

Manulife Shariah Global REIT Fund

Annual Report

for the financial year ended 30 November 2021

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 12 March 2019 and will continue its operations until terminated as provided under Clause 25 of the Deed.

1.2 FUND TYPE / CATEGORY

Fund-of-Funds (Islamic)

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).

**Income distribution (if any) may be made in the form of cash or additional Units reinvested into the Fund.*

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

1.5 DISTRIBUTION POLICY

Depending on the level of income (if any) the Fund generates, the Fund aims to distribute all or part of its distributable income on a 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.

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 REIT 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 Commissions (IOSCO).

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The investment opportunity of individual holdings will be made after reviewing the macroeconomic trends and REIT market outlook of the respective countries. The Fund Manager will target REITs that have historically generated regular income and are also expected to generate future income and, 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 Islamic REIT, performance of the Islamic REIT manager, and its rental yield.

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 redeploy up to 100% of the Fund's NAV into cash, Islamic money market instruments and/or Islamic deposits.

During the financial year 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 financial year ended 30 November 2021, the Fund's RM Class return increased by 28.12% versus its benchmark increase by 28.56% while the Fund's USD Class return increased by 23.85% versus its benchmark increase by 24.36%

The Fund posted strong positive returns which slightly underperformed the benchmark on a net basis. From a regional perspective, the Fund benefitted from positive stock selection within Japan, the U.S., the U.K., and Hong Kong as well as an underweight within Japan, New Zealand, and Thailand. Within the U.S. market, positive stock selection within the Residential, Healthcare and Retail sub-sectors benefitted from mitigation measures being lifted which led to a strong rebound in economic activity.

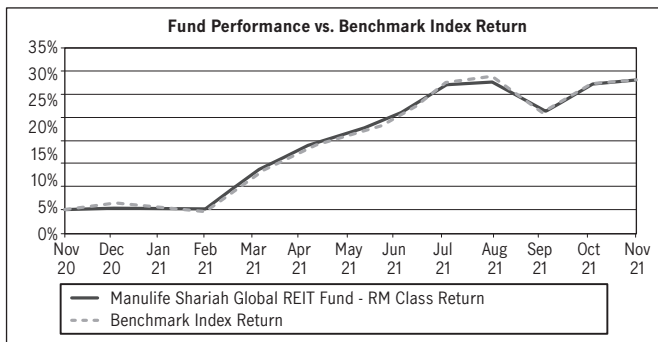
These positives were offset by our overweight in Singapore as well as our underweight in the U.K. Our underweight within the U.S. Self-Storage REIT sub-sector also detracted from performance as it has seen strong demand. The Singapore REIT market has lagged over the past year as the COVID-19 outbreak has continued to weigh on the market, while in the U.K. performance was robust as Covid-19 restrictions began to be lifted.

The gross distribution of 1.00 sen per unit for RM Class and 1.00 cent per unit for USD Class on 27 May 2021 had the effect of reducing the NAV per unit of the Fund, and the ex-distribution NAV per unit were RM0.5607 for RM Class and USD0.5488 for USD Class respectively.

The gross distribution of 1.20 sen per unit in RM Class and 1.15 cent per unit in USD Class on 26 November 2021 had the effect of reducing the NAV per unit of the Fund and the ex-distribution NAV per unit were RM0.6165 for RM Class and USD0.5893 for USD Class respectively.

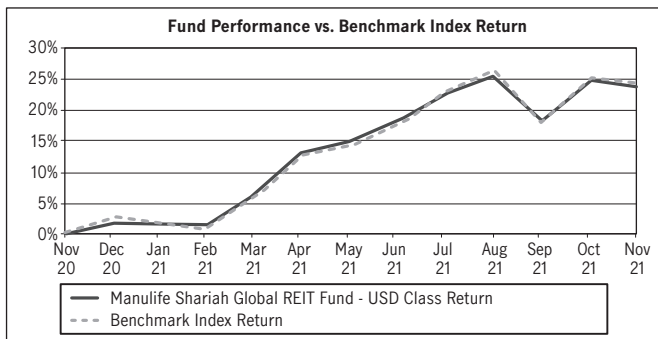
The graph below compares the 12-month performance of the Fund against its benchmark return:

RM Class



Source: Lipper & RIMES

USD Class



Source: Lipper & RIMES

MANULIFE SHARIAH GLOBAL REIT FUND

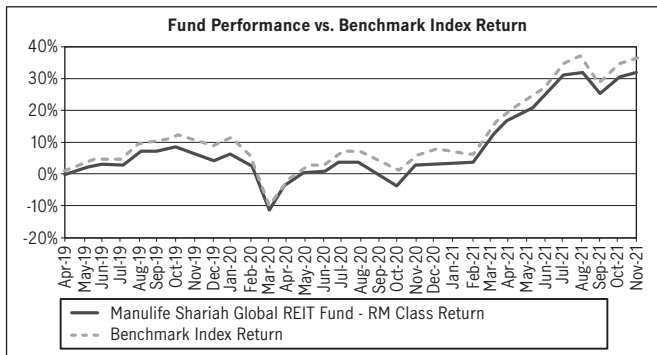
Fund Size

The Fund's total NAV increased to USD85.15mil from USD70.08mil during the financial year under review.

Fund Returns

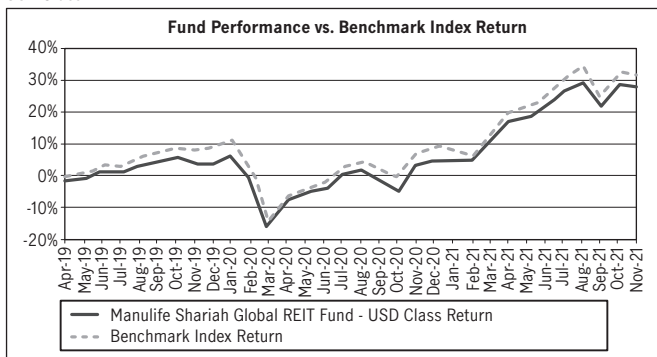
- (a) The graph below compares the since commencement performance of the Fund against its benchmark return:

RM Class



Source: Lipper & RIMES

USD Class



Source: Lipper & RIMES

- (b) Average Total Return of the Fund:

RM Class

| For the financial year ended 30 November 2021 | Fund (% p.a.) | Benchmark (% p.a.) |
|---|------------------|-----------------------|
| 1 year | 28.12 | 28.56 |
| Since Commencement to 30 November 2019 | 10.95 | 12.42 |
| Investment Commencement Date: 4 April 2019 | | |

Source: Lipper & RIMES

MANULIFE SHARIAH GLOBAL REIT FUND

USD Class

| For the financial year ended 30 November 2021 | Fund (% p.a.) | Benchmark (% p.a.) |
|---|------------------|-----------------------|
| 1 year | 23.85 | 24.36 |
| Since Commencement to 30 November 2019 | 9.63 | 10.94 |
| Investment Commencement Date: 4 April 2019 | | |

Source: Lipper & RIMES

(c) Annual Total Return of the Fund:

RM Class

| For the financial year ended: | Fund (% p.a.) | Benchmark (% p.a.) |
|--|------------------|-----------------------|
| 30 November 2021 | 28.12 | 28.56 |
| 30 November 2020 | (3.05) | (3.85) |
| Since Commencement to 30 November 2019 | 6.22 | 10.54 |
| Investment Commencement Date: 4 April 2019 | | |

Source: Lipper & RIMES

USD Class

| For the financial year ended: | Fund (% p.a.) | Benchmark (% p.a.) |
|--|------------------|-----------------------|
| 30 November 2021 | 23.85 | 24.36 |
| 30 November 2020 | (0.59) | (1.43) |
| Since Commencement to 30 November 2019 | 3.75 | 7.55 |
| Investment Commencement Date: 4 April 2019 | | |

Source: Lipper & RIMES

The Fund has achieved its target of providing unit holders with regular income by distributing income to investors on 27 May 2021 and 26 November 2021. The Fund has also achieved long-term capital appreciation with its since commencement average total return of 10.95% p.a and 9.63% p.a. for its RM Class and USD Class respectively.

