

Manulife
Investment
Asia-Pacific
ex Japan Fund

Annual Report

for the financial year ended 30 September 2020

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

1 GENERAL INFORMATION

1.1 THE TRUST

The Fund commenced operations on 23 June 2005 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

1.2 FUND TYPE / CATEGORY

Growth / Equity

1.3 BASE CURRENCY

Ringgit Malaysia (RM)

1.4 OBJECTIVE OF THE FUND

The Fund's investment objective is to provide long-term capital appreciation through investment mainly in equities and equity-related securities of companies in the Asia-Pacific ex Japan region.

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

1.5 DISTRIBUTION POLICY

Distribution of income, if any, is incidental.

1.6 PERFORMANCE BENCHMARK

MSCI AC Asia Pacific ex-Japan Index. Prior to 1 December 2018, it was the MSCI AC Far East Ex-Japan Index. The change in performance benchmark is to better reflect the Fund's broader investable universe.

The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of this performance benchmark. The performance benchmark information is available on www.manulifeinvestment.com.my.

1.7 INVESTMENT STYLE AND STRATEGY

The Fund invests 70% to 98% of its net asset value (NAV) in a diversified portfolio of equities and equity-related securities of companies domiciled in/ listed in/ or have significant operations* in the APxJ region, including but not limited to Australia, China, Hong Kong, India, Indonesia, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. Money market instruments such as commercial papers, repurchase agreements and deposits (excluding structured deposits) with financial institutions are only used to maintain liquidity position and as a short-term alternative should the equity market become extremely volatile. The Fund may invest in these equities and equity-related securities directly or via Collective Investment Schemes (CISs).

The Fund's investment strategy aims at achieving long term risk-adjusted returns by exploiting potential inefficiencies in the capital markets through intensive, disciplined and consistent research. The Fund adopts a combination of top-down and bottom-up approaches. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends, competitiveness as well as country risk. As for the bottom-up approach, the Manager evaluates securities of companies based on those companies' individual attributes such as earnings/cash generation capabilities, growth drivers/ opportunities, scalability of business models, management's strengths/track records and valuation gaps. Emphasis is also given to portfolio diversification and using proper risk management to maximise long term risk adjusted returns.

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Under adverse market conditions (due to economic, political or any other negative conditions for investments), the Manager may take temporary defensive positions that may be inconsistent with the Fund's principal strategy in attempting to respond to such conditions. Under such situations, the investment in foreign equities and equity-related instruments may be lower than 70% of the Fund's NAV, and temporarily be invested in deposits and/or money market instruments.

*Significant operations mean the revenue, earnings, production facilities, assets and/ or investments of a company are based in/ derived from the APxJ region. The level of significance will be determined by the Manager on a case-by-case basis based on his/ her research and judgement.

During the financial year under review, the Fund remained guided by its investment objective as it kept a close tab on investment opportunities in the APxJ region, including but not limited to Australia, China, Hong Kong, India, Indonesia, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Taiwan, Thailand and Vietnam. This was based on its assessment on the individual markets, sectors and stock fundamentals, while taking into account the outlook of respective currencies.

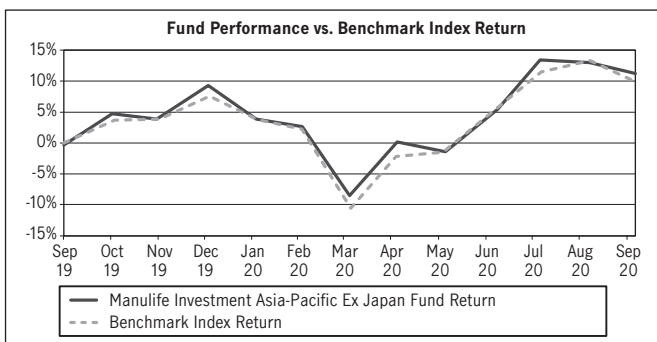
MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

2 MANAGER'S REPORT

2.1 FUND PERFORMANCE

For the financial year ended 30 September 2020, the Fund's return increased by 11.25%. The Fund outperformed its benchmark return, which increased by 10.14%. The outperformance was mainly due to a combination of allocation and stock selection in Taiwan, South Korea, Hong Kong and India. This was however partially offset by allocation and stock selection in China, Indonesia and Singapore. From sector perspective, underweights in the financials, overweight in information technology, materials, and stock selection in consumer staples discretionary were the main contributors, which offset the negative stock selection in consumer discretionary and real estates.

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



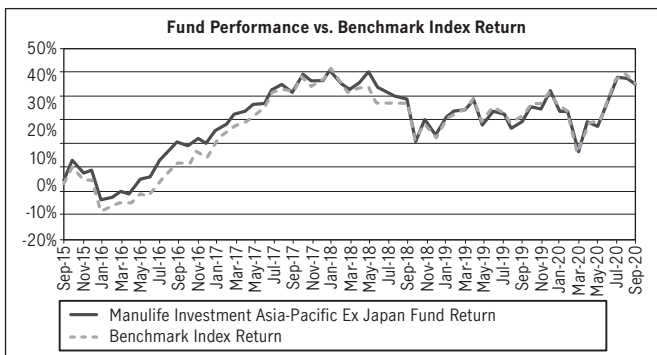
Source: Lipper, Morningstar & RIMES

Fund Size

The Fund's total NAV increased to RM147.27mil from RM130.57mil 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, Morningstar & RIMES

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(b) Average Total Return of the Fund:

For the financial year ended 30 September 2020	Fund (% p.a.)	Benchmark (% p.a.)
1 year	11.25	10.14
3 years	0.59	0.87
5 years	6.44	6.53
Commencement date: 14 July 2005		

Source: Lipper, Morningstar & RIMES

(c) Annual Total Return of the Fund:

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
30 September 2020	11.25	10.14
30 September 2019	(6.38)	(4.10)
30 September 2018	(2.29)	(2.85)
30 September 2017	16.38	23.43
30 September 2016	15.34	8.30
Commencement date: 14 July 2005		

Source: Lipper, Morningstar & RIMES

The Fund has achieved its objective of providing long-term capital appreciation through investment in equities within the Pacific region, with a 5 year average total return of 6.44% p.a.

