

Manulife Dragon Growth Fund

Quarterly Report

for the three months financial period ended
30 September 2021

MANULIFE DRAGON GROWTH FUND

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MANULIFE DRAGON GROWTH FUND

1 GENERAL INFORMATION

1.1 THE TRUST

The Fund commenced operations on 3 November 2016 and will continue its operations until terminated as provided under Clause 25 of the Deed.

Note: For fund performance purposes, the commencement date of the RM Hedged-Class starts from 9 December 2016 (when the first subscription was made) while the USD Class starts from 16 February 2017 (when the first subscription was made).

1.2 FUND TYPE / CATEGORY

Growth / Wholesale (feeder fund)

1.3 BASE CURRENCY

US Dollar (USD)

1.4 OBJECTIVE OF THE FUND

The Fund seeks to achieve capital appreciation over the medium- to long-term period.

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 Zhong Hua Index

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

1.7 INVESTMENT STYLE AND STRATEGY

The Fund will invest at least 95% of the Fund's net asset value (NAV) in Share Class AA of the Target Fund, while the remaining NAV of the Fund will be in cash, money market instruments (including fixed income securities which have remaining maturity period of less than 365 days) and/ or placement of deposits with financial institutions for liquidity purposes.

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

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

MANULIFE DRAGON GROWTH FUND

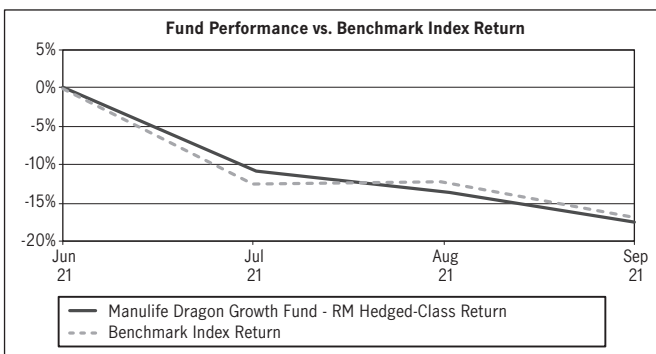
2 MANAGER'S REPORT

2.1 FUND PERFORMANCE

For the three-month financial period ended 30 September 2021, the return of the Target Fund decreased by 18.16% while the benchmark fell -16.85% in USD terms. The Feeder Fund decreased in tandem, posting a return of -17.46%; denominated in MYR; for its RM Hedged-Class share class compared with its benchmark return of -16.85% denominated in USD. Similarly, the USD Class also fell 17.68% during the period. Stock selection in communication services, healthcare and real estate detracted from performance while materials and consumer discretionary offset part of the losses. The Fund's underweight in energy and financials hurt performance.

The graph below compares the performance of the Feeder Fund against its benchmark return for the 3-month period ended 30 September 2021 for both share classes:

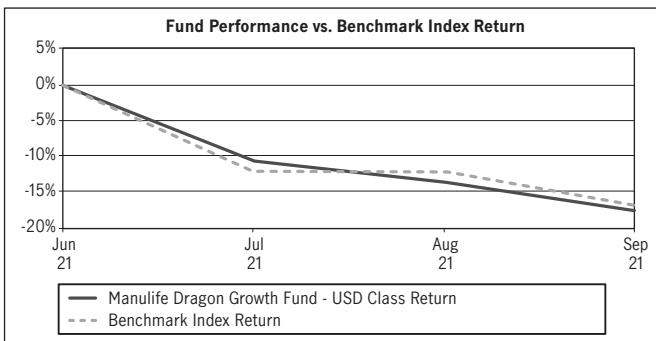
RM Hedged-Class



Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the RM Hedged-Class was made on 9 December 2016, being the commencement date.

USD Class



Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the USD Class was made on 16 February 2017, being the commencement date.

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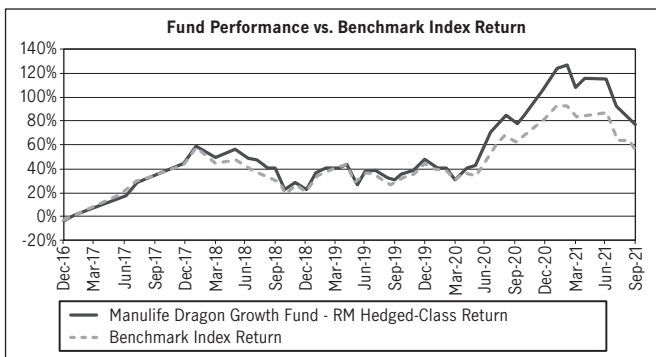
Fund Size

The Fund's total NAV decreased to USD120.03mil from USD128.10mil during the three-month financial period under review.