BASES OF CALCULATION

1. Net Asset Value (NAV)

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

2. Net Asset Value per unit

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

3. Fund's Return

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

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

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

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

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

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

| Fund Data | 30 November 2021 | 30 November 2020 | 30 November 2019 |
|--|-------------------------|-------------------------|-------------------------|
| Net Asset Value (USD) | | | |
| RM Class | 77,402,048 | 64,935,984 | 48,150,557 |
| USD Class | 7,743,424 | 5,148,090 | 6,676,297 |
| Units in Circulation ('000) | | | |
| RM Class | 536,580 | 537,456 | 386,205 |
| USD Class | 13,255 | 10,515 | 13,123 |
| NAV (per unit)-in respective currencies | | | |
| RM Class | 0.6075 | 0.4920 | 0.5206 |
| USD Class | 0.5842 | 0.4896 | 0.5088 |
| Highest / Lowest NAV (per unit) - in respective currencies | | | |
| RM Class | 0.6330 / 0.4820 | 0.5543 / 0.3699 | 0.5472 / 0.4931 |
| USD Class | 0.6175 / 0.4819 | 0.5428 / 0.3400 | 0.5339 / 0.4866 |
| Semi-annual distribution - RM Class | | | |
| Gross (RM per unit) | 0.0100 | 0.0075 | - |
| Net (RM per unit) | 0.0100 | 0.0075 | - |
| Semi-annual distribution - USD Class | | | |
| Gross (USD per unit) | 0.0100 | 0.0075 | - |
| Net (USD per unit) | 0.0100 | 0.0075 | - |
| Ex-date | 27.05.2021 | 27.05.2020 | - |
| Final Distribution - RM Class | | | |
| Gross (RM per unit) | 0.0120 | 0.0050 | 0.0105 |
| Net (RM per unit) | 0.0120 | 0.0050 | 0.0105 |
| Final Distribution - USD Class | | | |
| Gross (USD per unit) | 0.0115 | 0.0080 | 0.0100 |
| Net (USD per unit) | 0.0115 | 0.0080 | 0.0100 |
| Ex-date | 26.11.2021 | 27.11.2020 | 27.11.2019 |
| Total Fund Return (%) | | | |
| - RM Class | 28.12 | (3.05) | 6.22 |
| NAV Return (%) | 23.48 | (5.49) | 4.12 |
| Income Return (%) | 3.76 | 2.58 | 2.01 |
| Total Fund Return (%) | 23.85 | | |
| - USD Class | 19.30 | (0.59) | 3.75 |
| NAV Return (%) | 3.81 | (3.77) | 1.76 |
| Income Return (%) | | 3.31 | 1.96 |
| Management Expenses Ratio (%) | 1.92 | 2.02 | 1.67 |
| Portfolio Turnover Ratio (times) | 0.64 | 1.28 | 1.03 |

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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 expenses ratio, expressed as a fixed amount, calculated on a daily basis. This would include the annual management fee, the annual trustee fee and any other fees deducted / deductible directly from the unit trust fund;

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

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

The MER for the financial year is lower than the previous financial year mainly due to the decrease in expenses accrued.

(ii) Portfolio Turnover Ratio (PTR)

PTR is computed based on the average of the acquisitions and disposals of investments of the Shariah-compliant unit trust fund for the financial year divided by the average fund size of the Shariah-compliant unit trust fund for the financial year calculated on a daily basis.

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

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

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

Financial Year Ended 30 November 2021:

RM Class

| CUM DATE | CUM DISTRIBUTION NAV (RM) | GROSS DISTRIBUTION (RM) | EX DISTRIBUTION NAV (RM) |
|------------|---------------------------|-------------------------|--------------------------|
| 24.11.2021 | 0.6316 | (0.0120) | 0.6196 |
| 27.05.2021 | 0.5617 | (0.0010) | 0.5607 |

USD Class

| CUM DATE | CUM DISTRIBUTION NAV (USD) | GROSS DISTRIBUTION (USD) | EX DISTRIBUTION NAV (USD) |
|------------|----------------------------|--------------------------|---------------------------|
| 24.11.2021 | 0.6077 | (0.0115) | 0.5962 |
| 27.05.2021 | 0.5588 | (0.0100) | 0.5488 |

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Financial Year Ended 30 November 2020:

RM Class

| CUM DATE | CUM DISTRIBUTION NAV (RM) | GROSS DISTRIBUTION (RM) | EX DISTRIBUTION NAV (RM) |
|------------|------------------------------------|-------------------------------|-----------------------------------|
| 27.11.2020 | 0.5015 | (0.0050) | 0.4965 |
| 27.05.2020 | 0.4723 | (0.0075) | 0.4648 |

USD Class

| CUM DATE | CUM DISTRIBUTION NAV (USD) | GROSS DISTRIBUTION (USD) | EX DISTRIBUTION NAV (USD) |
|------------|-------------------------------------|--------------------------------|------------------------------------|
| 27.11.2020 | 0.5004 | (0.0080) | 0.4924 |
| 27.05.2020 | 0.4418 | (0.0075) | 0.4343 |

Financial Year Ended 30 November 2019:

RM Class

| CUM DATE | CUM DISTRIBUTION NAV (RM) | GROSS DISTRIBUTION (RM) | EX DISTRIBUTION NAV (RM) |
|-----------|------------------------------------|-------------------------------|-----------------------------------|
| 26-Nov-19 | 0.5310 | (0.0105) | 0.5205 |

USD Class

| CUM DATE | CUM DISTRIBUTION NAV (USD) | GROSS DISTRIBUTION (USD) | EX DISTRIBUTION NAV (USD) |
|-----------|-------------------------------------|--------------------------------|------------------------------------|
| 26-Nov-19 | 0.5180 | (0.0100) | 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 three financial years:

| Sector Allocation | % of Net Asset Value | | |
|--|----------------------|------------------|------------------|
| | 30 November 2021 | 30 November 2020 | 30 November 2019 |
| Islamic Real Estate Investment Trusts (i-REITs) - US | 51.02 | 52.04 | 50.11 |
| Islamic Real Estate Investment Trusts (i-REITs) - Foreign | 45.33 | 45.55 | 42.19 |
| Total Islamic Real Estate Investment Trusts (i-REITs) | 96.35 | 97.59 | 92.30 |
| Other Assets & Liabilities | 3.65 | 2.41 | 7.69 |

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| Country Allocation | % of Net Asset Value | | |
|---|----------------------|------------------|------------------|
| | 30 November 2020 | 30 November 2020 | 30 November 2019 |
| Australia | 17.33 | 19.77 | 15.29 |
| United Kingdom | 11.07 | 3.97 | 5.94 |
| Japan | 5.74 | 7.05 | 7.65 |
| Hong Kong / China | 4.83 | 4.83 | 4.17 |
| Singapore | 4.66 | 4.63 | 5.91 |
| Canada | 0.89 | 4.22 | 1.81 |
| Mexico | 0.81 | 1.08 | 0.92 |
| New Zealand | - | - | 0.50 |
| Total Collective investment scheme - Foreign | 45.33 | 45.55 | 42.19 |

As at 30 November 2021, the Fund was 51.02% invested in Islamic Real Estate Investment Trusts-US, 45.33% invested in Islamic Real Estate Investment Trusts-Foreign and 3.65% in other assets & liabilities. The Fund increased its allocation to United Kingdom, Hong Kong/China and Singapore. On the contrary, the Fund reduced its exposure in US, Australia, Japan, Canada and Mexico.