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 = $\frac{\{[\text{End NAV (Ex-distribution)} - \text{Beginning NAV} + \text{Dividend Distribution}] / \text{Beginning NAV}\} \times 100\%}{}$

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 $= [(1 + R_1) \times (1 + R_2) \times \dots (1 + R_n)] - 1$

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

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

Fund Data	30 September 2020	30 September 2019	30 September 2018
NAV (RM)	147,273,965	130,570,329	166,501,143
Units in Circulation ('000)	471,121	464,698	538,118
NAV (RM per unit)	0.3126	0.2810	0.3094
Highest / Lowest NAV (RM per unit)	0.3219 / 0.2311	0.3151 / 0.2700	0.3572 / 0.3051
Total Fund Return (%)	11.25	(6.38)	(2.29)
NAV Return (%)	11.25	(9.18)	(5.35)
Income Return (%)	-	3.09	3.24
Final Distribution			
Gross (RM per unit)	-	0.0087	0.0100
Net (RM per unit)	-	0.0087	0.0100
Ex-date	-	26.09.2019	26.09.2018
Management Expenses Ratio (%)	1.60	1.66	1.74
Portfolio Turnover Ratio (times)	0.49	0.58	0.41

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.

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

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 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 net income value of the unit trust 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 is lower than the previous financial mainly due to the decrease in expenses incurred.

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(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.

[Total acquisitions of the fund for the year + Total disposals of the fund for the year]

Average value of the fund for the year calculated on a daily basis

The PTR for the financial year is lower than 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)
28 September 2020	-	-	-
26 September 2019	0.2896	(0.0087)	0.2809
26 September 2018	0.3176	(0.0100)	0.3076

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		
	30 September 2020	30 September 2019	30 September 2018
Healthcare	2.75	-	-
Plantation	0.69	-	0.51
Utilities	-	1.13	0.54
Consumer Products & Services	-	0.85	1.41
Financial Services	-	0.68	0.62
Technology	-	-	0.64
Quoted Investments -Local	3.44	2.66	3.72
Quoted Investment -Foreign	87.25	90.07	84.81
Collective Investments Schemes	3.62	4.08	-
Total Quoted Investments	94.31	96.81	88.53
Deposits With Licensed Financial Institutions	0.88	0.66	5.44
Other Assets & Liabilities	4.81	2.53	6.03

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Country Allocation	% of Net Asset Value		
	30 September 2020	30 September 2019	30 September 2018
Hong Kong/China	40.50	32.81	37.15
South Korea	17.87	17.69	18.36
Taiwan	17.04	12.73	13.35
Malaysia	7.06	6.74	3.72
Australia	5.57	13.22	-
Singapore	4.02	5.32	6.66
Indonesia	1.40	4.69	4.54
Thailand	0.85	2.22	2.33
Philippines	-	1.39	2.43
Total Quoted Investments	94.31	96.81	88.54

As at 30 September 2020, the Fund was 94.31% invest in equities and 5.69% in deposits and other assets & liabilities. From countries perspective, the Fund saw a notable increase in weighting in Hong Kong/China, Taiwan and Korea, while a significant decrease in Australia and Indonesia.

2.3 MARKET REVIEW

During the financial year under review (1st October 2019 to 30th September 2020), the Asian ex-Japan equity markets remained volatile. Asia Pacific ex-Japan equity markets traded higher in the first three months of the financial year, on positive optimism on the Phase 1 trade deal between the US and China. Sentiment took a turn towards January on due to the Coronavirus outbreak in China, which turned into a global pandemic with major economies implemented various lockdown measures to contain the virus outbreak. This was unprecedented as the severity of the Covid-19 situation had triggered significant risk aversion among investors. The Covid-19 and economic shocks plunged the Asian Pacific ex-Japan and global equities into bear territory, while governments around the world responded with unprecedented fiscal and monetary measures to prevent a global economic crunch. All in, the MXAPJ Index declined by 11.8% in the 1H of the period, before a strong recovery in 2H of the period, as the world gradually came out of lockdown mode. Asian equities rallied amid declining US dollar, a relaxed stance on US inflation targeting, progress on Covid-19 vaccine development. Firming macro data suggest a demand recovery associated with re-opening in the major economies.

The MSCI Asia Pacific ex-Japan Index posted 12.7% gain during the financial period on the back of global risk-on sentiment and unprecedented fiscal and monetary stimulus. North Asian markets still led the recovery with China, Taiwan and South Korea surging on positive returns. Chinese equities moved higher on the back of economic recovery despite rising Sino-US tensions. Economic data boosted sentiment, pointing to a continued, albeit uneven rebound. China's economy has recovered, with a positive gross domestic product (GDP) growth of 3.2% year-on-year (yoy) in 2Q2020. Improving economic data from China had indicted a wider recovery across the private sectors with all major economic indicators beating expectations in August. Production activity has largely normalised, with domestic demand recovery led by infrastructure, real estate and auto sectors along with broadening recovery in consumer spending. Industrial output gained 5.6% yoy in August while exports were resilient and continued to surprise on the upside, which surged by 9.5% yoy. An encouraging recovery in retail sales, had pointed to a more sustainable economic recovery, while the Caixin manufacturing Purchasing Managers' Index (PMI) was better than expectation at 53.1 in August, marking new high since Feb 2011.

Meanwhile, Taiwan registered a marginal GDP decline of -0.6% yoy in 2Q20. Total exports expanded since July, reversing the declining trend since March, supported by improving demand for electronic products. Manufacturing activities accelerated, with the manufacturing PMI staying above 50, signalling growth, since July. The semiconductor companies performed strongly on the back of strong technology earning results and an improved outlook for 5G smartphone demand.

In line with the global recovery from the peak of the Covid-19 situation in the first half of 2020, South Korea's exports rebounded in September, led by the increased shipments of chips and automobiles as its major trade partners gradually resumed business activities.

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Over in ASEAN, most indices ended the financial year under review in the red, with double-digit yoy declines. The FBM KLCI was the best performer, declining 4.2% yoy, supported by the performance of the glove sector in the pandemic environment. Indonesia started as one of the best performers in region as encouraging foreign investment, stable inflation and a promising outlook for infrastructure spending boosted sentiment. However, Indonesian equities sharply underperformed on the onset of the Coronavirus outbreak, and as a strengthening US Dollar coupled with weaker commodity prices sparked fear of a widening trade deficit and the inability for the country to keep the outbreak under control due to an underdeveloped healthcare infrastructure. In September, Jakarta reinstated large scale social restrictions over fears that the surging number of Covid-19 cases could collapse its under-pressure hospitals. The Philippines market also succumbed mainly on the back of a stronger greenback. Meanwhile, Thai equities suffered given the material exposure of the country's economy in the tourism industry, which was significantly affected by the virus outbreak.

2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

The recent concerns surrounding the coronavirus outbreak have resulted in Asian market valuations retracing to below historical averages although we acknowledge that measures being taken will undoubtedly result in some earnings pressures across various sectors. Encouragingly, the numbers of new Covid-19 incidents have been slowing in Asia for a while and most recently we are seeing evidence of new cases slowing even in Europe and in the US. Nonetheless, the lockdowns we are seeing, particularly outside of the region are going to have implications for export demand.