Fund Returns

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

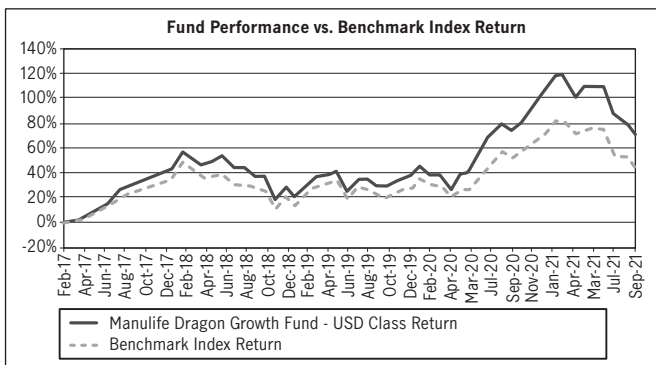
RM Hedged-Class



Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the RM Hedged Class was made on 9 December 2016, being the commencement date.

USD Class



Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the USD Class was made on 16 February 2017, being the commencement date.

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(b) Average Total Return of the Fund:

RM Hedged-Class

For the period ended 30 September 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	0.06	(4.18)
3 years	8.43	5.52
Since commencement	12.82	9.69
Investment Commencement date: 9 December 2016		

Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the RM Hedged-Class was made on 9 December 2016, being the commencement date.

USD Class

For the period ended 30 September 2021	Fund (% p.a.)	Benchmark (% p.a.)
1 year	(0.67)	(4.18)
3 years	8.20	5.52
Since commencement	12.56	8.49
Investment Commencement date: 16 February 2017		

Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the USD Class was made on 16 February 2017, being the commencement date.

(c) Annual Total Return of the Fund:

RM Hedged-Class

For the period ended:	Fund (% p.a.)	Benchmark (% p.a.)
30 September 2021	0.06	(4.18)
30 September 2020	35.49	26.63
30 September 2019	(5.95)	(3.19)
30 September 2018	4.15	(0.93)
Since commencement to 30 September 2017	34.50	34.02
Investment Commencement date: 9 December 2016		

Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the RM Hedged-Class was made on 9 December 2016, being the commencement date.

USD Class

For the period ended:	Fund (% p.a.)	Benchmark (% p.a.)
30 September 2021	(0.67)	(4.18)
30 September 2020	35.71	26.63
30 September 2019	(6.05)	(3.19)
30 September 2018	3.62	(0.93)
Since commencement to 30 September 2017	31.62	25.18
Investment Commencement date: 16 February 2017		

Source: Lipper, Bloomberg & RIMES

Note: The first subscription of the USD Class was made on 16 February 2017, being the commencement date.

MANULIFE DRAGON GROWTH FUND

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:

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

$$\text{Total Fund's Return} = \text{Total fund's return for the period is derived from geometrically linking together the daily total fund's returns.}$$

$$\text{The linking formula is } = [(1 + R_1) \times (1 + R_2) \times \dots (1 + R_n)] - 1$$

$$\text{where: } R_1 \text{ is the first daily return for the period, } R_2 \text{ is the second daily return for the period, and } R_n \text{ is the last daily return for the period.}$$

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

2.2 MARKET REVIEW

During the three-month financial period under review (1st July 2021 to 30th September 2021), Chinese equities posted losses for the quarter and gave up the first half gains. In the quarter, the Chinese government released a raft of new regulations affecting various sectors including the e-commerce, data security, food delivery and gaming sectors. The uncertainty over further measures sent equities sharply lower, with a greater impact felt in shares listed overseas than onshore. In September, the market's focus was on the issue of a prominent property developer which faced numerous potential defaults, roiling equity and credit (high-yield) markets. Concerns were aroused over its impact on growth and sequential liquidity squeeze which may ultimately spread to other upstream and downstream sectors to real estate, dragging down investor sentiment. Towards the end of the third quarter, energy blackouts in key manufacturing hubs further dampened sentiment, and raised questions over a potential economic rebound and government plans to shift towards cleaner fuel sources. The emphasis of renewable energy has gained investors' attention amid power cuts and energy intensity reduction targets.