2.3 MARKET REVIEW

During the financial year under review (1st December 2020 to 30th November 2021), the Shariah Global Real Estate sector posted strong returns, significantly outperforming the broader global equity markets. Global equities performed well in the 12-month period, with the United States leading the way. The rollout of multiple COVID-19 vaccines enabled a gradual lifting of virus-related restrictions, fuelling a surge in both economic growth and corporate earnings. Monetary policy was also supportive, with most central banks holding interest rates near zero and maintaining stimulative quantitative easing programmes for much of the period. Several fiscal stimulus packages enacted by the U.S. government provided an additional tailwind for investor sentiment. These developments outweighed concerns about inflation, new variants of the coronavirus, and slower growth in China, contributing to the positive showing for stocks.

The U.S. market outpaced its global peers, thanks in part to the country's higher vaccination rate and the strength in mega-cap technology stocks. Canada was also a top performer, led by the energy sector. Europe and Asia, while posting solid absolute returns, lagged North America due to the combination of unfavorable currency translation, slower reopening trends, and weaker economic growth. The emerging markets, which registered only a narrow gain, were notable underperformers due largely to pronounced weakness in China.

2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

As we enter the final month of 2021, the Shariah Global REIT sector has performed very well with year-to-date performance outperforming the broader global equity markets. Shariah Global REITs have remained resilient and present an attractive asset class in the current market environment, even with renewed volatility as a result of the emergence of the Omicron variant. The sector's favourable distribution yields and steady cash flow remain attractive and given the outlook for the economic recovery to persist in 2022, we believe dividend and earnings growth will continue to trend positively. While the COVID-19 virus has been problematic given the varying degree of cases around the world and the emergence of new variants, the overall progress of an economic recovery remains intact. We remain optimistic on the continuation of vaccine penetration and the use of booster shots to curtail the spread of the virus. While the economic recovery may be volatile over the near-term given the progression of COVID-19 variants, we believe we are still in the early stages of a full global economic recovery. We have seen evidence over the year of pent-up demand that has begun in those regions where restrictions have been reduced or lifted, and ultimately believe that will lead to stronger economic growth as the year concludes and into 2022.

MANULIFE SHARIAH GLOBAL REIT FUND

Despite this positive view we constantly monitor potential risks across Shariah Global REITs, including geopolitical risks that could weigh on global markets. Select sub-sectors and regions within Shariah Global REITs may continue to see some earnings pressure as a result of the COVID-19 virus, and we have positioned the Fund accordingly. We believe near-term pressure on real estate fundamentals will ease over time as the global economy recovers, especially in the Office, Retail and Residential sub-sectors. From a regional perspective, we favour the U.S., Australia, Hong Kong, and Singapore owing to a combination of attractive valuations and distribution yields. Within these countries, and from a global perspective, we see investment opportunities within Industrial, Retail and technology-related REITs. We have minimised our exposure to the Japanese based on its relative distribution yields and valuations.

During 2021, we have seen a resurgence of dividend growth within the sector as during 2020 some REITs took a conservative approach and reduced or maintained their dividends. As the economic recovery has begun, we have seen REITs beginning to increase their respective distributions. We expect further improvement regarding dividend growth as the economy recovers for the rest of 2021 and into 2022. In addition, REIT valuations continue to trade near or below their respective net asset values which may lead to an increase in merger-and-acquisition (M&A) activity. During 2021, we have seen a pick-up in M&A which we believe is driven by the improved economic outlook, low interest rate environment and by the significant amount of institutional capital that is designated to real estate investments.

Overall, we believe the long-term outlook for Shariah Global REITs remains positive given the trajectory of the recovery and likely lower-for-longer interest rate environment. Distribution yields within the sector remain attractive compared to other yield-oriented investments. The spread between the yields of REITs and fixed income securities is well above historical averages. We continue to find attractive opportunities within the REIT market that trade at significant discounts to what we view as their intrinsic net asset values.

2.5 BREAKDOWN OF UNIT HOLDINGS BY SIZE AS AT 30 NOVEMBER 2021

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 | 2,283 | 31.30 | 51,317 | 9.56 |
| 5,001 to 10,000 | 2,775 | 38.03 | 6,570 | 1.22 |
| 10,001 to 50,000 | 1,410 | 19.33 | 10,169 | 1.90 |
| 50,001 to 500,000 | 789 | 10.82 | 94,518 | 17.61 |
| Above 500,001 | 38 | 0.52 | 374,006 | 69.71 |
| Manager's stock | - | - | - | - |
| Total | 7,295 | 100.00 | 536,580 | 100.00 |

USD Class

| Size of Holdings | No. of Unit Holders | % | No. of Units Held ('000) | % |
|-------------------|---------------------|---------------|--------------------------|---------------|
| 5,000 and below | 1 | 10.00 | 48 | 0.36 |
| 5,001 to 10,000 | - | - | - | - |
| 10,001 to 50,000 | - | - | - | - |
| 50,001 to 500,000 | 6 | 60.00 | 1,221 | 9.21 |
| Above 500,001 | 3 | 30.00 | 11,986 | 90.43 |
| Manager's stock | - | - | - | - |
| Total | 10 | 100.00 | 13,255 | 100.00 |

MANULIFE SHARIAH GLOBAL REIT FUND

2.6 STATE OF AFFAIRS

NOTIFICATION OF CHANGES

A new Fourth Supplemental Master Prospectus dated 13 September 2021 was issued to make the following general and administrative updates:

- an update to the contact information of the Manager, the Trustee and the Shariah Adviser;
- an update to the board of directors of the Manager;
- an update to the particulars of the Trustee's delegate; and
- inclusion of a disclosure that the Manager reserves the right to request for additional documentation before an application for investment is made.

The Fourth Supplemental Master Prospectus dated 13 September 2021 is available in the company website: www.manulifeinvestment.com.my.

3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS

The Management Company did not retain any rebates.

For the financial year ended 30 November 2021, the Manager and its Fund Manager did not receive any rebates or soft commissions.

4 STATEMENT BY THE MANAGER

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad (the “Manager”), do hereby state that, in the opinion of the Manager, the accompanying financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to unit holders, statement of cash flows, summary of significant accounting policies and notes to the financial statements, are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 30 November 2021 and of its financial performance, changes in net assets attributable to unit holders and cash flows of the Fund for the financial year ended 30 November 2021 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

EDMOND CHEAH SWEE LENG

DIRECTOR

CHONG SOON MIN

DIRECTOR

Kuala Lumpur

25 January 2022

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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 year ended 30 November 2021. To the best of our knowledge, Manulife Investment Management (M) Berhad ("the Management Company"), has operated and managed the Fund in accordance with the following:

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

During this financial year, a total distribution of 2.20 sen per unit (gross) for RM Class and 2.15 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 objectives of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat
Manager, Investment Compliance Monitoring

Kuala Lumpur
25 January 2022

6 SHARIAH ADVISER'S REPORT

TO THE UNIT HOLDERS OF MANULIFE SHARIAH GLOBAL REIT FUND

We hereby confirm the following:

To the best of our knowledge, after having made all reasonable enquiries, Manulife Investment Management (M) Berhad has operated and managed the Fund during the financial year covered by these financial statements in accordance with the Shariah principles and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and

The assets of the Fund comprise instruments that have been classified as Shariah-compliant by Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or the Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia or the Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

The instruments which were earlier classified as Shariah-compliant and subsequently reclassified as Shariah non-compliant by the Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index consist of Mapletree Commercial Trust REIT NPV, Empiric Student Property Plc – REIT, Dexus REIT, Allied Properties Real Estate Investment Trust, Welltower Inc REIT, and Federal Realty Investment Trust. These reclassified Shariah non-compliant instruments had been fully disposed of in January, February, May, June and October 2021 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus.

The instruments which were earlier classified as Shariah-compliant and subsequently reclassified as Shariah non-compliant by the Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index consist of United Urban Investment Corporation. These reclassified Shariah non-compliant instruments shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus, of which United Urban Investment Corporation, and had been partially disposed in February 2021.