Central banks across the globe have embarked on drastic easing measures. However, the fiscal response is garnering greater attention with many countries spending over 10% of GDP to help arrest the short term recessionary impact of the lockdown responses to the virus.

We see attractive values in the North Asia markets, with China/Hong Kong, South Korea and Taiwan to continue to benefit from improving domestic consumption. The preference continues to be adding quality businesses to the portfolio and companies with strong cash flow and balance sheets and for companies with greater earnings and cash flow visibility.

2.5 BREAKDOWN OF UNIT HOLDINGS BY SIZE AS AT 30 SEPTEMBER 2020

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	983	10.72	3,150	0.67
5,001 to 10,000	1,359	14.82	10,088	2.14
10,001 to 50,000	4,421	48.21	109,357	23.21
50,001 to 500,000	2,358	25.71	288,865	61.32
Above 500,001	49	0.54	59,661	12.66
Provider's stock	-	-	-	-
Total	9,170	100.00	471,121	100.00

2.6 STATE OF AFFAIRS

NOTIFICATION OF CHANGES

A New Master Prospectus dated 10 August 2020 and First Supplemental Master Prospectus dated 13 November 2020 were issued to make the following general and administrative updates:

- New company name of the Manager;
- General and administrative updates such as branches of the Manager;
- Revision to the switching fee;
- Disclosure on other charges applicable in executing transactions.

The Master Prospectus dated 10 August 2020 and First Supplemental Master Prospectus dated 13 November 2020 is available in the company website: 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 30 September 2020, the Manager and its Fund Manager did not receive any rebates or soft commissions.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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 30 September 2020 and of its financial performance, changes in equity and cash flows of the Fund for the financial year ended 30 September 2020 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

(formerly known as Manulife Asset Management Services Berhad)

EDMOND CHEAH SWEE LENG

DIRECTOR

CHONG SOON MIN

DIRECTOR

Kuala Lumpur

24 November 2020

5 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

We have acted as Trustee of Manulife Investment Asia-Pacific Ex Japan Fund, ("the Fund") for the financial year ended 30 September 2020. To the best of our knowledge, Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services 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.

For HSBC (Malaysia) Trustee Berhad

Vicknesan Balakrishnan

Chief Executive Officer

Kuala Lumpur

24 November 2020

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

6 INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the financial statements of Manulife Investment Asia-Pacific Ex Japan Fund (the "Fund"), give a true and fair view of the financial position of the Fund as at 30 September 2020 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 30 September 2020, 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 14 to 42.

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 audit 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 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 EX JAPAN 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
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
24 November 2020

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 RM	2019 RM
INVESTMENT INCOME/(LOSS)			
Interest income from deposits with licensed financial institutions at amortisation cost		89,326	187,326
Gross dividend income		3,536,661	4,916,563
Net gain/(loss) on financial assets at fair value through profit or loss	7	13,621,562	(12,799,959)
Net foreign currency exchange (loss)/gain		(197,442)	14,311
		<u>17,050,107</u>	<u>(7,681,759)</u>
EXPENSES			
Manager's fee	3	1,999,573	2,312,055
Trustee's fee	5	83,691	94,244
Auditors' remuneration		7,000	7,000
Tax agent's fee		17,819	9,654
Other expenses		537,677	678,689
Transaction costs		402,277	498,632
		<u>3,048,037</u>	<u>3,600,274</u>
PROFIT/(LOSS) BEFORE TAXATION		14,002,070	(11,282,033)
TAXATION	6	-	-
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)		<u>14,002,070</u>	<u>(11,282,033)</u>
Profit /(loss) after taxation is made up as follows:			
Realised		(3,560,295)	(7,359,756)
Unrealised		17,562,365	(3,922,277)
		<u>14,002,070</u>	<u>(11,282,033)</u>

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

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8 STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	Note	<u>30.09.2020</u>	<u>30.09.2019</u>
		RM	RM
ASSETS			
Cash and cash equivalents	8	7,331,034	5,018,254
Financial assets at fair value through profit or loss	7	138,894,340	126,403,106
Amount due from Manager		1,113,135	-
Amount due from stockbrokers		-	993,551
Amount due from dealers		-	62,338
Dividends receivable		179,992	233,812
TOTAL ASSETS		<u>147,518,501</u>	<u>132,711,061</u>
LIABILITIES			
Amount due to Manager			
- Manager's fee		172,334	161,836
- Cancellation of units		-	1,861,693
Amount due to Trustee		7,209	6,779
Amount due to dealers		-	62,467
Other payables	9	64,993	47,160
Tax payable		-	797
TOTAL LIABILITIES		<u>244,536</u>	<u>2,140,732</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>147,273,965</u>	<u>130,570,329</u>
EQUITY			
Unit holders' capital		129,387,000	126,685,434
Retained earnings		17,886,965	3,884,895
		<u>147,273,965</u>	<u>130,570,329</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	2	<u>147,273,965</u>	<u>130,570,329</u>
NUMBER OF UNITS IN CIRCULATION (UNITS)	10	<u>471,121,213</u>	<u>464,698,000</u>
NAV PER UNIT (RM)		<u>0.3126</u>	<u>0.2810</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 EX JAPAN FUND

9 STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 OCTOBER 2019	126,685,434	3,884,895	130,570,329
Movement in unit holders' contribution:			
Creation of units arising from applications	77,497,737	-	77,497,737
Cancellation of units	(74,796,171)	-	(74,796,171)
Total comprehensive income	-	14,002,070	14,002,070
BALANCE AS AT 30 SEPTEMBER 2020	129,387,000	17,886,965	147,273,965

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 OCTOBER 2018	150,937,514	15,563,629	166,501,143
Movement in unit holders' contribution:			
Creation of units arising from applications	47,570,261	-	47,570,261
Creation of units arising from distribution	3,967,009	-	3,967,009
Cancellation of units	(72,219,042)	-	(72,219,042)
Total comprehensive loss	-	(11,282,033)	(11,282,033)
Distribution (Note 16)	(3,570,308)	(396,701)	(3,967,009)
BALANCE AS AT 30 SEPTEMBER 2019	126,685,434	3,884,895	130,570,329

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 EX JAPAN FUND

10 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

	Note	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Purchase of investments		(66,222,060)	(82,899,416)
Sale of investments		67,943,662	92,179,094
Net realised foreign exchange loss		(201,959)	(202,240)
Dividends received		3,177,571	4,432,839
Interest income received		89,326	187,326
Manager's fee paid		(1,989,075)	(2,354,691)
Trustee's fee paid		(83,261)	(95,644)
Audit fee paid		(7,000)	(7,000)
Tax agent's fee paid		(10,069)	(41,801)
Payment for other fees and expenses		(115,481)	(120,878)
Net cash generated from operating activities		<u>2,581,654</u>	<u>11,077,589</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		76,384,602	48,327,979
Payments for cancellation of units		(76,657,864)	(70,357,349)
Net cash used in financing activities		<u>(273,262)</u>	<u>(22,029,370)</u>
Net increase/(decrease) in cash and cash equivalents		2,308,392	(10,951,781)
Currency translation differences		4,388	216,680
Cash and cash equivalents at the beginning of the financial year		<u>5,018,254</u>	<u>15,753,355</u>
Cash and cash equivalents at end of the financial year	8	<u><u>7,331,034</u></u>	<u><u>5,018,254</u></u>
Cash and cash equivalents comprise:			
Bank balances in licensed banks	8	6,039,762	4,152,572
Deposits with licensed financial institutions	8	1,291,272	865,682
		<u><u>7,331,034</u></u>	<u><u>5,018,254</u></u>

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

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 30 September 2020.

