upon the taxable profit earned during the financial year.

## **K TRANSACTION COSTS**

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.

## 12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2021

### 1 INFORMATION ON THE FUND

Manulife Investment Asia-Pacific REIT Fund ("the Fund") was established pursuant to a Master Deed dated 31 January 2002, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as "the Deed") between Manulife Asset Management Services 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 1 of the Deed, which includes stocks and securities of companies listed on Bursa Malaysia Berhad and foreign securities listed on any recognised Stock Exchange(s) subject to approval by Bank Negara Malaysia and the Securities Commission, unlisted securities of a Malaysian issuer, deposits with financial institutions, quoted and unquoted fixed income securities. The Fund commenced operations on 7 June 2007 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

The main objective of the Fund is to provide unit holders with long-term capital appreciation and sustainable income through a combined investment in other collective investment schemes, namely real estate investment trusts ("REITs") and infrastructure funds/trusts.

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, financial planning and fund management activities.

The financial statements were authorised for issue by the Manager on 25 October 2021.

### 2 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

The unit holders' contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 "Financial Instruments: Presentation". Those criteria include:

- the units entitle the holder to a proportionate share of the Fund's net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over their lifespan are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial year if unit holders exercise the right to put the units back to the Fund.

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

### 3 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of 1.75% per annum (2020: 1.75% 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.

### 4 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee (excluding foreign custodian fees and charges) of 0.06% per annum (2020: 0.06% 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 above.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 5 TAXATION

	2021	2020
	RM	RM
Current taxation	-	-

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

	2021	2020
	RM	RM
Profit/(loss) before taxation	52,090,933	(86,555,762)
Tax calculated at Malaysian tax rate of 24% (2020: 24%)	12,501,824	(20,773,383)
Tax effect in respect of:		
- Expenses not deductible for tax purposes	814,049	924,491
- Restriction on tax deductible expenses	2,661,119	3,074,764
- Investment income not subject to tax	(15,976,992)	16,774,128
Tax expenses	-	-

## 6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.08.2021	31.08.2020
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted investments - Local (Note 6(a))	-	19,606,721
- Quoted investments - Foreign (Note 6(b))	616,746,493	621,563,261
	616,746,493	641,169,982
	2021	2020
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss		
- Realised	(6,267,414)	(13,318,442)
- Unrealised	45,614,447	(84,443,630)
	39,347,033	(97,762,072)

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (a) QUOTED INVESTMENTS - LOCAL

The Fund did not hold any local investments for the financial year ended 31 August 2021.

## (b) QUOTED INVESTMENTS - FOREIGN

<u>QUOTED INVESTMENTS</u>	<u>Quantity</u> <u>Units</u>	<u>Cost of</u> <u>shares</u> <u>RM</u>	<u>Fair value</u> <u>as at</u> <u>31.08.2021</u> <u>RM</u>	<u>Fair value as</u> <u>at 31.08.2021</u> <u>expressed as</u> <u>percentage</u> <u>of value of</u> <u>Fund</u> <u>%</u>
<b><u>31.08.2021</u></b>				
<b><u>AUSTRALIA</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Centuria Industrial Real Estate Investment Trust	1,031,130	9,814,765	12,584,896	1.97
Centuria Office Real Estate Investment Trust	1,480,425	10,736,075	11,281,589	1.77
Charter Hall Group Real Estate Investment Trust	265,266	8,445,271	14,383,785	2.26
Dexus Real Estate Investment Trust	361,780	12,082,339	11,686,819	1.83
Goodman Group Stapled	181,973	7,324,197	12,778,878	2.01
Stockland	774,996	10,576,497	10,870,551	1.71
	<u>4,095,570</u>	<u>58,979,144</u>	<u>73,586,518</u>	<u>11.55</u>

