

# Manulife Shariah Global REIT Fund

## Interim Report

for the six months financial period from  
1 December 2019 to 31 May 2020

# MANULIFE SHARIAH GLOBAL REIT FUND

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# MANULIFE SHARIAH GLOBAL REIT FUND

## 1 GENERAL INFORMATION

### 1.1 THE TRUST

The Fund commenced operations on 2 April 2020 and will continue its operations until terminated as provided under Clause 25 of the Deed.

### 1.2 FUND TYPE / CATEGORY

Islamic Fund-of-Funds

### 1.3 BASE CURRENCY

US Dollar (USD)

### 1.4 OBJECTIVE OF THE FUND

The Fund aims to provide regular income\* and capital appreciation by investing in Islamic real estate investment trusts (REITs).

*\*Note: Income distribution (if any) may be made in the form of cash or additional Units reinvested into the Fund. Any material change to the Fund's investment objective would require Unit Holders' approval.*

### 1.5 DISTRIBUTION POLICY

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

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

### 1.6 PERFORMANCE BENCHMARK

IdealRatings® Global REITs Islamic Select Malaysia Index.

Note: The 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 benchmark. The benchmark information and disclaimer of IdealRatings are available in [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my).

### 1.7 INVESTMENT STYLE AND STRATEGY

To achieve its investment objective, the Fund will invest a minimum of 70% to a maximum of 98% of its net asset value (NAV) in listed Islamic REITs globally. A minimum of 2% up to a maximum of 30% of its NAV will be in Islamic liquid assets, which comprise Islamic money market instruments and Islamic deposits with financial institution(s).

The Fund will invest in different REITs sectors, including but not limited to commercial, industrial and residential.

The countries/ markets that the Fund may invest in include, but are not limited to United States, United Kingdom, Ireland, Spain, Japan, Australia, Singapore, Hong Kong, China and South Korea, where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commission (IOSCO).

The investment opportunity of individual holdings will be made after reviewing the macroeconomic trends and REITs market outlook of the respective countries. The Fund Manager will target REITs that have historically generated regular income and also are expected to generate future income with the potential for capital growth. In evaluating suitability of a REIT, the Fund Manager will review key attributes including, but not limited to, the underlying property of the REIT, performance of the REIT's manager, and its rental yield.

## **MANULIFE SHARIAH GLOBAL REIT FUND**

The Fund is actively managed and the trading strategy will depend on market opportunities and interest rate expectations.

The Fund may employ Islamic hedging instruments for hedging purposes.

The Fund Manager may take temporary defensive positions that may be inconsistent with the Fund's investment strategy prescribed above in response to adverse market conditions, economic, political or any other conditions. In such circumstances, the Fund Manager may allocate up to 100% of the Fund's NAV into cash, Islamic money market instruments and/or Islamic deposits.

During the six months financial period under review, there was no significant change in the state of the affairs of the Fund and there were no circumstances that materially affect any interest of the unit holders.

# MANULIFE SHARIAH GLOBAL REIT FUND

## 2 MANAGER'S REPORT

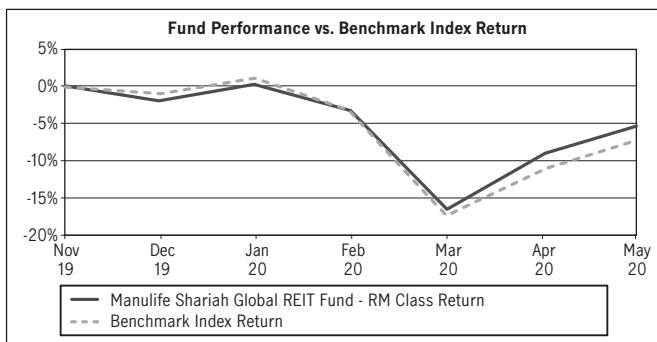
### 2.1 FUND PERFORMANCE

For the six months financial period, the Fund's return decreased by 5.23% and 8.97% in RM Class and USD class respectively. The Fund outperformed its benchmark return by 1.94% for its RM Class and 1.85% for its USD Class. The outperformance was mainly attributable to our overweight in the U.S. along with our underweight in Hong Kong and Japan. In addition, our security selection within the U.K., Singapore, Mexico and Japan also positively impacted performance.

The gross distribution of 0.75 sen per unit for RM Class and 0.75 cent per unit for USD Class on 27 May 2020 had the effect of reducing the NAV per unit of the Fund, and the ex-distribution NAV per unit were RM0.4823 for RM Class and USD0.4523 for USD Class.

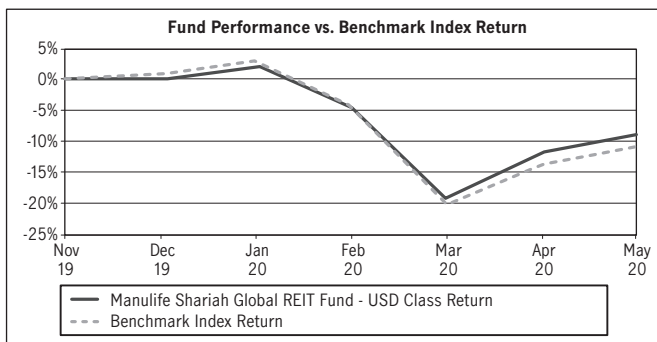
The graph below compares the 6-month performance of the Fund against its benchmark return:

#### RM Class



Source: Lipper & RIMES

#### USD Class



Source: Lipper & RIMES

# MANULIFE SHARIAH GLOBAL REIT FUND

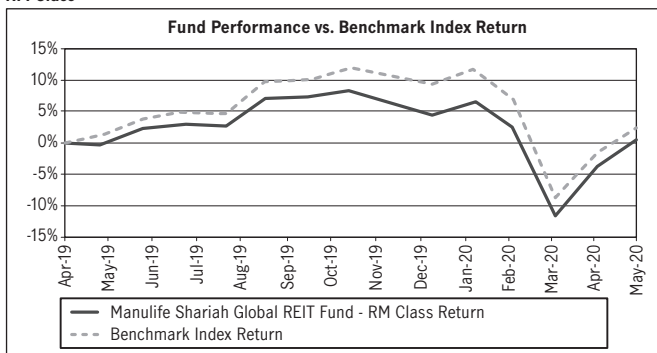
## Fund Size

The Fund's total NAV increased to USD75.05mil from USD54.83mil during the financial period under review.

## Fund Returns

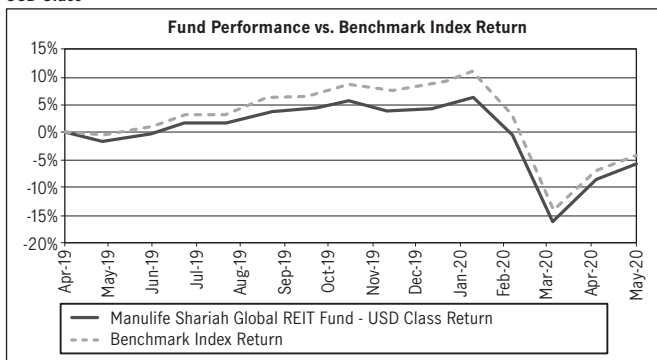
- (a) The graph below compares the since commencement performance of the Fund against its benchmark return:

### RM Class



Source: Lipper & RIMES

### USD Class



Source: Lipper & RIMES

- (b) Average Total Return of the Fund:

### RM Class

For the financial period ended 31 May 2020	Fund (% p.a.)	Benchmark (% p.a.)
1 year	(1.53)	(1.11)
Since Commencement	0.56	2.24
Commencement Date: 2 April 2019		