Standards, amendments to published standards and interpretations that are effective and relevant.

The Fund has applied the following amendments for the first time for the financial year beginning on 1 October 2019:

- Amendments to MFRS 112 'Income Taxes' (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised.

Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividends should not be recognised in equity merely on the basis that it is related to a distribution to owners.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 October 2019 that have a material effect on the financial statements of the Fund.

Amendments and interpretations which are relevant to the Fund but not yet effective and have not been early adopted are as follows:

Financial year beginning on/after 1 October 2020

- 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.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 October 2020.

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 the 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 equities 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, amount due from dealers and dividends receivable 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 dealers and other payable as other financial liabilities measured at amortised cost.

(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 cost 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.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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 the 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 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 method 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.

(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.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

C INCOME RECOGNITION

Interest income from deposits placed with licensed financial institutions is recognised on a 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 difference 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 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 measures the loss allowance on the amount due from the stockbroker at an amount equal to the lifetime expected credit losses 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 stockbroker, probability that the stockbroker 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.

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.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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.

Transaction and balances

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 or 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 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 licensed 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

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

- (c) Other short-term financial instruments

Other short-term financial instruments comprise amount due from/to Manager, dividends receivable, amount due to Trustee and other payables. 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 INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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.

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

1 INFORMATION ON THE FUND

Manulife Investment Asia-Pacific Ex Japan Fund ("the Fund") was established pursuant to a Master Deed date 31 January 2002, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as "the Deed") between MManulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Berhad) ("the Manager") and HSBC (Malaysia) Trustees Berhad ("the Trustee").

The principal activity of the Fund is to invest in "Authorised 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 23 June 2005 and will continue its operations until terminated as provided under Clause 48.2 of the Deed.

The Fund's investment objective is to provide long-term capital appreciation through investment mainly in equities and equity-related securities of companies in the Asia-Pacific ex Japan region.

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

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 24 November 2020.

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 1.50% per annum (2019: 1.50% 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 MANAGEMENT FEE REBATE

As the fund invest in a collective investment scheme, the management fee charged by the collective investment scheme is fully refunded to the Fund. In accordance with the Fund's Master Prospectus, there is no double charging of management fee to the Fund.

For the financial year ended 30 September 2020 and 30 September 2019 the management fee rebate is recognised at the following rates:

FUND NAME	2020	2019
	%	%
Manulife India Equity Fund	1.80	1.50

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

5 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee of 0.06% per annum (2019: 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.

6 TAXATION

	2020	2019
	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:

	2020	2019
	RM	RM
Profit/(loss) before taxation	14,002,070	(11,282,033)
Tax calculated at Malaysian tax rate of 24% (2019: 24%)	3,360,497	(2,707,688)
Tax effect in respect of:		
- Expenses not deductible for tax purposes	249,951	307,492
- Restriction on tax deductible expenses for unit trust funds	481,578	567,144
- (Investment income not subject to tax)/investment loss not deductible for tax purposes	(4,092,026)	1,833,052
Tax expenses	-	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2020	30.09.2019
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted investments - Local (Note 7(a))	5,059,000	3,474,087
- Quoted investments - Foreign (Note 7(b))	128,499,399	117,606,851
- Collective investment Schemes (Note 7(c))	5,335,941	5,322,168
	138,894,340	126,403,106

	2020	2019
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss		
- Realised	(3,936,415)	(8,646,087)
- Unrealised	17,557,977	(4,153,872)
	13,621,562	(12,799,959)

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

(a) QUOTED INVESTMENTS - LOCAL

			Fair value as at 30.09.2020	Fair value as at 30.09.2020 expressed as percentage of value of Fund
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 30.09.2020</u>	<u>Fund</u>
	<u>Units</u>	<u>RM</u>	<u>RM</u>	<u>%</u>
<u>30.09.2020</u>				
<u>MAIN MARKET</u>				
HEALTHCARE				
Hartalega Holdings Berhad	120,000	1,634,097	1,944,000	1.32
Supermax Corporation Berhad	250,000	1,597,000	2,105,000	1.43
	370,000	3,231,097	4,049,000	2.75
PLANTATION				
Sime Darby Plantation Berhad	200,000	1,104,320	1,010,000	0.69
TOTAL QUOTED INVESTMENTS - LOCAL	<u>570,000</u>	<u>4,335,417</u>	<u>5,059,000</u>	<u>3.44</u>

(b) QUOTED INVESTMENTS - FOREIGN

			Fair value as at 30.09.2020	Fair value as at 30.09.2020 expressed as percentage of value of Fund
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 30.09.2020</u>	<u>Fund</u>
	<u>Units</u>	<u>RM</u>	<u>RM</u>	<u>%</u>
<u>30.09.2020</u>				
<u>AUSTRALIA</u>				
ENERGY				
Woodside Petroleum Limited	13,226	1,331,105	691,968	0.46
HEALTH CARE				
CSL Limited	2,689	2,109,241	2,296,738	1.56
MATERIALS				
BHP Group Limited	34,700	3,809,398	3,676,361	2.50
Rio Tinto Limited	5,504	1,492,946	1,544,973	1.05
	40,204	5,302,344	5,221,334	3.55
<u>MAINLAND CHINA</u>				
HEALTH CARE				
Lepu Medical Technology (Beijing) Company Limited	124,641	2,761,865	2,571,351	1.75
INDUSTRIALS				
Sany Heavy Industry Company Limited	100,000	1,221,706	1,523,234	1.02