## **HONG KONG/CHINA**

<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Fortune Real Estate Investment Trust Limited	5,013,000	22,848,884	22,497,297	3.53
Link Real Estate Investment Trust Limited	2,244,316	89,537,780	85,792,039	13.47
Prosperity Real Estate Investment Trust Limited	9,098,000	15,550,661	14,922,365	2.34
SF Real Estate Investment Trust	3,578,000	8,310,144	8,659,481	1.36
Sunlight Real Estate Investment Trust Limited	5,802,000	16,650,087	14,785,957	2.32
	<u>25,735,316</u>	<u>152,897,556</u>	<u>146,657,139</u>	<u>23.02</u>

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

				Fair value as at 31.08.2021 expressed as percentage of value of Fund
<b>QUOTED INVESTMENTS (CONTINUED)</b>	<b>Quantity Units</b>	<b>Cost of shares RM</b>	<b>Fair value as at 31.08.2021 RM</b>	<b>%</b>
<b><u>SINGAPORE</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Ascendas India Real Estate Investment Trust	2,320,000	10,131,256	10,393,679	1.63
Ascendas Real Estate Investment Trust Limited	5,433,621	47,370,781	51,035,956	8.01
Ascott Real Estate Investment Trust	2,177,600	8,293,677	6,795,365	1.07
CapitaLand Integrated Commercial Trust	8,008,966	53,652,358	50,974,972	8.00
CDL Hospitality Trusts Reit	2,389,700	11,668,421	8,638,584	1.36
Far East Hospitality Trust	5,472,000	10,887,720	9,890,433	1.55
Fraser's Centrepoint Trust	2,945,578	21,012,640	21,114,064	3.32
Fraser's Logistics & Commercial Trust	6,640,800	21,572,641	30,776,908	4.83
Keppel DC Real Estate Investment Trust	2,978,005	16,514,156	23,002,697	3.61
Keppel Real Estate Investment Trust	6,272,450	22,807,188	20,348,848	3.20
Lendlease Global Commercial Reit	5,543,200	13,969,384	15,242,770	2.39
Mapletree Commercial Trust Reit	4,995,175	27,303,670	31,329,977	4.92
Mapletree Industrial Trust	3,039,200	22,473,127	27,419,243	4.30
Mapletree Logistics Trust	6,064,369	25,561,634	38,036,013	5.97
Mapletree North Asia Commercial Real Estate Investment Trust	7,057,504	21,910,746	21,587,366	3.39
Suntec Real Estate Investment Trust	2,827,200	14,053,994	12,928,007	2.03
	<u>74,165,368</u>	<u>349,183,393</u>	<u>379,514,882</u>	<u>59.58</u>
<b><u>THAILAND</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
CPN Retail Growth Leasehold Real Estate Investment Trust	2,651,300	11,540,437	7,451,429	1.17
Fraser Property Reit	5,439,100	11,395,528	9,536,525	1.50
	<u>8,090,400</u>	<u>22,935,965</u>	<u>16,987,954</u>	<u>2.67</u>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>	<u>112,086,654</u>	<u>583,996,058</u>	<u>616,746,493</u>	<u>96.82</u>
<b>TOTAL QUOTED INVESTMENTS</b>	<u>112,086,654</u>	<u>583,996,058</u>	<u>616,746,493</u>	<u>96.82</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>32,750,435</u>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>616,746,493</u>		

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (a) QUOTED INVESTMENTS - LOCAL

<u>QUOTED INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of</u> <u>shares</u> RM	<u>Fair value</u> <u>as at</u> <u>31.08.2020</u> RM	Fair value as at 31.08.2020 expressed as percentage of value of Fund
				%
<b><u>31.08.2020</u></b>				
<b><u>MAIN MARKET</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
CapitaLand Malaysia Mall Trust	5,330,200	5,707,127	3,624,536	0.55
IGB Real Estate Investment Trust	3,467,300	6,199,790	6,414,505	0.97
Sunway Real Estate Investment Trust	5,979,800	10,780,549	9,567,680	1.44
	<u>14,777,300</u>	<u>22,687,466</u>	<u>19,606,721</u>	<u>2.96</u>
<b>TOTAL QUOTED INVESTMENTS - LOCAL</b>	<u>14,777,300</u>	<u>22,687,466</u>	<u>19,606,721</u>	<u>2.96</u>