Source: Lipper & RIMES

# MANULIFE SHARIAH GLOBAL REIT FUND

## USD Class

For the financial period ended 31 May 2020	Fund (% p.a.)	Benchmark (% p.a.)
1 year	(5.08)	(4.68)
Since Commencement	(4.80)	(3.53)
Commencement Date: 2 April 2019		

Source: Lipper & RIMES

(c) Annual Total Return of the Fund:

## RM Class

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 May 2020	(1.53)	(1.11)
Since Commencement to 31 May 2019	2.22	3.77
Commencement Date: 2 April 2019		

Source: Lipper & RIMES

## USD Class

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 May 2020	(5.08)	(4.68)
Since Commencement to 31 May 2019	(0.50)	(0.63)
Commencement Date: 2 April 2019		

Source: Lipper & RIMES

## BASES OF CALCULATION

### 1. Net Asset Value (NAV)

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

### 2. Net Asset Value per unit

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

### 3. Fund's Return

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

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

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

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

$$\text{Average Total Return} = (\text{NAV Return} \times \text{Series of Income Return})^{(365.25/n)} \times 100 - 100, \\ \text{where } n = \text{number of days between beginning and end dates.}$$



# MANULIFE SHARIAH GLOBAL REIT FUND

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

<b>Fund Data</b>	<b>31 May 2020</b>	<b>30 November 2019</b>
Net Asset Value (USD)		
RM Class	69,516,964	48,150,557
USD Class	5,533,702	6,676,297
Units in Circulation ('000)		
RM Class	622,120	386,205
USD Class	12,148	13,123
NAV (per unit)-in respective currencies		
RM Class	0.4853	0.5206
USD Class	0.4555	0.5088
Highest / Lowest NAV (per unit)-in respective currencies		
RM Class	0.5543 / 0.3699	0.5472 / 0.4931
USD Class	0.5428 / 0.3400	0.5339 / 0.4866
Final Distribution - RM Class		
Gross (RM per unit)	0.7500	0.0025
Net (RM per unit)	0.7500	0.0025
Final Distribution - USD Class		
Gross (USD per unit)	0.7500	0.0100
Net (USD per unit)	0.7500	0.0100
Ex-date	27.05.2020	27.11.2019
Total Fund Return (%) - RM Class	(5.23)	6.22
NAV Return (%)	(6.68)	4.12
Income Return (%)	1.56	2.01
Total Fund Return (%) - USD Class	(8.97)	3.75
NAV Return (%)	(10.46)	1.76
Income Return (%)	1.66	1.96
Management Expenses Ratio (%)	0.99	1.67
Portfolio Turnover Ratio (times)	0.94	1.03

## 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 Shariah-compliant unit trust fund to the average value of the Shariah-compliant unit trust fund calculated on a daily basis.

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

Where:

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

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

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

The MER for the financial period is lower as compared to the previous financial period mainly due to the increase in average NAV.

# MANULIFE SHARIAH GLOBAL REIT FUND

## (ii) Portfolio Turnover Ratio (PTR)

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

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

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

The PTR for the financial period is lower as compared to the previous financial period mainly due to the increase in average NAV.

### Impact on NAV Arising from Distribution Distributed for the last two financial periods:

#### RM Class

	Cum Date	
	22-May-20	27-Nov-19
	RM	RM
<u>Details</u>		
NAV before distribution (RM per unit)	0.4723	0.5310
Less: Distribution (RM per unit)	(0.0075)	(0.0105)
NAV after distribution (RM per unit)	0.4648	0.5205

#### USD Class

	Cum Date	
	22-May-20	27-Nov-19
	RM	RM
<u>Details</u>		
NAV before distribution (USD per unit)	0.4418	0.5180
Less: Distribution (USD per unit)	(0.0075)	(0.0100)
NAV after distribution (USD per unit)	0.4343	0.5080

*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 of the Fund for the past two financial periods:

Sector Allocation	% of Net Asset Value	
	31 May 2020	30 November 2019
Collective investment scheme -US	51.80	50.11
Collective investment scheme - Foreign	41.55	42.19
<b>Total Collective investment schemes</b>	<b>93.35</b>	<b>92.30</b>
Other Assets & Liabilities	6.65	7.70

# MANULIFE SHARIAH GLOBAL REIT FUND

Country Allocation	% of Net Asset Value	
	31 May 2020	30 November 2019
Australia	15.51	15.30
United Kingdom	6.64	5.93
Singapore	5.99	5.91
Japan	5.55	7.65
Hong Kong / China	4.02	4.17
Canada	2.57	1.81
Mexico	0.94	0.92
New Zealand	0.33	0.50
<b>Total Collective investment scheme - Foreign</b>	<b>41.55</b>	<b>42.19</b>

As at 31 May 2020, the Fund was 51.80% invested in collective investment scheme – US and 41.55% in collective investment scheme– Foreign.

## 2.3 MARKET REVIEW

The Shariah Global Real Estate sector posted slightly negative returns for the past six months, outperforming global REIT markets and overall global equity markets. Global equities were significantly impacted by the spread of the COVID-19 virus as mitigation efforts to contain the virus effectively shut down the overall global economy. Uncertainty around the impact and duration of the virus, as well as the measures needed to contain it, led to increased market volatility in late February and throughout March. Central banks around the world responded with significant action by lowering interest rates and ensuring that there was ample liquidity in the credit markets to stabilise financial markets. Governments also responded with fiscal policies to help their respective economies mitigate the economic impact that the virus had wrecked. Over the past two months, markets had rebounded as a result of those measures and the progress towards containing the virus had led to optimism that economies will begin reopening.

## 2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

Our long-term outlook for the Shariah Global Real Estate sector remains positive. Volatility has come down with markets continuing to rebound off the March lows owing to increased optimism regarding the reopening of economies around the world as new cases of COVID-19 remain on a downward trend. Although our long-term outlook remains positive, we do expect that volatility may return in the near term as economic data is released showing the impact of COVID-19 on the global economy. As a result, the REIT sector is likely to experience earnings pressure over the next quarter or two. However, we expect to see a sharp rebound in the second half of 2020 and into 2021 as economies reopen. Meanwhile, central banks around the world have reduced interest rates and introduced quantitative easing measures to help stabilise financial markets, and many governments are working on or have implemented fiscal policies to support their respective economies which should continue to benefit the REIT sector.

With that said, the REIT sector's current pricing presents an attractive opportunity for long-term investors, especially with interest rates still at historically low levels. While some REITs will likely reduce dividends, distribution yields remain attractive relative to other yield-oriented investments. REITs in many regions continue to trade at discounts to their respective net asset values while offering attractive dividend yields compared to other yield-oriented investments. Prior to the pandemic, institutional investors showed strong interest in the sector. When the pandemic is contained, this interest will likely rebound given the low interest rate environment, which may lead to increased merger and acquisitions activity. Central banks will want to ensure that financial markets remain functioning and that economic growth has resumed before reversing course, so interest rates should remain low in the near term. While real estate fundamentals are likely to remain under pressure as the global economy slows, we expect pent-up demand to produce a sharp recovery in commercial real estate once the pandemic has passed.

# MANULIFE SHARIAH GLOBAL REIT FUND

The Fund maintains an overweight position in the following regions: The U.S., Australia and Singapore. Within those markets we favour the Industrial, Healthcare and Data Center/Tower sub-sectors. We are underweight in the following regions: The U.K., Hong Kong, and Japan which are driven by relative valuations compared to other regions and we also believe the respective economies may be impacted to a greater extent from COVID-19 than other countries.