On the economic front, data suggested a potential economic slowdown and the manufacturing Purchasing Managers' Index (PMI) came in below 50. Expectations of fiscal stimulus and targeted easing measures built-up against the softening economic backdrop.

Hong Kong equities also moved lower for the quarter, on concerns of uncertainties around the real estate sector and the absence of domestic catalysts.

2.3 MARKET OUTLOOK AND INVESTMENT STRATEGY

While remaining mindful of regulatory headwinds, we suggest investors not to overlook policy tailwinds on certain favourable sectors that are supported by government policies. To name a few, renewable energy can bode well under the sustainability initiatives of China. Industrial automation, manufacturing upgrades and semiconductor supply chain self-sufficiency are also at the top of the Chinese government's agenda.

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We are positive on the renewable energy sector especially those in the supply chain of solar energy, where we see strong medium-term growth potential driven by the government's goal to reach carbon neutrality by 2060. In fact, solar power in China has achieved grid parity and could generate sustainable returns without government subsidies. We also like growth-oriented commodities, such as lithium, that are used for battery production. Battery and energy storage are used not only for China's electric vehicle adoption but also, in our view, are critical in the wider renewable energy application context. Against a softer macroeconomic backdrop, we look for opportunities to accumulate quality companies with solid fundamentals that will benefit from a new upcycle of fixed asset investments. Furthermore, we believe the Fund's actively managed Chinese and Hong Kong exposures can add value to investors looking for exposure to China's structural growth from a holistic perspective.

MANULIFE DRAGON GROWTH FUND

3 STATEMENT BY THE MANAGER

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad, (the “Manager”), do hereby state that, in the opinion of the Manager, the unaudited financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to unit holders, statement of cash flows 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 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows of the Fund for the three months financial period ended 30 September 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

24 November 2021

MANULIFE DRAGON GROWTH FUND

4 STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	2021 USD	2020 USD
INVESTMENT (LOSS)/INCOME			
Interest income from deposits with licensed financial institutions at amortised cost		22	216
Net (loss)/gain on financial assets at fair value through profit or loss	5	(23,499,207)	5,188,387
Net (loss)/gain on forward foreign currency contracts	6	(681,805)	1,529,199
Net foreign currency exchange loss		(9,982)	(5,914)
		<u>(24,190,972)</u>	<u>6,711,888</u>
EXPENSES			
Manager's fee	2	560,301	262,945
Trustee's fee	3	12,451	5,843
Auditors' remuneration		358	357
Tax agent's fee		166	166
Other expenses		1,257	1,168
		<u>574,533</u>	<u>270,479</u>
(LOSS)/PROFIT BEFORE TAXATION		(24,765,505)	6,441,409
TAXATION	4	-	-
(DECREASE)/INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		<u>(24,765,505)</u>	<u>6,441,409</u>
(Decrease)/Increase in net assets attributable to unit holders is made up as follows:			
Realised		(1,089,697)	3,744,724
Unrealised		(23,675,808)	2,696,685
		<u>(24,765,505)</u>	<u>6,441,409</u>

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

MANULIFE DRAGON GROWTH FUND

5 STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Note	30.09.2021 USD	30.09.2020 USD
ASSETS			
Cash and cash equivalents	7	4,433,356	2,754,553
Financial assets at fair value through profit or loss	5	116,300,871	61,668,645
Derivative assets at fair value through profit or loss	6	201,432	-
Amount due from Manager		289,431	742,535
Amount due from dealers		284,139	563,492
TOTAL ASSETS		121,509,229	65,729,225
LIABILITIES			
Amount due to Manager			
- Manager's fee		10,612	5,469
- Cancellation of units		101,059	122,707
Amount due to Trustee		4,062	2,011
Amount due to manager of Collective Investment Schemes			
- Purchase of collective investment schemes		1,066,132	565,015
Amount due to dealers		284,258	739,577
Derivative liabilities at fair value through profit or loss	6	4,721	568,061
Other payables	8	7,339	6,048
TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)		1,478,183	2,008,888
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS		120,031,046	63,720,337
NET ASSET VALUE ("NAV") OF THE FUND		120,031,046	63,720,337
REPRESENTED BY:			
FAIR VALUE OF OUTSTANDING UNITS (USD)			
- RM HEDGED-CLASS		106,179,054	54,559,790
- USD CLASS		13,851,992	9,160,547
		120,031,046	63,720,337
UNITS IN CIRCULATION (UNITS)			
- RM HEDGED-CLASS	9(i)	297,718,490	126,933,058
- USD CLASS	9(ii)	9,574,168	5,268,105
		307,292,658	132,201,163
NET ASSET VALUE PER UNIT (USD)			
- RM HEDGED-CLASS		0.3566	0.4298
- USD CLASS		1.4468	1.7389
NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES			
- RM HEDGED-CLASS		1.4924	1.7850
- USD CLASS		1.4468	1.7389