## (b) QUOTED INVESTMENTS - FOREIGN

<u>QUOTED INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of</u> <u>shares</u> RM	<u>Fair value</u> <u>as at</u> <u>31.08.2020</u> RM	Fair value as at 31.08.2020 expressed as percentage of value of Fund
				%
<b><u>31.08.2020</u></b>				
<b><u>AUSTRALIA</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Charter Hall Group Real Estate Investment Trust	333,367	8,712,836	12,837,065	1.93
Centuria Industrial Real Estate Investment Trust	1,552,046	14,737,820	14,905,447	2.25
Centuria Office Real Estate Investment Trust	2,090,424	14,964,210	13,062,198	1.97
Dexus Real Estate Investment Trust	401,369	13,402,963	10,909,135	1.64
Goodman Group Stapled Waypoint Real Estate Investment Trust Limited	261,624	10,406,505	14,745,237	2.22
	<u>1,724,663</u>	<u>12,455,002</u>	<u>14,174,291</u>	<u>2.14</u>
	<u>6,363,493</u>	<u>74,679,336</u>	<u>80,633,373</u>	<u>12.15</u>
<b><u>HONG KONG/CHINA</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Fortune Real Estate Investment Trust Limited	4,340,000	20,556,360	15,619,777	2.35
Link Real Estate Investment Trust Limited	2,342,000	94,095,131	77,621,560	11.70
Prosperity Real Estate Investment Trust Limited	10,069,000	17,341,963	12,818,730	1.93
Sunlight Real Estate Investment Trust Limited	6,176,000	17,829,892	12,374,465	1.87
Yuexiu Real Estate Investment Trust	1,844,000	5,150,414	3,704,613	0.56
	<u>24,771,000</u>	<u>154,973,760</u>	<u>122,139,145</u>	<u>18.41</u>

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

				Fair value as at 31.08.2020 expressed as percentage of value of Fund
<u>QUOTED INVESTMENTS</u> <u>(CONTINUED)</u>	<u>Quantity</u> <u>Units</u>	<u>Cost of</u> <u>shares</u> <u>RM</u>	<u>Fair value</u> <u>as at</u> <u>31.08.2020</u> <u>RM</u>	
<b><u>SINGAPORE</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
Ascendas India Real Estate Investment Trust	2,351,100	10,208,498	9,648,661	1.45
Ascendas Real Estate Investment Trust Limited	5,405,402	47,550,874	54,961,327	8.28
Ascott Real Estate Investment Trust	4,092,300	15,754,462	11,279,792	1.70
Capitaland Commercial Trust Reit	3,999,609	21,744,554	20,578,701	3.10
Capitaland Mall Trust	6,574,300	45,006,543	39,463,602	5.95
Capitaland Retail China Trust Reit	2,248,241	9,677,537	7,918,298	1.19
CDL Hospitality Trust Reit	2,749,900	13,638,744	8,927,172	1.35
Far East Hospitality Trust	6,485,200	12,925,861	10,923,887	1.65
Frasers Centrepoint Trust	3,195,875	22,779,865	24,665,019	3.72
Frasers Logistic & Commercial Trust	6,950,100	21,574,837	28,522,460	4.30
Keppel DC Real Estate Investment Trust	3,011,505	14,457,666	26,839,085	4.05
Keppel Real Estate Investment Trust	5,581,750	20,250,198	17,949,436	2.71
Lendlease Global Commercial Reit	6,670,400	16,806,015	13,483,013	2.03
Mapletree Commercial Trust Reit	5,252,275	28,740,437	30,884,446	4.66
Mapletree Industrial Trust	2,635,900	18,300,372	24,621,806	3.71
Mapletree Logistics Trust	6,238,950	25,236,521	39,552,413	5.96
Mapletree North Asia Commercial Real Estate Investment Trust	7,366,700	23,674,171	21,207,622	3.20
Suntec Real Estate Investment Trust	1,320,100	7,414,902	5,660,125	0.85
	<u>82,129,607</u>	<u>375,742,057</u>	<u>397,086,865</u>	<u>59.86</u>
<b><u>THAILAND</u></b>				
<b>REAL ESTATE INVESTMENT TRUSTS (REITs)</b>				
CPN Retail Growth Leasehold Real Estate Investment Trust	2,637,700	11,815,877	8,504,163	1.28
Fraser Property Reit	6,622,000	14,135,498	13,199,715	1.98
	<u>9,259,700</u>	<u>25,951,375</u>	<u>21,703,878</u>	<u>3.26</u>
<b>TOTAL QUOTED INVESTMENTS - FOREIGN</b>	<u>122,523,800</u>	<u>631,346,528</u>	<u>621,563,261</u>	<u>93.68</u>
<b>TOTAL QUOTED INVESTMENTS</b>	<u>137,301,100</u>	<u>654,033,994</u>	<u>641,169,982</u>	<u>96.64</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		(12,864,012)		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>641,169,982</u>		