While short-term volatility may continue, we believe the long-term outlook remains positive. The current situation is not an economic or credit issue, but a significant health issue. Once the virus is contained, we expect the global economy and the demand for commercial real estate assets to bounce back. We continue to find attractive opportunities within the market that trade at significant discounts to their net asset values, and believe current share prices and yields are attractive to long-term investors.

## 2.5 BREAKDOWN OF UNIT HOLDINGS BY SIZE AS AT 31 MAY 2020

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

### RM Class

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	1,598	28.97	38,041	6.12
5,001 to 10,000	2,239	40.60	5,067	0.81
10,001 to 50,000	925	16.77	6,899	1.11
50,001 to 500,000	708	12.84	91,090	14.64
Above 500,001	45	0.82	481,023	77.32
Manager's stock	-	-	-	-
<b>Total</b>	<b>5,515</b>	<b>100.00</b>	<b>622,120</b>	<b>100.00</b>

### USD Class

Size of Holdings	No. of Unit Holders	%	No. of Units Held ('000)	%
5,000 and below	2	25.00	59	0.48
5,001 to 10,000	-	-	-	-
10,001 to 50,000	-	-	-	-
50,001 to 500,000	2	25.00	663	5.46
Above 500,001	4	50.00	11,426	94.06
Manager's stock	-	-	-	-
<b>Total</b>	<b>8</b>	<b>100.00</b>	<b>12,148</b>	<b>100.00</b>

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

The Management Company did not retain any rebates.

For the financial period ended 31 May 2020, the Manager and its Fund Manager did not receive any rebates or soft commissions.

## **4 STATEMENT BY THE MANAGER**

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services 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, significant accounting policies and notes to the financial statements, are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 May 2020 and of its financial performance, changes in net assets attributable to unit holders and cash flows of the Fund for the six months financial period ended 31 May 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

27 July 2020

# MANULIFE SHARIAH GLOBAL REIT FUND

## 5 TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF MANULIFE SHARIAH GLOBAL REIT FUND

We have acted as Trustee of Manulife Shariah Global REIT Fund ("the Fund") for the financial period ended 31 May 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:

- 1) 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;
- 2) valuation/pricing is carried out in accordance with the Deeds and any regulatory requirements; and
- 3) creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirements.

During this financial period, a total distribution of 0.75 sen per unit (gross) for RM Class and 0.75 cent per unit (gross) for USD Class have been distributed to the unit holders of the Fund respectively. We are of the view that the distributions are not inconsistent with the objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Tan Bee Nie  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
27 July 2020

## **6 SHARIAH ADVISER'S REPORT**

### **TO THE UNIT HOLDERS OF MANULIFE SHARIAH GLOBAL REIT FUND**

We have acted as the Shariah Adviser of Manulife Shariah Global REIT Fund. Our responsibility is to ensure that the procedures and processes employed by Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Berhad) and that the provisions of the Deed dated 16 August 2017, supplemental Master Deed dated 23 January 2018, Second Supplemental Master Deed dated 8 June 2018, Third Supplemental Master Deed dated 27 June 2018 (collectively referred to as "Deeds") are in accordance with Shariah principles.

In our opinion, Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Berhad) has managed and administered Manulife Shariah Global REIT Fund in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the six months financial period ended 31 May 2020.

In addition, we also confirm that the investment portfolio of Manulife Shariah Global REIT Fund comprises instruments which have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia, the SAC of Bank Negara Malaysia or the relevant Shariah Supervisory Board of an approved Islamic Index. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia, the SAC of Bank Negara Malaysia or the relevant Shariah Supervisory Board of an approved Islamic Index, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN

Designated Person Responsible For Shariah Matters Relating To the Fund

Kuala Lumpur  
27 July 2020



# MANULIFE SHARIAH GLOBAL REIT FUND

## 7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

		Financial period from 12.03.2019 (date of launch) to 30.11.2019	
	Note	2020	
		USD	USD
<b>INVESTMENT (LOSS)/INCOME</b>			
Profit income from deposits with licensed financial institutions at amortised cost		4,595	10,389
Gross dividend income		1,086,575	597,899
Net (loss)/gain on financial assets at fair value through profit or loss	5	(8,784,520)	839,672
Net loss on foreign currency exchange		(164,493)	(128,189)
		<u>(7,857,843)</u>	<u>1,319,771</u>
<b>EXPENSES</b>			
Manager's fee	2	588,306	322,775
Trustee's fee	3	19,610	10,759
Auditors' remuneration		672	1,421
Tax agent's fee		324	661
Other expenses		282,292	210,099
Transaction costs		51,227	60,390
		<u>942,431</u>	<u>606,105</u>
<b>(LOSS)/PROFIT BEFORE FINANCE COST AND TAXATION</b>		(8,800,274)	713,666
<b>FINANCE COST</b>			
- RM CLASS	15(i)	(1,052,816)	(924,451)
- USD CLASS	15(ii)	(89,681)	(128,780)
<b>LOSS AFTER FINANCE COST AND BEFORE TAXATION</b>		<u>(9,942,771)</u>	<u>(339,565)</u>
<b>TAXATION</b>	4	-	-
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>(9,942,771)</u>	<u>(339,565)</u>
Decrease in net assets attributable to unit holders is made up as follows:			
Realised		(341,533)	11,606
Unrealised		(9,601,238)	(351,171)
		<u>(9,942,771)</u>	<u>(339,565)</u>

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## 8 STATEMENT OF FINANCIAL POSITION

AS AT 31 MAY 2020

	Note	<b>31.05.2020</b>	<b>30.11.2019</b>
		<b>USD</b>	<b>USD</b>
<b>ASSETS</b>			
Cash and cash equivalents	6	4,737,282	3,720,155
Financial assets at fair value through profit or loss	5	70,057,349	50,610,778
Amount due from Manager		335,579	1,462,622
Amount due from stockbrokers		647	63,412
Dividends receivable		73,781	70,379
<b>TOTAL ASSETS</b>		<b>75,204,638</b>	<b>55,927,346</b>
<b>LIABILITIES</b>			
Amount due to Manager			
- Manager's fee		107,439	74,596
Amount due to stockbrokers		-	1,009,033
Amount due to Trustee		3,581	2,486
Other payables	7	4,636	4,237
Distribution payable		38,316	10,140
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<b>153,972</b>	<b>1,100,492</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>75,050,666</b>	<b>54,826,854</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<b>75,050,666</b>	<b>54,826,854</b>
<b>REPRESENTED BY: FAIR VALUE OF OUTSTANDING UNITS (USD)</b>			
- RM CLASS		69,516,964	48,150,557
- USD CLASS		5,533,702	6,676,297
		<b>75,050,666</b>	<b>54,826,854</b>
<b>NUMBER OF UNITS IN CIRCULATION (UNITS)</b>			
- RM CLASS	9 (i)	622,119,947	386,205,408
- USD CLASS	9 (ii)	12,148,066	13,122,659
		<b>634,268,013</b>	<b>399,328,067</b>
<b>NET ASSET VALUE PER UNIT (USD)</b>			
- RM CLASS		0.1117	0.1247
- USD CLASS		0.4555	0.5088
<b>NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCY</b>			
- RM CLASS		0.4853	0.5206
- USD CLASS		0.4555	0.5088

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## 9 STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

	<b>Financial period from 12.03.2019 (date of launch) to 30.11.2019</b>	
	<b>2020</b>	
	<b>USD</b>	<b>USD</b>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	54,826,854	-
Movement due to units created and cancelled during the financial period:		
Creation of units arising from applications		
- RM CLASS	35,897,026	48,446,135
- USD CLASS	3,953,077	7,461,382
Creation of units arising from distribution		
- RM CLASS	1,052,816	917,759
- USD CLASS	89,681	124,884
Cancellation of units		
- RM CLASS	(6,372,283)	(990,147)
- USD CLASS	(4,453,734)	(793,594)
	<u>84,993,437</u>	<u>55,166,419</u>
Decrease in net assets attributable to unit holders during the financial period	<u>(9,942,771)</u>	<u>(339,565)</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>75,050,666</u></u>	<u><u>54,826,854</u></u>