The instruments which were earlier classified as Shariah-compliant and subsequently reclassified as Shariah non-compliant by the Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index consist of CorEnergy Infrastructure Trust Reit, CapitaLand China Trust REIT, Link REIT and Vicinity Centres - REIT. These reclassified Shariah non-compliant instruments shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN

Designated Person Responsible For Shariah Matters Relating To the Fund

Kuala Lumpur
25 January 2022

MANULIFE SHARIAH GLOBAL REIT FUND

7 INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF MANULIFE SHARIAH GLOBAL REIT FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Manulife Shariah Global REIT Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 30 November 2021 and of its financial performance and its cash flows for the financial year ended 30 November 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 30 November 2021 and the statement of comprehensive income, statement of changes in net assets attributable to unit holders and statement of cash flows for the financial year ended 30 November 2021, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 18 to 43.

Basis for opinion

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

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

Independence and other ethical responsibilities

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

MANULIFE SHARIAH GLOBAL REIT FUND

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
25 January 2022

MANULIFE SHARIAH GLOBAL REIT FUND

8 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

| | Note | 2021 USD | 2020 USD |
|---|---------|-------------------|--------------------|
| INVESTMENT INCOME | | | |
| Profit income from deposits with licensed financial institutions at amortised cost | | 38 | 4,615 |
| Gross dividend income | | 2,122,244 | 2,404,272 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 5 | 13,209,918 | (2,082,987) |
| Net foreign currency exchange loss | | (50,914) | (204,988) |
| | | <u>15,281,286</u> | <u>120,912</u> |
| EXPENSES | | | |
| Manager's fee | 2 | 1,259,612 | 1,285,032 |
| Trustee's fee | 3 | 41,987 | 42,835 |
| Auditors' remuneration | | 1,423 | 1,389 |
| Tax agent's fee | | 661 | 647 |
| Other expenses | | 471,834 | 625,957 |
| Transaction costs | | 63,970 | 90,412 |
| | | <u>1,839,487</u> | <u>2,046,272</u> |
| PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION | | 13,441,799 | (1,925,360) |
| FINANCE COST | | | |
| - RM CLASS | 15 (i) | (2,453,062) | (1,707,256) |
| - USD CLASS | 15 (ii) | (237,843) | (172,557) |
| PROFIT/(LOSS) AFTER FINANCE COST AND BEFORE TAXATION | | 10,750,894 | (3,805,173) |
| TAXATION | 4 | - | - |
| INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | <u>10,750,894</u> | <u>(3,805,173)</u> |
| Increase/(decrease) in net assets attributable to unit holders is made up as follows: | | | |
| Realised | | 256,072 | 447,035 |
| Unrealised | | 10,494,822 | (4,252,208) |
| | | <u>10,750,894</u> | <u>(3,805,173)</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

9 STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2021

| | Note | 30.11.2021 USD | 30.11.2020 USD |
|--|--------|--------------------|--------------------|
| ASSETS | | | |
| Cash and cash equivalents | 6 | 2,732,845 | 1,940,768 |
| Financial assets at fair value through profit or loss | 5 | 82,041,251 | 68,393,183 |
| Amount due from Manager | | 497,573 | 35,808 |
| Amount due from stockbrokers | | 1,726 | 789,182 |
| Dividends receivable | | 161,765 | 177,201 |
| Other receivables | | - | 112,597 |
| TOTAL ASSETS | | 85,435,160 | 71,448,739 |
| LIABILITIES | | | |
| Amount due to Manager | | | |
| - Manager's fee | | 126,844 | 108,450 |
| - Cancellation of units | | 81,039 | 691,152 |
| Amount due to stockbrokers | | - | 524,999 |
| Amount due to Trustee | | 4,228 | 3,615 |
| Other payables | 7 | 5,570 | 4,301 |
| Distribution payable | | 72,007 | 32,148 |
| TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS) | | 289,688 | 1,364,665 |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS | | 85,145,472 | 70,084,074 |
| NET ASSET VALUE ("NAV") OF THE FUND | | 85,145,472 | 70,084,074 |
| REPRESENTED BY: FAIR VALUE OF OUTSTANDING UNITS (USD) | | | |
| - RM Class | | 77,402,048 | 64,935,984 |
| - USD Class | | 7,743,424 | 5,148,090 |
| | | 85,145,472 | 70,084,074 |
| NUMBER OF UNITS IN CIRCULATION (UNITS) | | | |
| - RM Class | 9 (i) | 536,580,071 | 537,455,674 |
| - USD Class | 9 (ii) | 13,255,431 | 10,515,392 |
| | | 549,835,502 | 547,971,066 |
| NET ASSET VALUE PER UNIT (USD) | | | |
| - RM Class | | 0.1443 | 0.1208 |
| - USD Class | | 0.5842 | 0.4896 |
| NET ASSET VALUE PER UNIT IN RESPECTIVE CURRENCIES | | | |
| - RM Class | | 0.6075 | 0.4920 |
| - USD Class | | 0.5842 | 0.4896 |

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 CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

| | <u>30.11.2021</u> | <u>30.11.2020</u> |
|---|--------------------------|--------------------------|
| | USD | USD |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR | 70,084,074 | 54,826,854 |
| Movement due to units created and cancelled during the financial year/period: | | |
| Creation of units arising from applications | | |
| - RM Class | 27,907,933 | 41,162,813 |
| - USD Class | 5,137,161 | 4,931,559 |
| Creation of units arising from distribution | | |
| - RM Class | 2,359,068 | 1,643,398 |
| - USD Class | 218,437 | 162,900 |
| Cancellation of units | | |
| - RM Class | (27,741,436) | (22,466,607) |
| - USD Class | (3,570,659) | (6,371,670) |
| | <u>74,394,578</u> | <u>73,889,247</u> |
| Increase/(decrease) in net assets attributable to unit holders during the financial year | <u>10,750,894</u> | <u>(3,805,173)</u> |
| NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR | <u><u>85,145,472</u></u> | <u><u>70,084,074</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

11 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

| | Note | 2021 USD | 2020 USD |
|--|------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from sale of investments | | 45,365,643 | 81,488,875 |
| Purchase of investments | | (45,605,306) | (102,654,483) |
| Net realised foreign exchange loss | | (115,140) | (211,273) |
| Dividends received | | 1,705,028 | 2,297,450 |
| Profit income received | | 38 | 4,615 |
| Manager's fee paid | | (1,241,218) | (1,251,178) |
| Trustee's fee paid | | (41,374) | (41,706) |
| Other income received/(payment for other fees and expenses) | | 72,600 | (740,526) |
| Net cash generated from/(used in) operating activities | | <u>140,271</u> | <u>(21,108,226)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution paid | | (74,889) | (51,507) |
| Proceeds from creation of units | | 32,584,677 | 47,521,186 |
| Payments for cancellation of units | | (31,922,208) | (28,147,125) |
| Net cash generated from financing activities | | <u>587,580</u> | <u>19,322,554</u> |
| Net increase/(decrease) in cash and cash equivalents | | 727,851 | (1,785,672) |
| Currency translation differences | | 64,226 | 6,285 |
| Cash and cash equivalents at beginning of the financial year | | <u>1,940,768</u> | <u>3,720,155</u> |
| Cash and cash equivalents at end of the financial year | 6 | <u><u>2,732,845</u></u> | <u><u>1,940,768</u></u> |
| Cash and cash equivalents comprise: | | | |
| Bank balance in a licensed bank | 6 | <u><u>2,732,845</u></u> | <u><u>1,940,768</u></u> |

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

12 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

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

A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the financial year ended 30 November 2021.

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

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

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

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

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

The amendments also:

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

MANULIFE SHARIAH GLOBAL REIT FUND

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

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

Key changes include:

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

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

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

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

B FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both 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 Shariah-compliant 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, dividends receivable and other receivables 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 year which they arise.