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

MANULIFE DRAGON GROWTH FUND

6 STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	<u>30.09.2021</u> USD	<u>30.09.2020</u> USD
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD	128,095,672	55,258,919
Movement due to units created and cancelled during the financial period:		
Creation of units		
- RM Hedged-Class	14,814,037	8,935,900
- USD Class	3,925,184	2,940,702
Cancellation of units		
- RM Hedged-Class	(1,757,854)	(7,029,449)
- USD Class	(280,488)	(2,827,144)
	<u>144,796,551</u>	<u>57,278,928</u>
(Decrease)/Increase in net assets attributable to unit holders during the financial period	<u>(24,765,505)</u>	<u>6,441,409</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD	<u><u>120,031,046</u></u>	<u><u>63,720,337</u></u>

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

MANULIFE DRAGON GROWTH FUND

7 STATEMENT OF CASH FLOWS

FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

	Note	30.09.2021 USD	30.09.2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Sale of investments		3,368,814	14,335,651
Purchase of investments		(17,649,649)	(12,227,001)
Net realised loss on forward foreign currency contract		(1,019,364)	-
Net realised foreign exchange loss		(3,408)	(5,914)
Interest income received		22	216
Manager's fee paid		(31,862)	(15,450)
Trustee's fee paid		(12,530)	(5,761)
Payment for other fees and expenses		(1,324)	(429)
Net cash (used in)/generated from operating activities		<u>(15,349,301)</u>	<u>2,081,312</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		18,600,110	11,134,068
Payments for cancellation of units		(2,094,958)	(12,133,800)
Net cash generated from/(used in) financing activities		<u>16,505,152</u>	<u>(999,732)</u>
Net increase in cash and cash equivalents		1,155,851	1,081,580
Currency translation differences		(6,573)	-
Cash and cash equivalents at beginning of the financial period		<u>3,284,078</u>	<u>1,672,973</u>
Cash and cash equivalents at end of the financial period	7	<u><u>4,433,356</u></u>	<u><u>2,754,553</u></u>
Cash and cash equivalents comprise:			
Deposits with licensed financial institutions		-	179,396
Bank balances in licensed banks		4,433,356	2,575,157
	7	<u><u>4,433,356</u></u>	<u><u>2,754,553</u></u>

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

MANULIFE DRAGON GROWTH FUND

8 NOTES TO THE FINANCIAL STATEMENTS

FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

1 INFORMATION ON THE FUND

Manulife Dragon Growth Fund ("the Fund") was established pursuant to a Principal Deed dated 5 October 2016, First Supplemental Deed dated 17 June 2021 and subsequent supplemental Deeds (if any) (hereinafter referred to as "the Deed") between Manulife Investment Management (M) Berhad ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The principal activity of the Fund is to invest in "Permitted Investments" as provided under Section 1.3 of the Information Memorandum, which includes one collective investment scheme having a similar objective, deposits and money market instruments, financial derivative instruments, including but not limited to options, futures contracts, forward contracts and swaps for hedging purposes, and any other form of investments as may be agreed between the Manager and the Trustee from time to time as long it is consistent with the Fund's investment objective and are not prohibited by the relevant authorities or any relevant laws. The Fund commenced operations on 3 November 2016 and will continue its operations until terminated as provided under Clause 25 of the Deed.

The main objective of the Fund is to achieve capital appreciation over medium- to long-term period by investing in the Target Fund, that is, Manulife Global Fund-Dragon Growth Fund (MGF-DGF). The Target Fund aims to achieve capital growth by investing in a diversified portfolio of public companies which are listed on the Stock Exchange of Hong Kong Limited ("SEHK") and/or the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("GEM") and/or, although not incorporated or listed on either stock exchange in Hong Kong, are incorporated or listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or derive a substantial portion of their revenue from their businesses carried in Hong Kong.