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## 10 STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

		<b>Financial period from 12.03.2019 (date of launch) to 30.11.2019</b>
<b>Note</b>	<b>2020</b>	
	<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from sale of investments	(76,721,713)	14,659,933
Purchase of investments	47,624,772	(63,545,808)
Net realised foreign exchange loss	(288,761)	(112,561)
Dividend received	1,083,173	396,576
Profit income received	4,595	10,389
Manager's fee paid	(555,464)	(248,179)
Trustee's fee paid	(18,515)	(8,273)
Payment for other fees and expenses	(282,890)	(77,000)
Net cash used in operating activities	<u>(29,154,803)</u>	<u>(48,924,923)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution Paid	(1,114,322)	-
Proceeds from creation of units	42,118,542	54,434,307
Payments for cancellation of units	(10,826,018)	(1,783,741)
Net cash generated from financing activities	<u>30,178,202</u>	<u>52,650,566</u>
Net increase in cash and cash equivalents	1,023,399	3,725,643
Currency translation differences	(6,272)	(5,488)
Cash and cash equivalents at beginning of the financial period	<u>3,720,155</u>	<u>-</u>
Cash and cash equivalents at end of the financial period	<u>6</u> <u>4,737,282</u>	<u>3,720,155</u>
Cash and cash equivalents comprise:		
Bank balances in licensed banks	<u>6</u> <u>4,737,282</u>	<u>3,720,155</u>

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

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

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 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 unaudited financial statements of the Fund have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and the International Financial Reporting Standards ("IFRS"). The financial statements have been prepared under the historical cost convention as modified by financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the six months financial period ended 31 May 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 Shariah-compliant equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's sukuk are solely principal and profit. 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 Shariah-compliant 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 and dividends receivable as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## (ii) Recognition and initial measurement

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

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

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

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

Unrealised gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the statement of comprehensive income within net gain or loss on financial assets at fair value through profit or loss in the financial period 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 foreign Shariah-compliant 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 exchange.

If a valuation based on the market price does not represent the fair value of the quoted Shariah-compliant 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 Shariah-compliant quoted securities for a period exceeding 14 days, or such shorter period as agreed by the Trustee, then the quoted Shariah-compliant 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.

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

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

## (iii) Impairment

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management 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 management as any contractual payment which is more than 30 days past due.

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

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## (vi) Write-off

The Fund writes off financial assets, in whole or 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 period.

## C CREATION AND CANCELLATION OF UNITS

The Fund issues cancellable units, in two classes of units, known as the RM Class and USD Class, which are cancelled at the unit holders' option. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's net asset value of respective classes. The outstanding units are carried at the redemption amount that is payable at the date of the statement of financial position if the unit holders exercise the right to put back the units to the Fund.

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

## D INCOME RECOGNITION

Profit income from Islamic deposits placed with licensed financial institution is recognised on a time proportionate basis using the effective profit rate method on an accrual basis.

Profit income is calculated by applying the effective profit 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 profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

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

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

## E EXPENSES

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

## F AMOUNT DUE FROM/TO STOCKBROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on the amount due from the stockbroker at an amount equal to lifetime expected credit risk. 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 considered indicators that a loss allowance may be required.

# MANULIFE SHARIAH GLOBAL REIT FUND

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

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

## **G CASH AND CASH EQUIVALENTS**

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

## **H FOREIGN CURRENCY**

### Functional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements are presented in United States Dollar (“USD”), 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 represent the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in USD primarily due to the following factors:

- i) Settlement of the foreign trades are settled in USD;
- ii) Significant portion of the Fund's expenses are denominated in USD; and
- iii) Significant portion of the Fund's investments are denominated in USD.

### Transaction and balances

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

## **I FINANCE COST**

A distribution to the Fund's unit holders is accounted for as a finance cost in the statement of comprehensive income. A proposed distribution to unit holders is recognised as a financial liability 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 period.

## **J FAIR VALUE OF FINANCIAL INSTRUMENTS**

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



# MANULIFE SHARIAH GLOBAL REIT FUND

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 Islamic deposits with licensed financial institutions

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

(b) Quoted Shariah-compliant investments

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

(c) Other Islamic short-term financial instruments

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

## K TAXATION

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

## L 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 SHARIAH GLOBAL REIT FUND

## 12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 MAY 2020

### 1 INFORMATION ON THE FUND

Manulife Global Shariah REIT Fund ("the Fund") was established pursuant to a Principal Deed dated 16 August 2017, Supplemental Master Deed dated 23 January 2018, Second Supplemental Master Deed dated 8 June 2018 and Third Supplemental Master Deed dated 27 June 2018 (hereinafter referred to as "the Deed") between Manulife Investment Management (M) Berhad (formerly known as Manulife Asset Management Services Berhad) ("the Manager") and HSBC (Malaysia) Trustee Berhad ("the Trustee").

The principal activity of the Fund is to invest in "Investments" as defined under Clause 17 of the Deed, 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 determined by the Management Company from time to time that is in line with the Fund's objectives. The Fund commenced operations on 2 April 2019 and will continue its operations until terminated as provided under Clause 25 of the Deed.

The main objective of the Fund is to provide regular income\* and capital appreciation by investing in Islamic real estate investment trusts (REITs).

\*Note: Income distribution (if any) may be made in the form of cash or additional units reinvested into the Fund. Any material charge to the Fund Investment objective would required unit Holders' approval.

The Target Fund may invest in different REITs sectors, including but not limited to commercial, industrial and residential.

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

The financial statements were authorised for issue by the Manager on 27 July 2020.

### 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 (2019: 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.

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 0.06% 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.

### 4 TAXATION

	Financial period from 12.03.2019 (date of launch) to 30.11.2019	
	2020	2019
	USD	USD
Current taxation	-	-

# MANULIFE SHARIAH GLOBAL REIT FUND

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

	<b>2020</b>	<b>Financial period from 12.03.2019 (date of launch) to 30.11.2019</b>
	<b>USD</b>	<b>USD</b>
(Loss)/Profit before taxation	(8,800,274)	713,666
Tax calculated at Malaysian tax rate of 24%	(2,112,066)	171,280
Tax effect in respect of:		
- Expenses not deductible for tax purposes	84,685	67,364
- Restriction on tax deductible expenses for unit trust funds	141,499	78,101
- Investment loss not the deductible for tax / (investment income) not subject to tax	1,885,882	(316,745)
Tax expenses	-	-

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

	<b>31.05.2020</b>	<b>31.11.2019</b>
	<b>USD</b>	<b>USD</b>
Financial assets at fair value through profit or loss		
- Islamic Real Estate Investment Trusts (I-REITs)	70,057,349	50,610,778

	<b>31.05.2020</b>	<b>Financial period from 12.03.2019 (date of launch) to 30.11.2019</b>
	<b>USD</b>	<b>USD</b>
Net gain on financial assets at fair value through profit or loss		
- Realised	830,917	1,185,355
- Unrealised	(9,615,437)	(345,683)
	(8,784,520)	839,672