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

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

(iv) Significant increase in credit risk

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

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

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

MANULIFE 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 year.

C CREATION AND CANCELLATION OF UNITS

The unit holders' contributions to the Fund meet the definition of puttable instruments classified as financial liability under MFRS 132 "Financial Instruments: Presentation".

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 close of business on the relevant dealing day. 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 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 the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are 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 the Manager as any contractual payment which is more than 30 days past due.

G CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at bank 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.

Transactions and balances

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

I FINANCE COST

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

A proposed distribution 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 year.

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, other receivables, amount due to Trustee, other payable 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 Malaysian 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

13 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2021

1 INFORMATION ON THE FUND

Manulife Shariah Global 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 ("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 1.5.1 of the Prospectus, which are Islamic collective investment scheme which include real estate investment trust listed or traded on markets where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions, Islamic money market instruments and Islamic deposits, Islamic hedging instruments, and any other form of Shariah-compliant investments as may be agreed between the Management Company and the Trustee from time to time that is in line with the Fund's objective. The Fund commenced operations on 12 March 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 (i-REITs).

*Income distribution (if any) may be made in the form of cash or additional Units reinvested into the Fund.

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

The Fund may invest in different Islamic REIT 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 25 January 2022.

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.

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 (2020: 0.06% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis, 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 SHARIAH GLOBAL REIT FUND

4 TAXATION

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| | <u>USD</u> | <u>USD</u> |
| Current taxation | - | - |
| Numerical reconciliation between profit/(loss) before finance cost and taxation multiplied by the Malaysian statutory tax rate and tax expenses of the Fund is as follows: | | |
| | <u>2021</u> | <u>2020</u> |
| | <u>USD</u> | <u>USD</u> |
| Profit/(loss) before finance cost and taxation | 13,441,799 | (1,925,360) |
| Tax calculated at Malaysian tax rate of 24% (2020: 24%) | 3,226,032 | (462,086) |
| Tax effect in respect of: | | |
| - Expenses not deductible for tax purposes | 137,944 | 182,010 |
| - Restriction on tax deductible expenses for unit trust funds | 303,533 | 309,095 |
| - Investment income not subject to tax | (3,667,509) | (29,019) |
| Tax expenses | - | - |

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | <u>30.11.2021</u> | <u>30.11.2020</u> |
|--|-------------------|-------------------|
| | <u>USD</u> | <u>USD</u> |
| Financial assets at fair value through profit or loss | | |
| - Islamic Real Estate Investment Trusts (I-REITs) | 82,041,251 | 68,393,183 |
| Net gain/(loss) on financial assets at fair value through profit or loss | | |
| - Realised | 2,779,322 | 2,195,990 |
| - Unrealised | 10,430,596 | (4,278,977) |
| | 13,209,918 | (2,082,987) |

| <u>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs)</u> | | | Fair value as at 30.11.2021 expressed as percentage of value of Fund |
|--|-----------------|----------------|--|
| | <u>Quantity</u> | <u>Cost of</u> | <u>30.11.2021</u> |
| | <u>Units</u> | <u>shares</u> | <u>USD</u> |
| <u>30.11.2021</u> | | | |
| <u>AUSTRALIA</u> | | | |
| APN Industria REIT | 289,500 | 687,880 | 673,143 |
| Centuria Industrial Reit | 328,579 | 798,764 | 871,157 |
| Dexus * | 185,000 | 1,429,225 | 1,464,906 |
| GDI Property Group REIT | 734,950 | 616,433 | 567,897 |
| Goodman Group | 414,215 | 5,299,002 | 7,249,898 |
| Mirvac Group | 1,184,000 | 2,617,619 | 2,400,505 |
| Vicinity Centres # | 1,271,483 | 2,142,124 | 1,527,796 |
| | 4,407,727 | 13,591,047 | 14,755,302 |
| | | | 17.33 |

MANULIFE SHARIAH GLOBAL REIT FUND

| ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs) (Continued) | Quantity Units | Cost of shares USD | Fair value as at 30.11.2021 USD | Fair value as at 30.11.2021 expressed as percentage of value of Fund % |
|--|---------------------------|-----------------------------------|--|---|
| <u>CANADA</u> | | | | |
| Summit Industrial Income REIT | 43,075 | 720,421 | 756,315 | 0.89 |
| <u>HONG KONG/ CHINA</u> | | | | |
| China Merchants Commercial REIT | 1,290,000 | 465,384 | 433,552 | 0.51 |
| Link Real Estate Investment Trust # | 360,229 | 3,679,466 | 3,123,747 | 3.67 |
| Prosperity Real Estate Investment Trust | 1,454,000 | 542,583 | 559,547 | 0.65 |
| | 3,104,229 | 4,687,433 | 4,116,846 | 4.83 |
| <u>JAPAN</u> | | | | |
| GLP J-REIT | 995 | 1,603,520 | 1,580,186 | 1.86 |
| Mitsubishi Estate Logistics REIT Investment Corporation | 175 | 715,743 | 729,102 | 0.86 |
| Nippon Prologis REIT, Inc. | 501 | 1,526,282 | 1,630,578 | 1.91 |
| United Urban Investment Corporation ** | 742 | 1,238,058 | 945,065 | 1.11 |
| | 2,413 | 5,083,603 | 4,884,931 | 5.74 |
| <u>MEXICO</u> | | | | |
| Prologis Property Mexico SA de CV | 306,012 | 651,919 | 686,958 | 0.81 |
| <u>SINGAPORE</u> | | | | |
| AIMS APAC REIT Management Ltd | 523,100 | 587,943 | 534,243 | 0.63 |
| CapitaLand China Trust REIT # | 955,000 | 960,433 | 808,141 | 0.95 |
| Mapletree Industrial Trust | 917,280 | 1,903,042 | 1,766,574 | 2.07 |
| Sabana Industrial Real Estate Investment | 1,234,787 | 407,873 | 391,838 | 0.46 |
| Sasseur Real Estate Investment Trust | 722,900 | 502,583 | 469,347 | 0.55 |
| | 4,353,067 | 4,361,874 | 3,970,143 | 4.66 |
| <u>UNITED KINGDOM</u> | | | | |
| LXi REIT PLC | 315,000 | 624,501 | 615,856 | 0.72 |
| Segro PLC | 296,907 | 4,345,159 | 5,533,827 | 6.50 |
| Target Healthcare REIT PLC | 235,000 | 342,245 | 353,135 | 0.42 |
| Tritax Big Box REIT PLC | 490,000 | 1,357,520 | 1,542,649 | 1.81 |
| Urban Logistics REIT PLC | 257,000 | 486,375 | 571,132 | 0.67 |
| Warehouse REIT PLC | 378,000 | 788,287 | 807,030 | 0.95 |
| | 1,971,907 | 7,944,087 | 9,423,629 | 11.07 |
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs) - FOREIGN | | | | |
| | 14,188,430 | 37,040,384 | 38,594,124 | 45.33 |