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 7 CASH AND CASH EQUIVALENTS

	31.08.2021	31.08.2020
	RM	RM
Deposits with licensed financial institutions	1,843,817	1,521,202
Bank balances in licensed banks	15,054,870	18,647,248
	<u>16,898,687</u>	<u>20,168,450</u>

Weighted average rates of return are as follows:

	31.08.2021	31.08.2020
	RM	RM
Deposits with licensed financial institutions	1.70	1.74

The deposits have an average maturity of 1 day (31.08.2020: 3 days).

## 8 OTHER PAYABLES

	31.08.2021	31.08.2020
	RM	RM
Auditors' remuneration	5,800	5,800
Tax agent's fee	2,700	2,700
Sundry payables and accruals	30,985	14,169
	<u>39,485</u>	<u>22,669</u>

## 9 UNITS IN CIRCULATION

	31.08.2021	31.08.2020
	No. of units	No. of units
At beginning of the financial year	1,555,839,496	1,483,802,000
Add: Creation of units arising from applications	178,053,082	387,906,072
Add: Creation of units arising from distribution	101,330,803	89,264,542
Less: Cancellation of units	(362,804,880)	(405,133,118)
At end of the financial year	<u>1,472,418,501</u>	<u>1,555,839,496</u>

## 10 BROKERS' TRANSACTIONS

The details of transactions with top brokers by value of trades are as follows:

Name of brokers		Percentage		Percentage
	Value of	of total	Brokerage	of total
	trades	trades	fees	brokerage
	RM	%	RM	%
2021				
UOB Kay Hian (Hong Kong) Limited	44,191,780	16.55	85,146	15.55
J.P.Morgan Securities Limited	40,450,538	15.15	92,035	16.81
Credit Suisse (Hong Kong) Limited	32,458,351	12.16	68,126	12.44
Citigroup Global Markets Limited				
London	32,177,409	12.05	105,086	19.19
Instinet Australia Clearing	22,667,867	8.49	39,644	7.24
CLSA Australia PTY Limited	19,483,545	7.30	38,994	7.12
Instinet Spore Svs Pte Ltd	18,503,592	6.93	21,061	3.85
China International Capital				
Corporation Hong Kong Securities	16,250,953	6.09	24,387	4.45
CLSA Singapore Private Limited	12,436,355	4.66	24,882	4.54
Instinet Pacific Limited	9,799,798	3.67	11,068	2.02
Others	18,558,164	6.95	37,216	6.79
	266,978,352	100.00	547,645	100.00



# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

<u>Name of brokers</u>	<u>Value of trades</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage fees</u>
	RM	%	RM	%
<b>2020</b>				
Credit Suisse (Hong Kong) Limited	78,704,967	19.29	163,253	19.00
Instinet Pacific Limited	73,147,789	17.93	143,229	16.67
UOB Kay Hian (Hong Kong) Limited	54,768,627	13.43	109,511	12.74
CLSA Singapore Private Limited	38,464,562	9.43	76,848	8.94
Citigroup Global Markets Asia Limited	35,066,703	8.60	86,777	10.10
China International Capital Corporation Hong Kong Securities	35,035,345	8.59	52,621	6.12
J.P. Morgan Securities Limited	30,339,545	7.44	75,859	8.83
DBS Vickers Securities (Singapore) Private Limited	20,408,201	5.00	40,808	4.75
Kenanga Deutsche Futures Sdn Bhd	11,582,925	2.84	21,481	2.50
CIMB Investment Bank Berhad	8,250,456	2.02	16,478	1.92
Others	22,149,699	5.43	72,400	8.43
	<u>407,918,819</u>	<u>100.00</u>	<u>859,265</u>	<u>100.00</u>

As at the end of each financial year, there were no transactions with related parties.