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

				Fair value as at 30.09.2020 expressed as percentage of value of
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u>	<u>Cost of</u>	<u>Fair value</u>	
	<u>Units</u>	<u>shares</u>	<u>as at</u>	
		<u>RM</u>	<u>30.09.2020</u>	<u>of value of</u>
			<u>RM</u>	<u>Fund</u>
				<u>%</u>
TECHNOLOGY				
BOE Technology Group Company Limited	743,100	2,298,188	2,232,905	1.52
B-Soft Company Limited	152,700	1,466,778	1,422,314	0.97
	895,800	3,764,966	3,655,219	2.49
<u>HONG KONG/CHINA</u>				
COMMUNICATIONS				
China Mobile Limited	46,000	1,520,036	1,218,977	0.83
Tencent Holdings Limited	37,800	5,116,395	10,361,172	7.04
	83,800	6,636,431	11,580,149	7.87
CONSUMER DISCRETIONARY				
Alibaba Group Holding Limited	67,000	8,088,416	9,895,220	6.72
Brilliance China Automotive Holding Limited	632,000	2,706,748	2,462,198	1.67
Geely Automobile Holdings Limited	216,000	1,632,780	1,782,567	1.21
MintH Group Limited	274,000	3,493,955	4,940,911	3.35
	1,189,000	15,921,899	19,080,896	12.95
FINANCIALS				
AIA Group Limited	104,400	3,160,223	4,246,330	2.88
China Construction Bank Corporation	968,000	3,243,385	2,604,057	1.77
Hong Kong Exchanges & Clearing Limited	9,746	1,049,174	1,889,585	1.28
Industrial & Commercial Bank of China Limited	322,000	894,474	693,671	0.47
	1,404,146	8,347,256	9,433,643	6.40
HEALTH CARE				
China Medical System Holdings Limited	317,000	1,560,991	1,449,038	0.98
INDUSTRIALS				
China Communication Services Corporation Limited	968,000	3,356,527	2,355,064	1.60
Shenzhen Expressway Company Limited	382,000	1,586,253	1,377,685	0.94
	1,350,000	4,942,780	3,732,749	2.54
MATERIALS				
China Resources Cement Holdings Limited	239,000	973,509	1,355,049	0.92

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

			Fair value as at 30.09.2020 expressed as percentage of value of Fund	
QUOTED INVESTMENTS	Quantity	Cost of shares	Fair value as at 30.09.2020	
	Units	RM	RM	%
REAL ESTATE				
China Resources Land Limited	81,555	1,021,489	1,525,273	1.04
TECHNOLOGY				
Sunny Optical Technology Group Company Limited	32,000	1,941,813	2,028,645	1.38
UTILITIES				
China Gas Holdings Limited	145,000	1,741,069	1,714,188	1.16
INDONESIA				
COMMUNICATIONS				
Telekomunikasi Indonesia Persero Tbk	1,965,000	2,142,138	1,407,766	0.95
FINANCIALS				
Bank Rakyat Indonesia Persero Tbk	770,800	698,150	655,758	0.45
SINGAPORE				
CONSUMER STAPLES				
First Resources Limited	240,200	1,136,153	884,405	0.60
Wilmar International Limited	113,300	1,519,612	1,516,965	1.03
	353,500	2,655,765	2,401,370	1.63
REAL ESTATE				
City Development Limited	56,000	1,528,943	1,296,778	0.88
FINANCIALS				
DBS Group Holdings Limited	36,800	2,931,727	2,229,523	1.51
SOUTH KOREA				
CONSUMER STAPLES				
LG Household and Health Care Limited	750	3,545,019	3,857,144	2.62
MATERIALS				
LG Chem Limited	1,170	1,348,898	2,717,688	1.85
TECHNOLOGY				
Samsung Electronics Company Limited	59,551	8,349,359	12,309,716	8.36
Samsung SDI Company Limited	1,924	1,610,127	2,962,308	2.01
SK Hynix Incorporated	14,972	4,112,670	4,466,785	3.03
	76,447	14,072,156	19,738,809	13.40

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

				Fair value as at 30.09.2020 expressed as percentage of value of
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u>	<u>Cost of</u>	<u>Fair value</u>	
	<u>Units</u>	<u>shares</u>	<u>as at</u>	
		<u>RM</u>	<u>30.09.2020</u>	<u>Fund</u>
			<u>RM</u>	<u>%</u>
<u>TAIWAN</u>				
TECHNOLOGY				
ASE Technology Holding Company Limited	71,171	683,485	604,210	0.41
Delta Electronics Incorporated	58,000	1,209,329	1,572,002	1.07
Land Mark Optoelectronics Corporation	25,000	1,068,178	892,694	0.61
Taiwan Semiconductor Manufacturing Company Limited	233,005	6,146,240	14,468,267	9.82
Win Semiconductors Corporation	35,000	1,418,206	1,437,991	0.98
Wiwynn Corporation	33,000	3,875,891	3,090,228	2.10
Yageo Corporation	60,000	2,741,843	3,024,405	2.05
	515,176	17,143,172	25,089,797	17.04

THAILAND

REAL ESTATE

Amata Corporation Public Company Limited	750,300	2,144,929	1,239,172	0.85
Amata Corporation Public Company Limited - Rights Issue	58,364	-	6,120	0.00
	<u>808,664</u>	<u>2,144,929</u>	<u>1,245,292</u>	<u>0.85</u>

TOTAL QUOTED INVESTMENTS

- FOREIGN

<u>10,602,768</u>	<u>107,789,361</u>	<u>128,499,399</u>	<u>87.25</u>
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(c) COLLECTIVES INVESTMENT SCHEME

<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>30.09.2020</u> RM	Fair value as at 30.09.2020 expressed as percentage of value of
				<u>Fund</u> %
Manulife Investment - India Equity Fund	5,296,745	5,337,000	5,335,941	3.62
TOTAL QUOTED INVESTMENTS	<u>16,469,513</u>	<u>117,461,778</u>	<u>138,894,340</u>	<u>94.31</u>

ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21,432,562

TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

138,894,340

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

(a) QUOTED INVESTMENTS - LOCAL

(a) QUOTED INVESTMENTS - LOCAL				Fair value as at 30.09.2019 expressed as percentage of value of Fund
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 30.09.2019</u> RM	<u>Fund</u> %
<u>30.09.2019</u>				
<u>MAIN MARKET</u>				
CONSUMER PRODUCTS & SERVICES				
Genting Berhad	192,500	1,692,695	1,104,950	0.85
FINANCIAL SERVICES				
CIMB Group Holdings Berhad	177,050	1,003,573	890,561	0.68
UTILITIES				
Tenaga Nasional Berhad	108,400	1,557,253	1,478,576	1.13
TOTAL QUOTED INVESTMENTS - LOCAL	477,950	4,253,521	3,474,087	2.66