# MANULIFE SHARIAH GLOBAL REIT FUND

			Fair value as at 31.05.2020 expressed as percentage of value of Fund	
<u>ISLAMIC REAL ESTATE</u>				
<u>INVESTMENT TRUST (I-REITs)</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 31.05.2020</u>	
	<u>Units</u>	<u>USD</u>	<u>USD</u>	<u>%</u>
<b><u>31.05.2020</u></b>				
<b><u>AUSTRALIA</u></b>				
Australian Unity Office Fund				
- Reit ORD NPV	142,095	278,410	203,676	0.27
Dexus Reits	369,123	3,045,653	2,204,550	2.94
Goodman Group Staples Sec				
ORD NPV	497,715	4,870,528	5,076,460	6.76
Stockland	850,109	2,674,395	2,013,952	2.68
Vicinity Centres - Reit	1,271,483	2,142,124	1,358,447	1.81
Waypoint Reit LTD ORD NPV	449,987	820,397	791,320	1.05
	<u>3,580,512</u>	<u>13,831,507</u>	<u>11,648,405</u>	<u>15.51</u>
<b><u>CANADA</u></b>				
Allied Properties Real Estate				
Investment Trust Reit NPV	41,684	1,613,079	1,206,483	1.61
Interrent Real Estate				
Investment-Reit	68,150	669,098	721,443	0.96
	<u>109,834</u>	<u>2,282,177</u>	<u>1,927,926</u>	<u>2.57</u>
<b><u>UNITED KINGDOM</u></b>				
Empiric Student Property PLC-Reit	289,500	346,991	222,583	0.30
Segro PLC Reit	293,633	3,185,216	3,047,410	4.06
Target Healthcare REIT PLC	370,000	538,854	480,225	0.64
Tritax Big Box REIT PLC	718,568	1,316,691	1,232,852	1.64
	<u>1,671,701</u>	<u>5,387,752</u>	<u>4,983,070</u>	<u>6.64</u>
<b><u>HONG KONG/ CHINA</u></b>				
Fortune Real Estate Investment				
Trust	509,000	626,814	454,441	0.61
Link Real Estate Investment				
Trust	296,000	3,217,241	2,213,088	2.95
Prosperity Real Estate Investment				
Trust	804,000	322,353	227,171	0.30
Sunlight Real Estate Investment				
Trust	254,000	172,138	119,613	0.16
	<u>1,863,000</u>	<u>4,338,546</u>	<u>3,014,313</u>	<u>4.02</u>
<b><u>JAPAN</u></b>				
Fukuoka REIT Corporation	242	406,502	284,640	0.38
Japan Logistics Fund, Inc.	326	837,237	867,054	1.16
Kenedix Office Investment				
Corporation	68	529,814	377,497	0.50
Nippon Prologis REIT, Inc.	580	1,608,100	1,636,836	2.18
United Urban Investment				
Corporation	942	1,672,961	998,667	1.33
	<u>2,158</u>	<u>5,054,614</u>	<u>4,164,694</u>	<u>5.55</u>

# MANULIFE SHARIAH GLOBAL REIT FUND

		Fair value as at 31.05.2020 expressed as percentage of value of Fund		
<u>ISLAMIC REAL ESTATE</u>				
<u>INVESTMENT TRUST (I-REITs)</u>	<u>Quantity</u>	<u>Cost of</u>	<u>Fair value</u>	
	<u>Units</u>	<u>shares</u>	<u>as at</u>	
		<u>USD</u>	<u>31.05.2020</u>	
			<u>USD</u>	<u>%</u>
<b><u>MEXICO</u></b>				
Prologis Property Mexico SA de CV	369,440	779,996	704,203	0.94
<b><u>NEW ZEALAND</u></b>				
Goodman Property Trust Reit ORD	180,000	240,467	245,124	0.33
<b><u>SINGAPORE</u></b>				
Frasers Centrepoint Trust Reit NPV	447,858	847,713	770,147	1.02
Keppel DC Real Estate Investment Trust	629,700	1,022,218	1,145,233	1.52
Mapletree Commercial Trust Reit NPV	640,000	1,128,522	905,810	1.21
Mapletree Industrial Trust	743,600	1,390,785	1,431,316	1.91
Sabana Shariah-compliant Industrial Real Estate Investment Trust	1,075,900	356,352	251,254	0.33
	<u>3,537,058</u>	<u>4,745,590</u>	<u>4,503,760</u>	<u>5.99</u>
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (I-REITs)</b>				
- FOREIGN	<u>11,313,703</u>	<u>36,660,649</u>	<u>31,191,495</u>	<u>41.55</u>
<b><u>UNITED STATES</u></b>				
Alexandria Real Estate Equities, Inc. Reit	12,100	1,902,856	1,860,012	2.48
American Tower Corporation Trust Reit	31,107	7,612,422	8,030,894	10.70
Apple Hospitality REIT, Inc. Reit comm	54,200	848,281	553,382	0.74
Avalon Bay Communities, Inc.	13,463	2,825,852	2,100,363	2.80
Camden Property Trust Reit	12,233	1,324,914	1,120,176	1.49
Core Energy Infrastructure Trust, Inc	16,258	725,247	162,580	0.22
CoreSite Realty Corporation Reit	5,461	622,367	681,642	0.91
Crown Castle International Corporation	30,900	4,815,541	5,319,744	7.09
CyrusOne, Inc.	13,500	964,545	1,003,590	1.34
Digital Realty Trust, Inc. Reit	20,500	2,887,976	2,942,980	3.92
Duke Realty Corporation	43,700	1,511,066	1,506,776	2.01
Equity Residential	35,091	2,918,586	2,125,111	2.83
Federal Realty Investment Trust	10,026	1,297,525	801,178	1.07
Healthcare Realty Trust Incorporated Reit	23,350	776,162	716,845	0.96
Healthpeak Properties, Inc. Reit	13,000	331,731	320,320	0.43
Mid-America Apartment Communities, Inc.	12,450	1,674,249	1,448,682	1.93
Outfront Media, Inc.	35,550	924,286	499,122	0.66
Physicians Realty Trust Reit	42,837	788,256	739,795	0.98
QTS Realty Trust, Inc.	10,700	683,540	734,020	0.98
Regency Centres Corporation	21,609	1,398,337	924,649	1.23
Rexford Industrial Realty	19,000	757,150	756,200	1.01
SBA Communications Corporation Reit	2,500	703,235	785,325	1.05
Simon Property Group, Inc.	10,000	611,261	577,000	0.77
STAG Industrial, Inc. Reit	30,128	914,864	810,443	1.08
Ventas, Inc. Reit	11,000	336,114	384,450	0.51
Welltower, Inc. Reit	38,693	3,201,457	1,960,575	2.61
	<u>569,356</u>	<u>43,357,820</u>	<u>38,865,854</u>	<u>51.80</u>

# MANULIFE SHARIAH GLOBAL REIT FUND

			Fair value as at 31.05.2020 expressed as percentage of value of Fund	
<u>ISLAMIC REAL ESTATE</u>				
<u>INVESTMENT TRUST (I-REITs)</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 31.05.2020</u>	
	<u>Units</u>	<u>USD</u>	<u>USD</u>	<u>%</u>
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (I-REITs)</b>				
- UNITED STATES	569,356	43,357,820	38,865,854	51.80
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUSTS (I-REITs)</b>	11,883,059	80,018,469	70,057,349	93.35
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		(9,961,120)		
<b>AT FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		70,057,349		
			Fair value as at 30.11.2019 expressed as percentage of value of Fund	
<u>ISLAMIC REAL ESTATE</u>				
<u>INVESTMENT TRUST (I-REITs)</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 30.11.2019</u>	
	<u>Units</u>	<u>USD</u>	<u>USD</u>	<u>%</u>