## 11 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
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
MIB-Manulife Asia-Pacific REIT Fund	Fund Managed by the Manager
MIB-Manulife EAP Managed Fund	Fund Managed by the Manager
Manulife PRS-Moderate Fund	Fund Managed by the Manager
Manulife PRS-Growth Fund	Fund Managed by the Manager

Units held by the Manager and Director of the Manager:

<u>As at:</u>	<b>DIRECTOR OF THE MANAGER WONG BOON CHOY **</b>	
	<u>No. of units</u>	<u>RM</u>
31.08.2021	118,429	51,232
31.08.2020	97,179	41,437

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

(ii) Units held by parties related to the Manager:

	31.08.2021		31.08.2020	
	No. of units	RM	No. of units	RM
HSBC (Malaysia) Trustee Berhad MIB-Manulife Asia-Pacific REIT Fund*	48,563,796	21,008,698	17,720,022	7,555,817
HSBC (Malaysia) Trustee Berhad MIB-Manulife EAP Managed Fund*	8,458,365	3,659,089	5,011,661	2,136,972
HSBC (Malaysia) Trustee Berhad Manulife PRS Moderate Fund*	-	-	1,142,673	487,236
HSBC (Malaysia) Trustee Berhad Manulife PRS Growth Fund**	-	-	1,843,253	785,963
HSBC (Malaysia) Trustee Berhad Manulife PRS Asia-Pacific REIT Fund*	16,071,087	6,952,352	7,318,836	3,120,752

\* The units are held legally

The Manager is of the opinion that all transactions with the related companies have been entered into 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.

## 12 MANAGEMENT EXPENSES RATIO ("MER")

	2021	2020
	%	%
MER	1.88	1.89

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.

## 13 PORTFOLIO TURNOVER RATIO ("PTR")

	2021	2020
	%	%
PTR (times)	0.30	0.32

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

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 14 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 investments. 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 shows the assets of the Fund which are exposed to price risk.

	31.08.2021	31.08.2020
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted investments - Local	-	19,606,721
- Quoted investments - Foreign	616,746,493	621,563,261
	<u>616,746,493</u>	<u>641,169,982</u>

The table below summarises the sensitivity of the Fund's profit or loss after tax and net asset value to price risk movements of quoted investments. The analysis is based on the assumptions that the market price of quoted investments fluctuates by 5% with all other variables being held constant, and that fair value of the Fund's investments move according to the historical correlation of the index. Disclosures below are shown in absolute terms, changes and impact could be positive or negative.

As at:	Changes in price	Impact on profit or loss after tax	Impact on net asset value
	%	RM	RM
<b>31.08.2021</b>			
Financial assets at fair value through profit or loss			
- Quoted investments - Foreign	5	<u>30,837,325</u>	<u>30,837,325</u>
<b>31.08.2020</b>			
Financial assets at fair value through profit or loss			
- Quoted investments - Local	5	980,336	980,336
- Quoted investments - Foreign	5	<u>31,078,163</u>	<u>31,078,163</u>
		<u>32,058,499</u>	<u>32,058,499</u>

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## (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 licensed financial institutions. The Manager overcomes this exposure by way of maintaining deposits on short-term basis. Therefore, the Fund's exposure to interest rate fluctuation is minimal.

## (c) Currency risk

For investments 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 Ringgit Malaysia based on consideration of economic fundamentals such as interest rate differentials, balance of payment position, debt level and technical consideration.