(b) QUOTED INVESTMENTS - FOREIGN

(b) QUOTED INVESTMENTS - FOREIGN				Fair value as at 30.09.2019 expressed as percentage of value of Fund
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 30.09.2019</u> RM	
<u>AUSTRALIA</u>				
ENERGY				
Oil Search Limited	56,470	1,306,019	1,166,481	0.89
Woodside Petroleum Limited	27,871	2,805,021	2,546,702	1.95
	84,341	4,111,040	3,713,183	2.84
FINANCIALS				
Unibail-Rodamco-Westfield	95,221	3,183,717	2,861,746	2.19
HEALTH CARE				
CSL Limited	5,000	3,069,694	3,297,303	2.53
INDUSTRIALS				
Seven Group Holdings Limited	62,032	2,918,332	3,049,388	2.34
MATERIALS				
BHP Group Limited	28,000	3,103,752	2,901,412	2.22
Rio Tinto Limited	5,504	1,492,946	1,439,350	1.10
	33,504	4,596,698	4,340,762	3.32
<u>HONG KONG/CHINA</u>				
CONSUMER DISCRETIONARY				
BYD Company Limited	71,500	1,816,775	1,494,382	1.14

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

			Fair value as at 30.09.2019 expressed as percentage of value of	
QUOTED INVESTMENTS	Quantity	Cost of	Fair value	Fund
	Units	shares	as at	%
		RM	30.09.2019	
			RM	
<u>HONG KONG/CHINA</u>				
<u>CONTINUED</u>				
CONSUMER STAPLES				
Hengan International Group Company Limited	78,000	2,558,863	2,140,334	1.64
ENERGY				
China Everbright Greentech Limited	377,000	1,314,070	917,762	0.70
FINANCIALS				
AIA Group Limited	137,000	4,150,152	5,415,884	4.15
China Construction Bank Corporation	968,000	3,240,851	3,090,297	2.37
CK Asset Holdings Limited	34,000	728,052	963,823	0.74
Hong Kong Exchanges & Clearing Limited	17,046	1,835,676	2,093,023	1.60
Industrial & Commercial Bank of China Limited	489,100	1,357,348	1,370,821	1.05
Ping An Insurance Group Company of China Limited	42,500	1,463,558	2,043,132	1.56
	1,687,646	12,775,637	14,976,980	11.47
HEALTH CARE				
China Medical System Holdings Limited	253,000	1,199,445	1,258,810	0.96
INDUSTRIALS				
China Communications Construction Company Limited	696,000	2,588,173	1,649,742	1.26
China Railway Construction Corporation Limited	185,000	952,369	846,401	0.65
Kerry Logistics Network Limited	155,000	884,995	1,037,655	0.79
Shenzhen Expressway Company Limited	382,000	1,587,168	2,084,193	1.60
	1,418,000	6,012,705	5,617,991	4.30
INFORMATION TECHNOLOGY				
China Mobile Limited	30,000	1,361,949	1,038,616	0.80
Tencent Holdings Limited	37,800	5,115,591	6,663,349	5.10
	67,800	6,477,540	7,701,965	5.90
MATERIALS				
Anhui Conch Cement Company Limited	76,500	1,562,132	1,901,099	1.46
China Resources Cement Holdings Limited	593,000	2,415,442	2,488,290	1.91
	669,500	3,977,574	4,389,389	3.37
REAL ESTATE INVESTMENT TRUSTS ("REITs")				
China Resources Land Limited	113,555	1,423,979	1,991,431	1.53

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

				Fair value as at 30.09.2019 expressed as percentage of value of Fund
<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>30.09.2019</u> <u>RM</u>	<u>Fund</u> <u>%</u>
<u>HONG KONG/CHINA</u>				
<u>CONTINUED</u>				
UTILITIES				
China Gas Holdings Limited	145,400	1,736,428	2,351,964	1.80
INDONESIA				
COMMUNICATIONS				
PT XL Axiata Tbk	1,355,100	1,263,518	1,374,811	1.05
FINANCIALS				
PT Bank Negara Indonesia Persero Tbk	501,900	926,637	1,087,972	0.83
PT Bekasi Fajar Industrial Estate Tbk	18,000,000	1,600,225	1,359,019	1.04
	18,501,900	2,526,862	2,446,991	1.87
INDUSTRIALS				
PT United Tractors Tbk	381,800	3,004,468	2,316,802	1.77
PHILIPPINES				
CONSUMER STAPLES				
Puregold Price Club Incorporated	243,500	968,033	768,072	0.59
REAL ESTATE				
SM Prime Holdings Incorporated	348,300	683,922	1,046,594	0.80
SINGAPORE				
CONSUMER DISCRETIONARY				
Genting Singapore Limited	500,700	1,781,387	1,333,703	1.02
CONSUMER STAPLES				
First Resources Limited	240,200	1,136,153	1,163,301	0.89
FINANCIALS				
City Development Limited	56,000	1,528,943	1,664,556	1.27
DBS Group Holdings Limited	36,800	2,933,009	2,784,754	2.14
	92,800	4,461,952	4,449,310	3.41
SOUTH KOREA				
CONSUMER DISCRETIONARY				
Fila Korea Limited	17,000	3,332,456	3,444,227	2.64
INDUSTRIALS				
Hyundai Heavy Industries Holdings Company Limited	1,913	3,021,237	2,339,518	1.79

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

				Fair value as at 30.09.2019 expressed as percentage of value of
<u>QUOTED INVESTMENTS</u>	<u>Quantity</u>	<u>Cost of</u>	<u>Fair value</u>	<u>Fund</u>
	<u>Units</u>	<u>shares</u>	<u>as at</u>	<u>%</u>
		<u>RM</u>	<u>30.09.2019</u>	
			<u>RM</u>	
<u>SOUTH KOREA</u>				
<u>CONTINUED</u>				
INFORMATION TECHNOLOGY				
Samsung Electronics Company Limited	61,350	8,594,830	10,529,745	8.06
SK Hynix Incorporated	10,000	2,689,245	2,876,313	2.21
	<u>71,350</u>	<u>11,284,075</u>	<u>13,406,058</u>	<u>10.27</u>
MATERIALS				
LG Chem Limited	1,587	1,829,333	1,663,175	1.27
POSCO Chemical Company Limited	14,488	3,352,121	2,238,223	1.72
	<u>16,075</u>	<u>5,181,454</u>	<u>3,901,398</u>	<u>2.99</u>
<u>TAIWAN</u>				
CONSUMER DISCRETIONARY				
Giant Manufacturing Company Limited	47,000	1,354,097	1,337,802	1.02
INDUSTRIALS				
CTCI Corporation	108,000	679,901	607,535	0.47
INFORMATION TECHNOLOGY				
ASE Technology Holding Company Limited	71,171	684,209	679,748	0.52
GlobalWafers Company Limited	62,000	3,250,163	2,626,232	2.01
LandMark Optoelectronics Corporation	25,000	1,065,924	865,046	0.66
Taiwan Semiconductor Manufacturing Company Limited	286,005	7,548,327	10,494,317	8.05
	<u>444,176</u>	<u>12,548,623</u>	<u>14,665,343</u>	<u>11.24</u>
<u>THAILAND</u>				
CONSUMER DISCRETIONARY				
Minor International PCL	128,100	614,266	657,413	0.50
Robinson PCL	93,100	568,162	812,247	0.63
	<u>221,200</u>	<u>1,182,428</u>	<u>1,469,660</u>	<u>1.13</u>
FINANCIALS				
Amata Corporation PCL	253,400	764,977	866,971	0.66
INDUSTRIALS				
CH Karnchang PCL	180,400	589,960	565,365	0.43
TOTAL QUOTED INVESTMENTS - FOREIGN				
	<u>28,186,313</u>	<u>112,938,000</u>	<u>117,606,851</u>	<u>90.07</u>