MANULIFE SHARIAH GLOBAL REIT FUND

| | | | | Fair value as at 30.11.2021 expressed as percentage of value of Fund |
|---|-------------------|---------------------------|--|---|
| ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs) (Continued) | Quantity | Cost of shares | Fair value as at 30.11.2021 | |
| | Units | USD | USD | % |
| UNITED STATES | | | | |
| Alexandria Real Estate Equities | 9,850 | 1,649,370 | 1,970,690 | 2.31 |
| American Tower Corporation | 24,857 | 6,276,902 | 6,524,465 | 7.66 |
| Avalon Bay Communities, Inc. | 11,363 | 2,385,067 | 2,714,280 | 3.19 |
| Camden Property Trust | 6,133 | 664,244 | 1,013,233 | 1.19 |
| CorEnergy Infrastructure Trust, Inc # | 16,258 | 725,247 | 63,569 | 0.07 |
| CoreSite Realty Corporation | 6,000 | 742,962 | 1,026,300 | 1.20 |
| Crown Castle International Corporation | 25,400 | 4,369,019 | 4,613,910 | 5.42 |
| CyrusOne, Inc. | 12,500 | 908,490 | 1,112,750 | 1.31 |
| EastGroup Properties Incorporation REIT | 4,750 | 725,785 | 967,575 | 1.14 |
| Equinix Incorporation REIT | 4,850 | 3,779,847 | 3,939,170 | 4.63 |
| Healthcare Realty Trust Incorporated | 26,300 | 850,045 | 823,716 | 0.97 |
| Healthcare Trust of America Inc. | 30,300 | 877,587 | 1,028,988 | 1.21 |
| Healthpeak Properties Inc. | 40,900 | 1,431,409 | 1,343,974 | 1.58 |
| Innovative Industrial Properties Inc. | 3,100 | 625,807 | 796,173 | 0.93 |
| Lexington Corporate Properties Trust | 51,500 | 584,344 | 775,075 | 0.91 |
| Mid-America Apartment | 6,600 | 916,048 | 1,361,250 | 1.60 |
| Physicians Realty Trust | 42,000 | 778,528 | 748,860 | 0.88 |
| Prologis Incorporation REIT | 39,450 | 4,235,971 | 5,947,087 | 6.98 |
| Regency Centres Corporation | 15,509 | 1,001,304 | 1,075,394 | 1.26 |
| SBA Communications Corporation | 6,550 | 2,198,222 | 2,251,890 | 2.64 |
| UMH Properties Incorporation | 25,000 | 589,547 | 577,000 | 0.68 |
| Washington REIT | 25,000 | 633,274 | 630,000 | 0.74 |
| Welltower, Inc. * | 26,900 | 2,245,912 | 2,141,778 | 2.52 |
| | <u>461,070</u> | <u>39,194,931</u> | <u>43,447,127</u> | <u>51.02</u> |
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs) - UNITED STATES | <u>461,070</u> | <u>39,194,931</u> | <u>43,447,127</u> | <u>51.02</u> |
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs) | <u>14,649,500</u> | <u>76,235,315</u> | <u>82,041,251</u> | <u>96.35</u> |
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>5,805,936</u> | | |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | | <u>82,041,251</u> | | |

MANULIFE SHARIAH GLOBAL REIT FUND

| | | | | Fair value as at 30.11.2020 expressed as percentage of value of Fund |
|--|---------------------------|-----------------------------------|--|---|
| <u>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs)</u> | <u>Quantity Units</u> | <u>Cost of shares USD</u> | <u>Fair value as at 30.11.2020 USD</u> | <u>%</u> |
| <u>30.11.2020</u> | | | | |
| <u>AUSTRALIA</u> | | | | |
| Australian Unity Office Fund | 272,095 | 476,847 | 430,973 | 0.61 |
| Centuria Industrial Reit | 250,000 | 562,491 | 572,784 | 0.82 |
| Dexus * | 372,123 | 3,034,652 | 2,678,377 | 3.82 |
| Goodman Group | 453,715 | 4,596,407 | 6,243,824 | 8.91 |
| Stockland | 710,609 | 2,203,256 | 2,381,951 | 3.40 |
| Vicinity Centres # | 1,271,483 | 2,142,124 | 1,545,558 | 2.21 |
| | <u>3,330,025</u> | <u>13,015,777</u> | <u>13,853,467</u> | <u>19.77</u> |
| <u>CANADA</u> | | | | |
| Allied Properties Real Estate Investment Trust * | 46,284 | 1,752,560 | 1,458,141 | 2.08 |
| Dream Industrial Real Estate REIT | 75,000 | 596,316 | 737,439 | 1.05 |
| Interrent Real Estate Investment | 70,740 | 698,202 | 765,436 | 1.09 |
| | <u>192,024</u> | <u>3,047,078</u> | <u>2,961,016</u> | <u>4.22</u> |
| <u>HONG KONG/ CHINA</u> | | | | |
| Link Real Estate Investment Trust # | 343,742 | 3,554,852 | 3,015,164 | 4.30 |
| Prosperity Real Estate Investment Trust | 1,174,000 | 432,688 | 372,540 | 0.53 |
| | <u>1,517,742</u> | <u>3,987,540</u> | <u>3,387,704</u> | <u>4.83</u> |
| <u>JAPAN</u> | | | | |
| GLP J-REIT | 750 | 1,159,425 | 1,135,862 | 1.62 |
| Japan Logistics Fund, Inc. | 308 | 812,717 | 871,475 | 1.24 |
| Nippon Prologis REIT, Inc. | 528 | 1,557,180 | 1,658,546 | 2.37 |
| United Urban Investment Corporation ** | 1,127 | 1,880,446 | 1,275,523 | 1.82 |
| | <u>2,713</u> | <u>5,409,768</u> | <u>4,941,406</u> | <u>7.05</u> |
| <u>MEXICO</u> | | | | |
| Prologis Property Mexico SA de CV | 348,512 | 735,811 | 754,812 | 1.08 |
| <u>SINGAPORE</u> | | | | |
| Frasers Centrepoint Trust | 432,737 | 802,337 | 749,552 | 1.07 |
| Mapletree Commercial Trust * | 405,000 | 712,499 | 616,843 | 0.88 |
| Mapletree Industrial Trust | 733,600 | 1,513,899 | 1,610,261 | 2.30 |
| Sabana Industrial Real Estate Investment Trust | 1,075,900 | 356,352 | 269,095 | 0.38 |
| | <u>2,647,237</u> | <u>3,385,087</u> | <u>3,245,751</u> | <u>4.63</u> |
| <u>UNITED KINGDOM</u> | | | | |
| Empiric Student Property PLC * | 289,500 | 346,991 | 282,090 | 0.40 |
| Target Healthcare REIT PLC | 370,000 | 538,854 | 563,019 | 0.80 |
| Tritax Big Box REIT PLC | 609,568 | 1,116,677 | 1,345,779 | 1.92 |
| Urban Logistics REIT PLC | 300,000 | 560,213 | 594,653 | 0.85 |
| | <u>1,569,068</u> | <u>2,562,735</u> | <u>2,785,541</u> | <u>3.97</u> |

MANULIFE SHARIAH GLOBAL REIT FUND

| <u>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs) (Continued)</u> | <u>Quantity Units</u> | <u>Cost of shares USD</u> | <u>Fair value as at 30.11.2020 USD</u> | <u>Fair value as at 30.11.2020 expressed as percentage of value of Fund %</u> |
|--|---------------------------|-----------------------------------|--|---|
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs) - FOREIGN | <u>9,607,321</u> | <u>32,143,796</u> | <u>31,929,697</u> | <u>45.55</u> |