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

	Cash and equivalents	Financial assets at fair value through profit of loss	Amount due from stock- brokers	Dividends receivable	Amount due from dealer	Total
As at	RM	RM	RM	RM	RM	RM
<b>31.08.2021</b>						
AUD	105,557	73,586,518	-	461,319	17,795	74,171,189
HKD	-	146,657,139	-	1,106,440	-	147,763,579
SGD	14,919,219	379,514,882	228,265	2,702,862	-	397,365,228
THB	-	16,987,954	35,035	106,655	-	17,129,644
	<u>15,024,776</u>	<u>616,746,493</u>	<u>263,300</u>	<u>4,377,276</u>	<u>17,795</u>	<u>636,429,640</u>

	Cash and equivalents	Financial assets at fair value through profit of loss	Amount due from stock- brokers	Dividends receivable	Other receivables	Total
As at	RM	RM	RM	RM	RM	RM
<b>31.08.2020</b>						
AUD	115,025	80,633,373	-	-	-	80,748,398
HKD	-	122,139,145	-	1,013,122	-	123,152,267
SGD	18,315,199	397,086,865	2,674,663	1,462,565	175,089	419,714,381
THB	-	21,703,878	-	133,149	-	21,837,027
	<u>18,430,224</u>	<u>621,563,261</u>	<u>2,674,663</u>	<u>2,608,836</u>	<u>175,089</u>	<u>645,452,073</u>

The following table summarises the sensitivity of the Fund's profit/(loss) after 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 as shown in absolute terms, changes and impacts could be positive or negative.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

<u>As at</u>	<u>Changes in foreign exchange</u>	<u>Impact on profit/(loss) after tax</u>	<u>Impact on net asset value</u>
	<u>%</u>	<u>RM</u>	<u>RM</u>
<b><u>31.08.2021</u></b>			
AUD	5	3,708,559	3,708,559
HKD	5	7,388,179	7,388,179
SGD	5	19,868,261	19,868,261
THB	5	856,482	856,482
		<u>31,821,481</u>	<u>31,821,481</u>

## **31.08.2020**

AUD	5	4,037,420	4,037,420
HKD	5	6,157,613	6,157,613
SGD	5	20,985,719	20,985,719
THB	5	1,091,851	1,091,851
		<u>32,272,603</u>	<u>32,272,603</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 the 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.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Berhad or respective foreign stock exchanges.

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.

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

<b><u>Neither Past Due Nor Impaired</u></b>						
<u>As at</u>	<u>Cash and cash equivalents</u>	<u>Amount due from Manager</u>	<u>Amount due from stock- brokers</u>	<u>Dividends receivable</u>	<u>Amount due from dealer</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>31.08.2021</u></b>						
AAA	1,873,912	-	-	-	-	1,873,912
AA3	15,024,775	-	-	-	-	15,024,775
Not rated	-	1,609,543	263,300	4,377,276	17,795	6,267,914
	<u>16,898,687</u>	<u>1,609,543</u>	<u>263,300</u>	<u>4,377,276</u>	<u>17,795</u>	<u>23,166,601</u>

<u>As at</u>	<u>Cash and cash equivalents</u>	<u>Amount due from Manager</u>	<u>Amount due from stock- brokers</u>	<u>Dividends receivable</u>	<u>Other receivables</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>31.08.2020</u></b>						
AAA	1,738,226	-	-	-	-	1,738,226
AA3	18,430,224	-	-	-	-	18,430,224
Not rated	-	332,201	2,708,560	2,608,836	175,089	5,824,686
	<u>20,168,450</u>	<u>332,201</u>	<u>2,708,560</u>	<u>2,608,836</u>	<u>175,089</u>	<u>25,993,136</u>

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 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.