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

(c) COLLECTIVES INVESTMENT SCHEME

<u>COLLECTIVES INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 30.09.2019</u> RM	Fair value as at 30.09.2019 expressed as percentage of value of Fund
				%
Manulife Investment - India Equity Fund	5,296,745	5,337,000	5,322,168	4.08
TOTAL QUOTED INVESTMENTS	33,961,008	122,528,521	126,403,106	96.81
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		3,874,585		
TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		126,403,106		

8 CASH AND CASH EQUIVALENTS

	<u>30.09.2020</u> RM	<u>30.09.2019</u> RM
Deposits with licensed financial institutions	1,291,272	865,682
Bank balances in licensed banks	6,039,762	4,152,572
	7,331,034	5,018,254

Weighted average rates of return are as follows:

	<u>30.09.2020</u> %	<u>30.09.2019</u> %
Short-term deposits with licensed financial institutions	1.65	3.18

The deposits have an average maturity of 2 days (30.09.2019: 2 days).

9 OTHER PAYABLES

	<u>30.09.2020</u> RM	<u>30.09.2019</u> RM
Auditors' remuneration	7,000	7,000
Tax agent's fee	13,327	5,577
Sundry payables and accruals	44,666	34,583
	64,993	47,160

10 UNITS IN CIRCULATION

	<u>30.09.2020</u> No. of units	<u>30.09.2019</u> No. of units
At beginning of the financial year	464,698,000	538,118,000
Add: Creation of units arising from applications	262,050,336	160,600,000
Add: Creation of units arising from distribution	-	14,072,397
Less: Cancellation of units	(255,627,123)	(248,092,397)
At end of the financial year	471,121,213	464,698,000

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

11 BROKERS' TRANSACTIONS

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

the details of transactions with brokers by value of trades are as follows.

Name of brokers	Value of	Percentage	Brokerage fees	Percentage
	trades	of total		of total
	RM	trades		brokerage fee
			RM	%
2020				
Credit Suisse First AG Taipei Securities	24,350,779	18.29	48,767	18.52
China International Capital Corporation				
Hong Kong Securities Limited	19,848,348	14.91	29,736	11.29
Instinet Pacific Limited	16,885,500	12.68	28,336	10.76
UOB Kay Hian (Hong Kong) Limited	13,702,672	10.29	24,896	9.45
Credit Lyonnais Securities Seoul	13,466,737	10.11	33,746	12.81
Citigroup Global Markets Limited	11,223,143	8.43	24,176	9.18
CLSA Limited	7,575,589	5.69	20,733	7.87
Instinet Australia Clearing Services				
Pty Limited	7,245,897	5.44	14,498	5.51
Credit Suisse Securities (Europe)				
Limited Seoul	5,899,142	4.43	11,799	4.48
JP Morgan Securities				
(Asia Pacific) Limited	4,810,689	3.61	9,643	3.66
Others	8,138,890	6.12	17,204	6.47
	<u>133,147,386</u>	<u>100.00</u>	<u>263,354</u>	<u>100.00</u>
2019				
Credit Suisse First Boston	24,181,800	13.96	48,434	14.57
UOB Kay Hian (Hong Kong) Limited	20,679,591	11.94	36,254	10.91
Citigroup Global Markets Limited	17,307,413	9.99	38,781	11.67
China International Capital Corporation				
Hong Kong Securities Limited	17,140,765	9.89	25,759	7.75
JP Morgan Securities				
(Asia Pacific) Limited	15,842,019	9.14	31,680	9.53
CLSA Limited	13,337,516	7.70	33,403	10.05
Instinet Pacific Limited	13,239,407	7.64	25,034	7.53
Instinet Australia Clearing Services Pty				
Limited	11,732,049	6.77	19,850	5.97
Credit Suisse First AG Taipei Securities	10,832,604	6.25	21,706	6.53
CLSA Australia Pty Limited	6,151,916	3.55	12,279	3.69
Others	22,804,912	13.17	39,220	11.80
	<u>173,249,992</u>	<u>100.00</u>	<u>332,400</u>	<u>100.00</u>

As at the end of each financial year, there were no transactions 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
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 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

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

(i) Units held by the Manager and Director of the Manager:

As at:	DIRECTOR OF THE MANAGER WONG BOON CHOY **		MANAGER MANULIFE INVESTMENT MANAGEMENT (M) BERHAD *	
	No. of units	RM	No. of units	RM
30.09.2020	142,556	44,563	-	-
30.09.2019	-	-	284,446	79,929

(ii) Units held by parties related to Manager:

As at:	MANULIFE EAP MANAGED FUND**		MANULIFE EAP MANAGED FUND**		MANULIFE PRS- MODERATE FUND**	
	No. of units	RM	No. of units	RM	No. of units	RM
30.09.2020	4,909,718	1,534,778	16,665,329	5,209,582	1,517,718	474,439
30.09.2019	4,848,081	1,362,311	13,784,773	3,873,521	1,514,786	425,655

* The units are held legally and beneficially

** The units are held legally

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

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

13 MANAGEMENT EXPENSES RATIO ("MER")

	2020	2019
	%	%
MER	1.60	1.66

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")

	2020	2019
PTR (times)	0.49	0.58

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 EX JAPAN 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 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 below shows the assets of the Fund which are exposed to price risk.