| <u>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs)</u> | <u>Quantity Units</u> | <u>Cost of shares USD</u> | <u>Fair value as at 30.11.2020 USD</u> | <u>Fair value as at 30.11.2020 expressed as percentage of value of Fund %</u> |
|--|---------------------------|-----------------------------------|--|---|
| <u>UNITED STATES</u> | | | | |
| Alexandria Real Estate Equities | 8,500 | 1,336,717 | 1,391,705 | 1.99 |
| American Tower Corporation | 28,107 | 7,068,528 | 6,498,338 | 9.27 |
| Avalon Bay Communities, Inc. | 12,863 | 2,699,913 | 2,142,847 | 3.06 |
| Camden Property Trust | 9,033 | 978,333 | 892,731 | 1.27 |
| CorEnergy Infrastructure Trust, Inc # | 16,258 | 725,247 | 96,735 | 0.14 |
| CoreSite Realty Corporation | 5,400 | 669,591 | 677,106 | 0.97 |
| Crown Castle International Corporation | 26,150 | 4,310,319 | 4,381,956 | 6.25 |
| Digital Realty Trust, Inc. | 17,450 | 2,447,034 | 2,351,388 | 3.36 |
| Duke Realty | 29,000 | 1,002,767 | 1,103,740 | 1.57 |
| Equity Residential | 34,441 | 2,864,524 | 1,994,823 | 2.85 |
| Equinix Incorporation REIT | 2,000 | 1,563,479 | 1,395,580 | 1.99 |
| Federal Realty Investment Trust * | 10,026 | 1,297,525 | 874,468 | 1.25 |
| First Industrial Realty Trust | 12,500 | 524,624 | 523,500 | 0.75 |
| Healthcare Realty Trust Incorporated | 20,450 | 679,765 | 603,275 | 0.86 |
| Lexington Corporate Properties Trust | 53,800 | 585,656 | 549,298 | 0.78 |
| Mid-America Apartment | 8,850 | 1,190,129 | 1,116,516 | 1.59 |
| Physicians Realty Trust | 33,087 | 608,843 | 574,059 | 0.82 |
| Prologis Incorporation REIT | 41,150 | 3,927,426 | 4,117,058 | 5.87 |
| QTS Realty Trust, Inc. | 10,500 | 670,763 | 623,805 | 0.89 |
| Regency Centres Corporation | 21,609 | 1,398,337 | 984,938 | 1.41 |
| STAG Industrial, Inc. | 21,628 | 656,754 | 644,082 | 0.92 |
| UMH Properties Incorporation | 34,100 | 466,316 | 488,653 | 0.70 |
| Welltower, Inc. * | 38,693 | 3,201,457 | 2,436,885 | 3.48 |
| | <u>495,595</u> | <u>40,874,047</u> | <u>36,463,486</u> | <u>52.04</u> |

| | | | | |
|---|----------------|-------------------|-------------------|--------------|
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUST (i-REITs) - UNITED STATES | <u>495,595</u> | <u>40,874,047</u> | <u>36,463,486</u> | <u>52.04</u> |
|---|----------------|-------------------|-------------------|--------------|

| | | | | |
|--|-------------------|-------------------|-------------------|--------------|
| TOTAL ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs) | <u>10,102,916</u> | <u>73,017,843</u> | <u>68,393,183</u> | <u>97.59</u> |
|--|-------------------|-------------------|-------------------|--------------|

| | |
|---|--------------------|
| ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | <u>(4,624,660)</u> |
|---|--------------------|

| | |
|--|-------------------|
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | <u>68,393,183</u> |
|--|-------------------|

MANULIFE SHARIAH GLOBAL REIT FUND

*Mapletree Commercial Trust REIT NPV, Empiric Student Property Plc – REIT, Dexus REIT, Allied Properties Real Estate Investment Trust, Welltower Inc REIT, and Federal Realty Investment Trust were delisted as Shariah non-compliant and had been fully disposed of in January, February, May, June and October 2021 in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus.

**United Urban Investment Corporation had been delisted as Shariah non-compliant instruments and shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus, of which United Urban Investment Corporation, and had been partially disposed in February 2021.

#CorEnergy Infrastructure Trust Reit, Capitaland China Trust REIT, LINK REIT and Vicinity Centres - REIT had been delisted as Shariah non-compliant instruments and shall be disposed of in accordance with the Fund's Shariah investment guidelines as provided in the Fund's Master Deed and supplemental Deeds, if any, as disclosed in the Fund's prospectus.

6 CASH AND CASH EQUIVALENTS

| | <u>30.11.2021</u> USD | <u>30.11.2020</u> USD |
|---------------------------------|--------------------------|--------------------------|
| Bank balance in a licensed bank | 2,732,845 | 1,940,768 |

7 OTHER PAYABLES

| | <u>30.11.2021</u> RM | <u>30.11.2020</u> RM |
|------------------------------|-------------------------|-------------------------|
| Auditors' remuneration | 1,491 | 1,476 |
| Tax agent's fee | 668 | 657 |
| Sundry payables and accruals | 3,411 | 2,168 |
| | <u>5,570</u> | <u>4,301</u> |

8 SHARIAH INFORMATION OF THE FUND

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

- (a) Quoted foreign Shariah-compliant securities which were verified as Shariah-compliant by the Shariah Adviser.
- (b) Liquid assets in the local market which are placed in Shariah-compliant investments and/or instruments.
- (c) Mapletree Commercial Trust REIT NPV, Empiric Student Property Plc – REIT, Dexus REIT, Allied Properties Real Estate Investment Trust, Welltower Inc REIT, and Federal Realty Investment Trust were delisted as Shariah non-compliant and had been fully disposed of in January, February, May, June and October 2021. There were no capital gains arising from the disposal of these securities; and
- (d) Foreign equity securities in the foreign market which have been classified as Shariah-compliant by the relevant Shariah Supervisory Board of IdealRatings® Global REITs Islamic Select Malaysia Index for the financial period under review except for United Urban Investment Corporation, Vicinity Centres - REIT, CorEnergy Infrastructure Trust Reit, Capitaland China Trust REIT and LINK REIT. These securities have been excluded from the Index with effect from 5 October 2020, 5 October 2020, and 5 July 2021, 4 October 2021 and 4 October 2021 respectively. United Urban Investment Corporation had been partially disposed in February 2021 and there was no capital gains arising from the disposal of this security. The Fund is allowed to hold the investment in these securities as the market price of these securities are below the investment cost. It is also permissible for the Fund to keep the dividends received during the holding period until such time when the total amount of dividends received and the market value of these securities are equal to the investment cost. However, if there is any excess gains arising from the disposal of these securities, the same will be required to be channelled to charitable bodies as approved by the Shariah Advisor.

MANULIFE SHARIAH GLOBAL REIT FUND

9 UNITS IN CIRCULATION

| (i) RM Class | 2021 | 2020 |
|--|--------------------|--------------------|
| | No. of units | No. of units |
| At beginning of the financial year | 537,455,674 | 386,205,408 |
| Add: Creation of units arising from applications | 195,274,596 | 333,798,134 |
| Add: Creation of units arising from distribution | 16,675,072 | 14,334,416 |
| Less: Cancellation of units | (212,825,271) | (196,882,284) |
| At end of the financial year | <u>536,580,071</u> | <u>537,455,674</u> |

| (ii) USD Class | 2021 | 2020 |
|--|-------------------|-------------------|
| | No. of units | No. of units |
| At beginning of the financial year | 10,515,392 | 13,122,659 |
| Add: Creation of units arising from applications | 8,946,871 | 10,029,573 |
| Add: Creation of units arising from distribution | 381,369 | 346,136 |
| Less: Cancellation of units | (6,588,201) | (12,982,976) |
| At end of the financial year | <u>13,255,431</u> | <u>10,515,392</u> |