## 30.11.2019

### AUSTRALIA

Australian Unity Office Fund	132,095	258,766	255,463	0.47
Dexus	214,123	1,863,408	1,770,781	3.23
Goodman Group	295,715	2,894,515	2,963,444	5.41
Stockland	468,609	1,568,955	1,600,211	2.92
Vicinity Centres	705,122	1,290,330	1,277,833	2.33
Viva Energy	273,000	501,165	515,041	0.94
	2,088,664	8,377,139	8,382,773	15.30

### CANADA

Allied Properties Real Estate Investment Trust	24,684	948,208	992,490	1.81
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### UNITED KINGDOM

Empiric Student Property PLC	319,500	366,310	400,813	0.73
Segro PLC	146,633	1,548,957	1,695,386	3.09
Target Healthcare REIT PLC	261,000	367,430	391,560	0.71
Tritax Big Box REIT PLC	401,568	746,794	769,674	1.40
	1,128,701	3,029,491	3,257,433	5.93

### HONG KONG/ CHINA

Fortune Real Estate Investment Trust	284,000	358,819	315,871	0.58
Link Real Estate Investment Trust	159,500	1,924,318	1,630,150	2.97
Prosperity Real Estate Investment Trust	424,000	178,717	160,879	0.29
Sunlight Real Estate Investment Trust	272,000	205,342	181,412	0.33
	1,139,500	2,667,196	2,288,312	4.17

# MANULIFE SHARIAH GLOBAL REIT FUND

				Fair value as at 30.11.2019 expressed as percentage of value of Fund
<b>ISLAMIC REAL ESTATE INVESTMENT TRUST (I-REITs)</b>	<b>Quantity</b>	<b>Cost of shares</b>	<b>Fair value as at 30.11.2019</b>	
	<b>Units</b>	<b>USD</b>	<b>USD</b>	<b>%</b>
<b><u>JAPAN</u></b>				
Fukuoka REIT Corporation	268	448,247	456,009	0.83
Japan Logistics Fund, Inc.	229	585,935	586,042	1.07
Kenedix Office Investment Corporation	83	650,453	628,432	1.15
Mitsubishi Estate Logistics REIT Investment Corporation	120	353,880	385,241	0.70
Nippon Prologis REIT, Inc.	405	1,124,278	1,086,387	1.98
United Urban Investment Corporation	541	1,074,015	1,052,452	1.92
	<u>1,646</u>	<u>4,236,808</u>	<u>4,194,563</u>	<u>7.65</u>
<b><u>MEXICO</u></b>				
Prologis Property Mexico SA de CV	238,430	494,762	507,084	0.92
<b><u>NEW ZEALAND</u></b>				
Goodman Property Trust	200,000	267,186	274,006	0.50
<b><u>SINGAPORE</u></b>				
CapitaLand Mall Trust	695,000	1,340,703	1,281,106	2.34
Frasers Centrepoint Trust	357,858	685,240	722,469	1.32
Mapletree Industrial Trust	498,600	923,739	915,431	1.67
Sabana Shariah-compliant Industrial Real Estate Investment Trust	927,000	310,381	318,696	0.58
	<u>2,478,458</u>	<u>3,260,063</u>	<u>3,237,702</u>	<u>5.91</u>
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (I-REITs)</b>				
<b>- FOREIGN</b>	<u>7,300,083</u>	<u>23,280,853</u>	<u>23,134,363</u>	<u>42.19</u>
<b><u>UNITED STATES</u></b>				
American Tower Corporation	20,810	4,402,540	4,453,964	8.12
Apple Hospitality REIT, Inc.	32,700	521,345	531,702	0.97
Avalon Bay Communities, Inc.	7,413	1,542,644	1,589,421	2.90
Camden Property Trust	7,233	776,611	806,841	1.47
Core Energy Infrastructure Trust, Inc	9,258	436,012	409,574	0.75
CoreSite Realty Corporation	4,211	483,217	477,485	0.87
Crown Castle International Corporation	21,302	2,856,696	2,847,225	5.19
CyrusOne, Inc.	9,872	637,093	615,026	1.12
Digital Realty Trust, Inc.	13,320	1,619,750	1,611,054	2.94
Duke Realty	25,200	858,885	886,536	1.62
Equity Residential	19,141	1,623,447	1,628,899	2.97
Federal Realty Investment Trust	5,726	761,343	756,233	1.38
Healthcare Realty Trust Incorporated	15,950	515,297	529,381	0.97
Lexington Corporate Properties Trust	43,400	454,881	480,872	0.88
Outfront Media, Inc.	21,250	556,056	530,825	0.97
Physicians Realty Trust	27,837	496,821	534,192	0.97
QTS Realty Trust, Inc.	8,928	469,328	473,809	0.86
Regency Centres Corporation	12,309	820,295	800,577	1.46
Simon Property Group, Inc.	19,918	3,201,908	3,011,801	5.49
STAG Industrial, Inc.	17,228	514,829	533,896	0.97
UDR, Inc.	19,579	930,272	940,771	1.72
Ventas, Inc.	21,526	1,431,885	1,255,181	2.29
Welltower, Inc.	20,943	1,764,453	1,771,150	3.23
	<u>405,054</u>	<u>27,675,608</u>	<u>27,476,415</u>	<u>50.11</u>

# MANULIFE SHARIAH GLOBAL REIT FUND

			Fair value as at 30.11.2019 expressed as percentage of value of Fund	
<u>ISLAMIC REAL ESTATE</u>				
<u>INVESTMENT TRUST (I-REITs)</u>	<u>Quantity</u>	<u>Cost of shares</u>	<u>Fair value as at 30.11.2019</u>	
	<u>Units</u>	<u>USD</u>	<u>USD</u>	<u>%</u>
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (I-REITs)</b>				
- UNITED STATES	405,054	27,675,608	27,476,415	50.11
<b>TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUSTS (I-REITs)</b>	7,705,137	50,956,461	50,610,778	92.30
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		(345,683)		
<b>AT FAIR VALUE THROUGH PROFIT OR LOSS FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		50,610,778		

## 6 CASH AND CASH EQUIVALENTS

	<u>31.05.2020</u>	<u>30.11.2019</u>
	<u>USD</u>	<u>USD</u>
Bank balances in licensed banks	4,737,282	3,720,155

## 7 OTHER PAYABLES

	<u>31.05.2020</u>	<u>30.11.2019</u>
	<u>RM</u>	<u>RM</u>
Auditors' remuneration	759	1,421
Tax agent's fee	985	661
Sundry payables and accruals	2,892	2,155
	4,636	4,237

## 8 SHARIAH INFORMATION OF THE FUND

The Shariah Adviser confirmed that the investment portfolio of the Fund is Shariah-compliant which comprise:

- Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the SACSC for the financial period under review;
- Equity securities in the foreign market which have been classified as Shariah-compliant by the relevant Shariah Supervisory Board of an approved Islamic Index for the financial period under review except for Empiric Student Property PLC, Sunlight Real Estate Investment Trust, Fukuoka REIT Corporation, Kenedix Office Investment Corporation, Mapletree Commercial Trust and Federal Realty Investment Trust. These securities have been excluded from the Index with effect from 6 April 2020. This securities shall be disposed of soonest practical, once the total amount of dividends received and the market values of these securities held equal the original investment costs;
- Quoted collective investment schemes which were verified as Shariah-compliant by the Shariah Adviser; and
- Liquid assets in the local market which are placed in Shariah-compliant investments and/or instruments.