	30.09.2020	30.09.2019
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted investments - Local (Note 7(a))	5,059,000	3,474,087
- Quoted investments - Foreign (Note 7(b))	128,499,399	117,606,851
- Collective investment scheme (Note 7(c))	5,335,941	5,322,168
	<u>138,894,340</u>	<u>126,403,106</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
30.09.2020			
Financial asset at fair value through profit or loss			
- Quoted investments - Local	5	252,950	252,950
- Quoted investments - Foreign	5	6,424,970	6,424,970
- Collective investment scheme	5	266,797	266,797
		<u>6,944,717</u>	<u>6,944,717</u>
30.09.2019			
Financial asset at fair value through profit or loss			
- Quoted investments - Local	5	173,704	173,704
- Quoted investments - Foreign	5	5,880,343	5,880,343
- Collective investment scheme	5	266,108	266,108
		<u>6,320,155</u>	<u>6,320,155</u>

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN 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:

As at	Cash and equivalents	Financial assets at fair value through profit or loss	Dividends receivable	Total
30.09.2020	RM	RM	RM	RM
AUD	-	8,210,040	11,761	8,221,801
CNH	23,144	7,749,804	-	7,772,948
HKD	-	51,899,630	71,320	51,970,950
IDR	27	2,063,524	-	2,063,551
KRW	-	26,313,641	-	26,313,641
SGD	5,931,911	5,927,671	20,156	11,879,738
THB	-	1,245,292	-	1,245,292
TWD	-	25,089,797	76,755	25,166,552
	5,955,082	128,499,399	179,992	134,634,473

As at	Cash and equivalents	Financial assets at fair value through profit or loss	Amount due from stockbrokers	Amount due from/(to) dealers	Dividends receivable	Total
30.09.2019	RM	RM	RM	RM	RM	RM
AUD	- 17,262,382	-	-	-	57,284	17,319,666
HKD	- 42,841,008	-	(62,467)	-	97,968	42,876,509
IDR	29 6,138,604	-	-	-	-	6,138,633
KRW	- 23,091,201	-	-	-	-	23,091,201
PHP	- 1,814,666	993,551	-	-	-	2,808,217
SGD	4,132,061	6,946,314	-	62,338	-	11,140,713
THB	- 2,901,996	-	-	-	-	2,901,996
TWD	- 16,610,680	-	-	-	46,040	16,656,720
	4,132,090	117,606,851	993,551	(129)	201,292	122,933,655

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

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

As at	Changes in foreign exchange	Impact on profit or loss after tax	Impact on net asset value
	%	RM	RM
<u>30.09.2020</u>			
AUD	5	411,090	411,090
CNH	5	388,647	388,647
HKD	5	2,598,548	2,598,548
IDR	5	103,178	103,178
KRW	5	1,315,682	1,315,682
SGD	5	593,987	593,987
THB	5	62,265	62,265
TWD	5	1,258,328	1,258,328
		<u>6,731,725</u>	<u>6,731,725</u>

30.09.2019

AUD	5	865,983	865,983
HKD	5	2,143,825	2,143,825
IDR	5	306,932	306,932
KRW	5	1,154,560	1,154,560
PHP	5	140,411	140,411
SGD	5	557,036	557,036
THB	5	145,100	145,100
TWD	5	832,836	832,836
		<u>6,146,683</u>	<u>6,146,683</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:

As at	Neither Past Due Nor Impaired					Total
	Cash and cash equivalents	Amount due from Manager	Amount due from stockbrokers	Amount due from dealers	Dividends receivable	
	RM	RM	RM	RM	RM	RM
<u>30.09.2020</u>						
AAA	7,331,034	-	-	-	-	7,331,034
Not rated	-	1,113,135	-	-	179,992	1,293,127
	<u>7,331,034</u>	<u>1,113,135</u>	<u>-</u>	<u>-</u>	<u>179,992</u>	<u>8,624,161</u>
<u>30.09.2019</u>						
AAA	5,018,254	-	-	-	-	5,018,254
Not rated	-	-	993,551	62,338	233,812	1,289,701
	<u>5,018,254</u>	<u>-</u>	<u>993,551</u>	<u>62,338</u>	<u>233,812</u>	<u>6,307,955</u>

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN 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>	Within one year	No maturity date	Total
	RM	RM	RM
<u>30.09.2020</u>			
<u>Financial assets</u>			
Cash and cash equivalents	1,291,272	6,039,762	7,331,034
Financial assets at fair value through profit or loss	-	138,894,340	138,894,340
Amount due from Manager	1,113,135	-	1,113,135
Dividends receivable	179,992	-	179,992
	<u>2,584,399</u>	<u>144,934,102</u>	<u>147,518,501</u>

Financial liabilities

Amount due to Manager			
- Manager's fee	172,334	-	172,334
Amount due to Trustee	7,209	-	7,209
Other payables	64,993	-	64,993
	<u>244,536</u>	<u>-</u>	<u>244,536</u>

As at

30.09.2019

Financial assets

Cash and cash equivalents	865,682	4,152,572	5,018,254
Financial assets at fair value through profit or loss	-	126,403,106	126,403,106
Amount due from stockbrokers	993,551	-	993,551
Amount due from dealers	62,338	-	62,338
Dividends receivable	233,812	-	233,812
	<u>2,155,383</u>	<u>130,555,678</u>	<u>132,711,061</u>

Financial liabilities

Amount due to Manager			
- Manager's fee	161,836	-	161,836
- Cancellation of units	1,861,693	-	1,861,693
Amount due to Trustee	6,779	-	6,779
Amount due to dealers	62,467	-	62,467
Other payables	47,160	-	47,160
	<u>2,139,935</u>	<u>-</u>	<u>2,139,935</u>

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM129,387,000 (30.09.2019: RM126,685,434) and retained earnings of RM17,886,965 (30.09.2019: RM3,884,895). 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 RM138,894,340 (30.09.2019: RM126,403,106) is classified within level 1.

16 DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2020	2019
	RM	RM
Previous financial years' realised profit	-	2,878,244
Distribution equalisation	-	3,570,308
Less:		
Expenses	-	(2,481,543)
	-	3,967,009
Gross distribution per unit (sen)	-	0.87
Net distribution per unit (sen)	-	0.87
Ex-date	-	26.09.2019

MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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 Nil (30.09.2019: RM2,878,244) derived from previous financial years' realised profit.

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 is an unrealised gain of RM17,562,365 (30.09.2019 unrealised loss: RM3,922,277) arising during the financial year.

There is no distribution during the financial year ended 30 September 2020.

17 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The worsening macro-economic outlook as a result of Covid-19, 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
(Formerly known as Manulife Asset Management Services Berhad)
Registration No.: 200801033087 (834424-U)
13th Floor, Menara Manulife
No. 6, Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur

BOARD OF DIRECTORS

Dato' Md Agil Bin Mohd Natt (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)
Dato' Md Agil Bin Mohd Natt (Independent)
Edmond Cheah Swee Leng (Independent)
Wong Boon Choy (Non-Independent)
Chong Soon Min (Jason) (Non-Independent)

INVESTMENT MANAGER

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TRUSTEE OF THE FUND

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PricewaterhouseCoopers PLT
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MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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Pusat Perdagangan Canning
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MANULIFE INVESTMENT ASIA-PACIFIC EX JAPAN FUND

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Taman Komersil Senawang
70450 Seremban
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Taman Melaka Raya 1
75000 Melaka
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