The Target Fund may invest directly in certain China A-Shares listed on the Shanghai Stock Exchange ("SSE") via Shanghai-Hong Kong Stock Connect. In any event where the Target Fund invests in China A-Shares, it is expected that the Fund will not hold more than 30% of its total net asset value in such shares. A proportion of the Target Fund may also be invested in equity warrants and convertible bonds issued by, or in respect of its target companies.

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 2021.

2 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of 1.80% per annum (2020: 1.80% 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.

As the Fund invests in a collective investment schemes, the management fee charged by the collective investment scheme is fully refunded to the Fund. In accordance with the Fund's information memorandum, there is no double charging of management fee to the Fund. The Manager's fee paid to the Manager is net of rebate. Rebate is recognised at a rate 1.75% per annum (2020: 1.75% per annum) on the Collective Investment Scheme's fair value calculated and accrued daily.

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

3 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee of 0.04% per annum (2020: 0.04%) 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, excluding foreign custodian fees and charges.

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

MANULIFE DRAGON GROWTH FUND

4 TAXATION

	2021 USD	2020 USD
Current taxation	-	-
Numerical reconciliation between (loss)/profit before taxation multiplied by the Malaysian statutory tax rate and tax expenses of the Fund is as follows:		
	2021 USD	2020 USD
(Loss)/Profit before taxation	(24,765,505)	6,441,409
Tax calculated at Malaysian tax rate of 24% (2020: 24%)	(5,943,721)	1,545,938
Tax effect in respect of:		
- Expenses not deductible for tax purposes	3,108	1,501
- Restriction on tax deductible expenses for unit trust funds	134,780	63,414
- Investment loss not deductible for tax purposes/(Investment income not subject to tax)	5,805,833	(1,245,265)
- Effect of foreign tax on foreign taxable income	-	(365,588)
Tax expenses	-	-

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2021 USD	30.09.2020 USD
Designated at fair value through profit or loss		
- Collective investment scheme	116,300,871	61,688,645
	30.09.2021 USD	30.09.2020 USD
Net (loss)/gain on financial assets at fair value through profit or loss		
- Realised	(20,777)	1,691,819
- Unrealised	(24,006,813)	3,249,395
- Management fee rebate #	528,383	247,173
	(23,499,207)	5,188,387

In arriving at the fair value of the collective investment scheme managed by the Manager, the management fee initially paid to the manager of collective investment scheme has been considered as part of its net asset value. In order to prevent the double charging of management fee, management fee charged on the Fund's investment in the collective investment scheme has been refunded to the Fund. Accordingly, any rebate of management fee received from the manager of the collective scheme is reflected as increase in the net asset value of the collective investment scheme.

MANULIFE DRAGON GROWTH FUND

				Fair value as at 30.09.2021 expressed as percentage of NAV of Fund
<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost of shares</u> USD	<u>Fair value as at 30.09.2021</u> USD	<u>%</u>
<u>30.09.2021</u>				
Manulife Global Fund-Dragon Growth Fund ("MGF-DGF") (USD)	63,813,921	124,977,124	116,300,871	96.89
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>63,813,921</u>	<u>124,977,124</u>	<u>116,300,871</u>	<u>96.89</u>
ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>(8,676,253)</u>		
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		116,300,871		

<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost of shares</u> USD	<u>Fair value as at 30.09.2020</u> USD	Fair value as at 30.09.2020 expressed as percentage of NAV of Fund %
<u>30.09.2020</u>				
Manulife Global Fund-Dragon Growth Fund ("MGF-DGF") (USD)	33,506,463	51,028,722	61,688,645	96.81
TOTAL COLLECTIVE INVESTMENT SCHEME	<u>33,506,463</u>	51,028,722	<u>61,688,645</u>	<u>96.81</u>
ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		<u>10,659,923</u>		
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		61,688,645		

MANULIFE DRAGON GROWTH FUND

6 DERIVATIVE LIABILITIES/ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30.09.2021	30.09.2020
	USD	USD
<u>Derivative assets</u>		
Forward foreign currency contract	201,432	-
<u>Derivative liabilities</u>		
Forward foreign currency contract	4,721	568,061
	2021	2020
	USD	USD
Net realised (loss)/gain on forward currency contracts	(1,019,383)	2,051,581
Net unrealised gain/(loss) on forward currency contracts	337,578	(522,382)
	<u>(681,805)</u>	<u>1,529,199</u>

As at 30 September 2021, the notional principal amount of the 2 (2020: 2) outstanding forward foreign currency contracts amounted to USD107,130,536 (2020: USD53,871,910). The USD/MYR forward foreign currency contract is entered into during the financial period to minimise the risk of foreign exchange exposure between the USD and MYR for the Fund.