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>31.08.2021</u></b>			
<b><u>Financial assets</u></b>			
Cash and cash equivalents	1,843,817	15,054,870	16,898,687
Financial assets at fair value through profit or loss	-	616,746,493	616,746,493
Amount due from Manager	1,609,543	-	1,609,543
Amount due from dealer	17,795	-	17,795
Amount due from stockbrokers	263,300	-	263,300
Dividends receivable	4,377,276	-	4,377,276
	<u>8,111,731</u>	<u>631,801,363</u>	<u>639,913,094</u>

## **Financial liabilities**

Amount due to Manager			
- Manager's fee	964,833	-	964,833
- Cancellation of units	1,553,983	-	1,553,983
Amount due to Trustee	33,080	-	33,080
Amount due to dealer	17,780	-	17,780
Other payables	39,485	-	39,485
Distribution payable	313,972	-	313,972
	<u>2,923,133</u>	<u>-</u>	<u>2,923,133</u>

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>

**31.08.2020**

## **Financial assets**

Cash and cash equivalents	1,521,202	18,647,248	20,168,450
Financial assets at fair value through profit or loss	-	641,169,982	641,169,982
Amount due from Manager	332,201	-	332,201
Amount due from stockbrokers	2,708,560	-	2,883,649
Dividends receivable	2,608,836	-	2,608,836
Other receivables	175,089	-	175,089
	<u>7,345,888</u>	<u>659,817,230</u>	<u>667,163,118</u>

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
<u>31.08.2020</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>Financial liabilities</u></b>			
Amount due to Manager			
- Manager's fee	980,697	-	980,697
- Cancellation of units	1,531,409	-	1,531,409
Amount due to Trustee	33,624	-	33,624
Amount due to stockbrokers	1,078,127	-	1,078,127
Other payables	22,669	-	22,669
Distribution payable	87,961	-	87,961
	<u>3,734,487</u>	<u>-</u>	<u>3,734,487</u>

## Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM588,138,114 (31.08.2020: RM662,266,091) and retained earnings of RM48,851,847 (31.08.2020: RM1,162,540). 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 benefits for other stakeholders, 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 markets 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 RM616,746,493 (31.08.2020: RM641,169,982) is classified within level 1.

# MANULIFE INVESTMENT ASIA-PACIFIC REIT FUND

## 15 DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2021		2020	
	Final RM	Interim RM	Final RM	Interim RM
Previous financial years' realised income	9,811,532	8,909,883	8,951,616	11,812,508
Distribution equalisation	25,287,283	14,327,351	12,751,983	24,160,647
Less:				
Expenses	(7,001,834)	(7,317,955)	(7,534,729)	(9,127,992)
	<u>28,096,981</u>	<u>15,919,279</u>	<u>14,168,870</u>	<u>26,845,163</u>
Gross distribution per unit (sen)	<u>2.00</u>	<u>1.13</u>	<u>0.93</u>	<u>1.65</u>
Net distribution per unit (sen)	<u>2.00</u>	<u>1.13</u>	<u>0.93</u>	<u>1.65</u>
Ex-date	<u>26.08.2021</u>	<u>24.02.2021</u>	<u>26.08.2020</u>	<u>26.02.2020</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.

Included in the distribution for the financial year is an amount of RM18,721,415 (31.08.2020: RM20,764,124) derived from previous financial years' realised income.

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 gain of RM45,632,329 (31.08.2020 : unrealised loss of RM83,856,056) arising during the financial year.

## 16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The macro-economic outlook as a result of the Covid-19 pandemic, both domestically and globally, could result in a deterioration of the Fund's net asset value per unit in the future.

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



## **13 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 Zahari (Independent)  
Edmond Cheah Swee Leng (Independent)  
Wong Boon Choy (Non-Independent)  
Chong Soon Min (Jason) (Non-Independent)  
Wan Shuhaida Binti Wan Zainal (Non-Independent)

### **INVESTMENT MANAGER**

Manulife Investment Management Services Berhad (834424-U)  
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**

PricewaterhouseCoopers PLT  
Registration No: LLP0014401-LCA & AF 1146  
Level 10, 1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P O Box 10192  
50706 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 INVESTMENT ASIA-PACIFIC REIT 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](mailto:MY_CustomerService@manulife.com)  
Website: [www.manulifeinvestment.com.my](http://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 INVESTMENT ASIA-PACIFIC REIT 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 INVESTMENT ASIA-PACIFIC REIT 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

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