# MANULIFE SHARIAH GLOBAL REIT FUND

## 9 UNITS IN CIRCULATION

	Financial period from 12.03.2019 (date of launch) to 30.11.2019	
(i) RM Class	31.05.2020 No. of units	No. of units
At beginning of the financial period	386,205,408	-
Add: Creation of units arising from applications	289,275,400	386,703,360
Add: Creation of units arising from distribution	9,172,168	7,339,256
Less: Cancellation of units	(62,533,029)	(7,837,208)
At end of the financial period	622,119,947	386,205,408

### (ii) USD CLASS

At beginning of the financial period	13,122,659	-
Add: Creation of units arising from applications	7,831,307	14,393,364
Add: Creation of units arising from distribution	190,288	244,679
Less: Cancellation of units	(8,996,188)	(1,515,384)
At end of the financial period	12,148,066	13,122,659

## 10 BROKERS' TRANSACTIONS

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

Name of brokers		Percentage		Percentage
	Value of	of total	Brokerage	of total
	trades	trades	fees	brokerage
	USD	%	USD	%
31.05.2020				
Goldman Sachs & Co., New York	35,492,548	28.79	7,161	13.98
National Financial Services LLC	34,183,725	27.73	8,080	15.77
ITG INC.	14,715,084	11.94	5,495	10.73
Morgan Stanley & Co. LLC	7,862,328	6.38	6,858	13.39
State Street Bank And Trust Company	4,553,724	3.69	902	1.76
ITG Hong Kong Ltd	3,839,674	3.11	5,377	10.50
RBC Capital Markets, LLC	3,283,437	2.66	366	0.71
Goldman Sachs International London	3,085,955	2.50	4,321	8.44
Citigroup Global Market, Inc.	2,755,709	2.24	909	1.77
ITG Australia Ltd Melbourne	2,221,138	1.80	3,106	6.06
Others	11,281,366	9.15	8,651	16.89
	123,274,688	100.00	51,226	100.00
30.11.2019				
National Financial Services LLC	9,882,983	12.49	3,433	5.69
Credit Suisse Securities (USD) LLC NY	9,591,294	12.12	12,904	21.37
Investment Technology Group Inc.	5,918,881	7.48	2,782	4.61
ITG Australia Ltd Melbourne	5,633,297	7.12	7,876	13.04
Citigroup Global Market, Inc.	5,221,951	6.60	2,870	4.75
RBC Capital Market, LLC	5,053,723	6.39	986	1.63
Goldman Sachs International London	4,810,385	6.08	6,729	11.14
Goodbody Stockbrokers	3,736,778	4.72	2,236	3.70
UBS Securities LLC	3,422,408	4.32	1,041	1.72
Goldman Sachs & Co. LLC	2,997,347	3.79	987	1.63
Others	22,876,646	28.89	18,546	30.72
	79,145,693	100.00	60,390	100.00

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## 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 (formerly known as Manulife Asset Management Services 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

Units held by the Manager and party related to the Manager :

<b>MANAGER MANULIFE INVESTMENT MANAGEMENT (M) BERHAD *</b>			
<u>As at:</u>	<b>RM CLASS</b>		<b>USD CLASS</b>
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>
31.05.2020	-	-	-
30.11.2019	449,961	50,261	-

<b>MANULIFE SHARIAH PRS - GLOBAL REIT FUND **</b>			
<u>As at:</u>	<b>RM CLASS</b>		<b>USD CLASS</b>
	<b>No. of units</b>	<b>USD</b>	<b>No. of units</b>
31.05.2020	3,920,492	437,919	-
30.11.2019	-	-	-

\* The units are held legally

\*\* The units are held legally and beneficially

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

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

## 12 MANAGEMENT EXPENSES RATIO ("MER")

	<b>Financial period from 12.03.2019 (date of launch) to 30.11.2019</b>	
	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
MER	0.99	1.67

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.

# MANULIFE SHARIAH GLOBAL REIT FUND

## 13 PORTFOLIO TURNOVER RATIO ("PTR")

	2020	Financial period from 12.03.2019 (date of launch) to 30.11.2019
	%	%
PTR (times)	0.94	1.03

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

## 14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk, reclassification of shariah status 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 Shariah-compliant 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 Shariah-compliant investment portfolio.

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

	31.05.2020	30.11.2019
	USD	USD
Financial assets at fair value through profit or loss		
- Islamic Real Estate Investment Trusts (I-REITs)	70,057,349	50,610,778

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

<u>As at:</u>	Changes in price	Impact on profit or loss	Impact on net asset value
	%	RM	RM
<b><u>31.05.2020</u></b>			
Financial assets at fair value through profit or loss			
- Islamic Real Estate Investment Trusts (I-REITs)	5	3,502,867	3,502,867
<b><u>30.11.2019</u></b>			
Financial assets at fair value through profit or loss			
- Islamic Real Estate Investment Trusts (I-REITs)	5	2,530,539	2,530,539

# MANULIFE SHARIAH GLOBAL REIT FUND

## (b) Interest rate risk

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

The Fund's exposure to the interest rate risk is mainly confined to deposits with 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.

Interest rate is a general economic indicator that will have an impact on the management of the Fund. It does not in any way suggest that this Fund will invest in conventional financial instruments. All investment carried out for the Fund are in accordance with Shariah.

## (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 United States Dollar (USD) based on consideration of economic fundamentals such as interest rate differentials, balance of payment position, debt level and technical considerations.

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

<b>As at</b>	<b>Cash and equivalents</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Dividends receivable</b>	<b>Total</b>
<b>31.05.2020</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
AUD	-	11,648,405	-	11,648,405
MYR	23	-	-	23
CAD	-	1,927,926	4,066	1,931,992
GBP	-	4,983,070	-	4,983,070
HKD	-	3,014,313	-	3,014,313
JPY	-	4,164,694	54,181	4,218,875
MXN	-	704,203	-	704,203
NZD	-	245,124	-	245,124
SGD	-	4,503,760	12,189	4,515,949
	<b>23</b>	<b>31,191,495</b>	<b>70,436</b>	<b>31,261,954</b>

## **30.11.2019**

AUD	2	8,382,773	1,428	8,384,203
CAD	-	992,490	1,854	994,344
GBP	-	3,257,433	-	3,257,433
HKD	-	2,288,312	28,827	2,317,139
JPY	-	4,194,563	34,749	4,229,312
MXN	-	507,084	-	507,084
NZD	-	274,006	2,134	276,140
SGD	-	3,237,702	-	3,237,702
	<b>2</b>	<b>23,134,363</b>	<b>68,992</b>	<b>23,203,357</b>

The following table summarises the sensitivity of the Fund's profit or loss 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 reasonably possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures are shown in absolute terms, changes and impacts could be positive or negative.

# MANULIFE SHARIAH GLOBAL REIT FUND

<u>As at</u>	<u>Changes in foreign exchange</u>	<u>Impact on profit or loss</u>	<u>Impact on net asset value</u>
<u>31.05.2020</u>	<u>%</u>	<u>USD</u>	<u>USD</u>
AUD	5	582,420	582,420
MYR	5	1	1
CAD	5	96,600	96,600
GBP	5	249,154	249,154
HKD	5	150,716	150,716
JPY	5	210,944	210,944
MXN	5	35,210	35,210
NZD	5	12,256	12,256
SGD	5	225,797	225,797
		<u>1,563,098</u>	<u>1,563,098</u>

## 30.11.2019

AUD	5	419,210	419,210
CAD	5	49,717	49,717
GBP	5	162,872	162,872
HKD	5	115,857	115,857
JPY	5	211,466	211,466
MXN	5	25,354	25,354
NZD	5	13,807	13,807
SGD	5	161,885	161,885
	5	<u>1,160,168</u>	<u>1,160,168</u>

## Credit risk

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

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

For the amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by respective stock exchange.