As the Fund has not adopted hedge accounting, the change in fair value of the forward foreign currency contract is recognised immediately in profit or loss.

7 CASH AND CASH EQUIVALENTS

	30.09.2021	30.09.2020
	USD	USD
Deposits with licensed financial institutions	-	179,396
Bank balances in licensed banks	4,433,356	2,575,157
	<u>4,433,356</u>	<u>2,754,553</u>

Weighted average rates of return are as follows:

	30.09.2021	30.09.2020
	%	%
Short-term deposits with licensed financial institutions	-	1.65

The deposits have an average maturity of nil day (30.09.2020: 1 day).

8 OTHER PAYABLES

	30.09.2021	30.09.2020
	USD	USD
Auditors' remuneration	1,155	1,131
Tax agent's fee	1,382	1,367
Sundry payables and accruals	4,802	3,550
	<u>7,339</u>	<u>6,048</u>

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9 UNITS IN CIRCULATION

(i) RM Hedged-Class

	30.09.2021	30.09.2020
	No. of units	No. of units
At beginning of the financial period	264,413,629	123,363,533
Add: Creation of units	37,927,673	20,703,974
Less: Cancellation of units	(4,622,812)	(17,134,449)
At end of the financial period	<u>297,718,490</u>	<u>126,933,058</u>

(ii) USD Class

	30.09.2021	30.09.2020
	No. of units	No. of units
At beginning of the financial period	7,327,376	5,205,941
Add: Creation of units	2,430,795	1,679,336
Less: Cancellation of units	(184,003)	(1,617,172)
At end of the financial period	<u>9,574,168</u>	<u>5,268,105</u>

10 BROKERS' TRANSACTIONS

There were no transactions with brokers in relation to equities and fixed income securities for the financial periods ended 30 September 2021 and 30 September 2020 respectively.

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
Manulife Investment Management (Hong Kong) Limited	Subsidiary and associate company of the ultimate 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
Manulife PRS - Growth Fund	Fund managed by the Manager

As at 30 September 2021 and 30 September 2020 respectively, there were no units held by the Manager.

Units held by party related to the Manager:

i) RM Hedged-Class

	MANULIFE MANULIFE PRS- GROWTH FUND **	
<u>As at:</u>	No. of units	USD
30.09.2021	314,183	112,038
30.09.2020	<u>-</u>	<u>-</u>

** The units are held legally

MANULIFE DRAGON GROWTH FUND

Significant related party transactions

	30.09.2021	30.09.2020
	USD	USD
Purchase of collective investment scheme		
- Manulife Investment Management (Hong Kong) Limited	18,715,781	11,500,874
Disposal of collective investment scheme		
- Manulife Investment Management (Hong Kong) Limited	2,934,257	8,480,511
Management fee rebates		
- Manulife Investment Management (Hong Kong) Limited	528,383	247,173

Significant related party balances

	30.09.2021	30.09.2020
	USD	USD
Collective investment scheme managed by the Manager:		
Manulife Global Fund-Dragon Growth Fund		
- Class A	116,300,871	61,688,645

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 related companies has been entered into at agreed terms between the related parties.

12 MANAGEMENT EXPENSES RATIO ("MER")

	2021	2020
	%	%
MER	0.47	0.04

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)	0.09	0.17

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

MANULIFE DRAGON GROWTH FUND

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

TRUSTEE OF THE FUND

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

AUDITORS

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 DRAGON GROWTH FUND

HEAD OFFICE

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

BRANCH OFFICES

Kota Bharu

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

Sungai Petani

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

Penang

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

Ipoh

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

Dataran Sunway

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

Shah Alam

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

MANULIFE DRAGON GROWTH 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 DRAGON GROWTH 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
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Sabah
Tel: (089) 220-220 / 229-045
Fax: (089) 226-868

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