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 as set out below:

<u>As at</u>	<u>Neither Past Due Nor Impaired</u>				<u>Total</u>
	<u>Cash and cash equivalents</u>	<u>Amount due from Manager</u>	<u>Amount due from stockbrokers</u>	<u>Dividends receivable</u>	
<u>31.05.2020</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
AAA	4,737,282	-	-	-	4,737,282
Not rated	-	335,579	647	73,781	410,007
	<u>4,737,282</u>	<u>335,579</u>	<u>647</u>	<u>73,781</u>	<u>5,147,289</u>

# MANULIFE SHARIAH GLOBAL REIT FUND

<b>As at</b>	<b>Neither Past Due Nor Impaired</b>				<b>Total</b>
	<b>Cash and cash equivalents</b>	<b>Amount due from Manager</b>	<b>Amount due from stockbrokers</b>	<b>Dividends receivable</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b><u>30.11.2019</u></b>					
AAA	3,720,155	-	-	-	3,720,155
Not rated	-	1,462,622	63,412	70,379	1,596,413
	<u>3,720,155</u>	<u>1,462,622</u>	<u>63,412</u>	<u>70,379</u>	<u>5,316,568</u>

## **Liquidity risk**

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining a sufficient level of liquid assets to meet anticipated payments and cancellations of units by unit holders. The Islamic liquid assets comprise cash at banks, Islamic 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.

<b><u>As at</u></b>	<b>Within one year</b>	<b>No maturity date</b>	<b>Total</b>
<b><u>31.05.2020</u></b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	4,737,282	4,737,282
Financial assets at fair value through profit or loss	-	70,057,349	70,057,349
Amount due from Manager	335,579	-	335,579
Amount due from stockbrokers	647	-	647
Dividends receivable	73,781	-	73,781
Other receivables	-	-	-
	<u>410,007</u>	<u>74,794,631</u>	<u>75,204,638</u>

## **Financial liabilities**

Net assets attributable to unit holders **	75,050,666	-	75,050,666
Amount due to Manager			
- Manager's fee	107,439	-	107,439
Amount due to Trustee	3,581	-	3,581
Other payables	4,636	-	4,636
Distribution payable	38,316	-	38,316
	<u>75,204,638</u>	<u>-</u>	<u>75,204,638</u>

# MANULIFE SHARIAH GLOBAL REIT FUND

<u>As at</u>	<u>Within one</u>	<u>No</u>	
<u>30.11.2019</u>	<u>year</u>	<u>maturity</u>	<u>Total</u>
	<u>USD</u>	<u>date</u>	<u>USD</u>
		<u>USD</u>	
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	3,720,155	3,720,155
Financial assets at fair value through profit or loss	-	50,610,778	50,610,778
Amount due from Manager	1,462,622	-	1,462,622
Amount due from stockbrokers	63,412	-	63,412
Dividends receivable	70,379	-	70,379
	<u>1,596,413</u>	<u>54,330,933</u>	<u>55,927,346</u>

## **Financial liabilities**

Net assets attributable to unit holders **	54,826,854	-	54,826,854
Amount due to Manager			
- Manager's fee	74,596	-	74,596
Amount due to stockbrokers	1,009,033	-	1,009,033
Amount due to Trustee	2,486	-	2,486
Other payables	4,237	-	4,237
Distribution payable	10,140	-	10,140
	<u>55,927,346</u>	<u>-</u>	<u>55,927,346</u>

\*\* Units are cancelled on demand at the unit holders' option ( Note 9). However, the Manager does not envisage the contractual maturity disclosed in the table above will be representative of the actual cash outflows as unit holders typically retain them for the medium- to long-term.

## **Reclassification of Shariah status risk**

This risk refers to the risk that the currently held Shariah-compliant investments in the portfolio of Islamic funds may be reclassified to be Shariah non-compliant in the periodic review of the securities by the Shariah Advisory Council of the Securities Commission or the Shariah Boards of the relevant Islamic indices. If this occurs, the Manager will take the necessary steps to dispose of such securities.

There may be opportunity loss to the Fund due to the Fund not being allowed to retain the excess capital gains derived from the disposal of the Shariah non-compliant equities. The value of the Fund may also adversely affected in the event of a disposal of Shariah-non compliant equities at a price lower than the investment cost.

## **Capital risk**

The capital of the Fund is represented by net assets attributable to unit holders' of USD75,050,666 (31.11.2019 : USD54,826,854). The amount of net assets attributable to unit holders 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.

# MANULIFE SHARIAH GLOBAL REIT 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 USD70,057,349 (30.11.2019 : USD50,610,778) is classified within level 1.

## 15 FINANCE COST

Distribution to unit holders is derived from the following sources:

### i) RM CLASS

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Interest Income	991	9,642
Gross Dividend Income	219,693	491,948
Net gain/(loss) on financial assets at FVTPL	239,095	509,298
Previous year realised profit	472,332	-
	<u>932,111</u>	<u>1,010,888</u>
Distribution equalisation	736,970	462,225
Less:		
Expenses	(616,265)	(548,662)
	<u>1,052,816</u>	<u>924,451</u>
Gross distribution per unit (cent)	<u>0.17</u>	<u>0.25</u>
Net distribution per unit (cent)	<u>0.17</u>	<u>0.25</u>
<b>RESPECTIVE CURRENCY</b>		
Gross distribution per unit (sen)	<u>0.75</u>	<u>1.05</u>
Net distribution per unit (sen)	<u>0.75</u>	<u>1.05</u>
Ex-date	<u>27.05.2020</u>	<u>27.11.2019</u>



# MANULIFE SHARIAH GLOBAL REIT FUND

## ii) USD CLASS

	<b>2020</b>	<b>2019</b>
	<b>USD</b>	<b>USD</b>
Interest income	289	-
Dividend Income	5,920	34,077
Net gain/(loss) on financial assets at FVTPL	-	73,157
Previous year realised profit	82,063	-
	<u>88,272</u>	<u>107,234</u>
Distribution equalisation	62,777	64,390
Less:		
Expenses	(61,368)	(42,844)
	<u>89,681</u>	<u>128,780</u>
Gross distribution per unit (cent)	<u>0.75</u>	<u>1.00</u>
Net distribution per unit (cent)	<u>0.75</u>	<u>1.00</u>
Ex-date	<u>27.05.2020</u>	<u>27.11.2019</u>

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

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

There is an unrealised loss of USD9,601,238 (31.11.2019:USD 351,171) arising during the financial period.

## **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)  
Lee Sang Hui (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**

Manulife Investment Management (US) LLC  
197 Clarendon Street,  
Massachusetts 02116,  
United States of America

### **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 & AF1146  
Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur

### **TAX CONSULTANTS**

Deloitte Tax Services Sdn Bhd  
Registration no. 36421-T  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur

# MANULIFE SHARIAH GLOBAL REIT FUND

## HEAD OFFICE

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  
Tel: (03) 2719-9228 Fax: (03) 2094-7654  
E-mail : [MY\\_CustomerService@manulife.com](mailto:MY_CustomerService@manulife.com)  
Website: [www.manulifeinvestment.com.my](http://www.manulifeinvestment.com.my)

## BRANCH OFFICES

### **Kota Bharu**

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

### **Sungai Petani**

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

### **Penang**

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

### **Ipoh**

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

### **Dataran Sunway**

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

### **Shah Alam**

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

# MANULIFE SHARIAH GLOBAL REIT FUND

## **Klang**

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

## **Kuala Lumpur**

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

## **Seremban**

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

## **Melaka**

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

## **Johor Bahru**

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

## **Kuching**

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

## **Miri**

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

## **Bintulu**

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

## MANULIFE SHARIAH GLOBAL REIT FUND

### **Sibu**

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

### **Kota Kinabalu**

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

### **Sandakan**

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

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