10 BROKERS' TRANSACTIONS

| Name of brokers | Value of trades | Percentage of total trades | Brokerage fees | Percentage of total brokerage fees |
|--|--------------------|----------------------------|----------------|------------------------------------|
| | USD | % | USD | % |
| 30.11.2021 | | | | |
| Goldman Sachs & Co. LLC | 15,783,852 | 17.78 | 4,900 | 7.66 |
| National Financial Services LLC | 12,486,547 | 14.06 | 4,073 | 6.37 |
| CitiGroup Global Markets | | | | |
| Incorporation | 12,008,701 | 13.52 | 16,439 | 25.70 |
| Jefferies International Limited London | 8,549,050 | 9.63 | 4,541 | 7.10 |
| Valeurs Mobilieres Desjardins | | | | |
| Incorporation | 7,701,510 | 8.67 | 6,092 | 9.52 |
| Credit Suisse Securities (USA) LLC | 6,997,345 | 7.88 | 6,509 | 10.18 |
| Morgan Stanley & Co. LLC | 6,606,013 | 7.44 | 5,868 | 9.17 |
| Jefferies LLC | 5,078,439 | 5.72 | 2,921 | 4.57 |
| ITG Australia Ltd | 2,661,922 | 3.00 | 3,732 | 5.83 |
| BofA Securities Incorporation | 1,960,195 | 2.21 | 1,058 | 1.65 |
| Others | 8,961,573 | 10.09 | 7,837 | 12.25 |
| | <u>88,795,147</u> | <u>100.00</u> | <u>63,970</u> | <u>100.00</u> |
| 30.11.2020 | | | | |
| National Financial Services LLC | 48,572,716 | 26.73 | 12,404 | 13.72 |
| Goldman Sachs & Co. LLC | 41,255,278 | 22.70 | 10,085 | 11.15 |
| ITG Incorporation | 14,183,101 | 7.80 | 4,559 | 5.04 |
| Morgan Stanley & Co. LLC | 12,346,860 | 6.79 | 11,345 | 12.55 |
| State Street Bank and Trust Company | 9,262,051 | 5.10 | 1,629 | 1.80 |
| CitiGroup Global Markets Incorporation | 9,724,935 | 5.35 | 8,576 | 9.49 |
| Sanford C. Bernstein and Co. LLC | 6,067,539 | 3.34 | 5,844 | 6.46 |
| ITG Hong Kong Limited | 4,149,597 | 2.28 | 5,810 | 6.43 |
| Credit Suisse Securities (USA) LLC | 3,974,537 | 2.19 | 4,614 | 5.10 |
| Goodbody Stockbrokers | 3,707,095 | 2.04 | 2,224 | 2.46 |
| Others | 28,497,128 | 15.68 | 23,324 | 25.80 |
| | <u>181,740,837</u> | <u>100.00</u> | <u>90,414</u> | <u>100.00</u> |

As at the end of the financial year, 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:

| Related parties | Relationship |
|--|---|
| Manulife Investment Management (M) Berhad | The Manager |
| Manulife Financial Corporation ("Manulife") | Ultimate holding company of the Manager |
| Manulife Holdings Berhad | Immediate holding company of the Manager |
| Subsidiaries and associates of Manulife as disclosed in its financial statements | Subsidiaries and associate companies of the ultimate holding company of the Manager |
| Directors of Manulife Investment Management (M) Berhad | Directors of the Manager |
| Manulife Shariah PRS-Global REIT Fund | Fund managed by the Manager |

There were no units held by the Manager as at 30 November 2021 and 30 November 2020 respectively.

Units held by the party related to the Manager :

| As at: | MANULIFE SHARIAH PRS - GLOBAL REIT FUND ** | | | |
|----------------------------|---|-----------|--------------|-----|
| | RM Class | | USD Class | |
| | No. of units | USD | No. of units | USD |
| 30.11.2021 | 10,290,328 | 1,484,894 | - | - |
| 30.11.2020 | 4,453,949 | 538,037 | - | - |
| RESPECTIVE CURRENCY | | | | |
| As at: | | | | |
| 30.11.2021 | 10,290,328 | 6,251,374 | - | - |
| 30.11.2020 | 4,453,949 | 2,191,343 | - | - |

** The units are held legally and beneficially

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

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

12 MANAGEMENT EXPENSES RATIO ("MER")

| | 2021 | 2020 |
|-----|------|------|
| | % | % |
| MER | 1.92 | 2.02 |

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")

| | 2021 | 2020 |
|-------------|------|------|
| PTR (times) | 0.64 | 1.28 |

PTR represents the average of total acquisitions and disposals of Shariah-compliant investments in the Fund for the financial year 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 quoted 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.

| | 30.11.2021 | 30.11.2020 |
|---|------------|------------|
| | USD | USD |
| Financial assets at fair value through profit or loss | | |
| - Islamic Real Estate Investment Trusts (i-REITs) | 82,041,251 | 68,393,183 |

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation 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 investment fluctuates by 5% with all other variables being held constant and that fair value of the Fund's Shariah-compliant investment schemes 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> | <u>Changes in price</u> | <u>Impact on profit/(loss) after taxation</u> | <u>Impact on net asset value</u> |
|---|-------------------------|---|----------------------------------|
| | % | RM | RM |
| <u>30.11.2021</u> | | | |
| Financial assets at fair value through profit or loss | | | |
| - Islamic Real Estate Investment Trusts (i-REITs) | 5 | 4,102,063 | 4,102,063 |
| <u>30.11.2020</u> | | | |
| Financial assets at fair value through profit or loss | | | |
| - Islamic Real Estate Investment Trusts (i-REITs) | 5 | 3,419,659 | 3,419,659 |

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 Islamic deposits with financial institutions. The Manager overcomes this exposure by way of maintaining Islamic 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 requirements.

(c) Currency risk

For Shariah-compliant 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 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 are as follows:

| As at | Cash and cash equivalents USD | Financial assets at fair value through profit or loss USD | Amount due from/(to) Manager USD | Amount due from stock- receivables/ brokers USD | Other receivables/ (payables)* USD | Total USD |
|-------------------|--|--|--|--|---|--------------|
| 30.11.2021 | | | | | | |
| AUD | - | 14,755,302 | - | - | - | 14,755,302 |
| CAD | - | 756,315 | - | - | 1,184 | 757,499 |
| GBP | - | 9,423,629 | - | - | 8,839 | 9,432,468 |
| HKD | - | 4,116,846 | - | - | 73,745 | 4,190,591 |
| JPY | - | 4,884,931 | - | - | 35,673 | 4,920,604 |
| MYR | 60 | - | 385,169 | - | (57,114) | 328,115 |
| MXN | - | 686,958 | - | - | - | 686,958 |
| SGD | - | 3,970,143 | - | 1,726 | 27,806 | 3,999,675 |
| | 60 | 38,594,124 | 385,169 | 1,726 | 90,133 | 39,071,212 |

30.11.2020

| | | | | | | |
|-----|----|------------|---|---------|----------|------------|
| AUD | - | 13,853,467 | - | 789,182 | - | 14,642,649 |
| CAD | - | 2,961,016 | - | - | 7,697 | 2,968,713 |
| GBP | - | 2,785,541 | - | - | - | 2,785,541 |
| HKD | - | 3,387,704 | - | - | 67,742 | 3,455,446 |
| JPY | - | 4,941,406 | - | - | 55,834 | 4,997,240 |
| MYR | 25 | - | - | - | (26,104) | (26,079) |
| MXN | - | 754,812 | - | - | - | 754,812 |
| SGD | - | 3,245,751 | - | - | 30,709 | 3,276,460 |
| | 25 | 31,929,697 | - | 789,182 | 135,878 | 32,854,782 |

*Includes of dividend receivables, distribution payables and other payables

The following table summarises the sensitivity of the Fund's profit/(loss) after taxation and net asset value to changes in foreign exchange movements at the end of each reporting period. The analysis is based on the assumption that the foreign exchange rate fluctuates by 5%, with all other variables remaining constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rate, having regard to historical volatility of this rate. Disclosures as shown are 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/(loss) after taxation</u> | <u>Impact on net asset value</u> |
|-------------------|--|---|--------------------------------------|
| <u>30.11.2021</u> | <u>%</u> | <u>USD</u> | <u>USD</u> |
| AUD | 5 | 737,765 | 737,765 |
| CAD | 5 | 37,875 | 37,875 |
| GBP | 5 | 471,623 | 471,623 |
| HKD | 5 | 209,530 | 209,530 |
| JPY | 5 | 246,030 | 246,030 |
| MYR | 5 | 16,406 | 16,406 |
| MXN | 5 | 34,348 | 34,348 |
| SGD | 5 | 199,984 | 199,984 |
| | | <u>1,953,561</u> | <u>1,953,561</u> |

30.11.2020

| | | | |
|-----|---|------------------|------------------|
| AUD | 5 | 732,132 | 732,132 |
| CAD | 5 | 148,436 | 148,436 |
| GBP | 5 | 139,277 | 139,277 |
| HKD | 5 | 172,772 | 172,772 |
| JPY | 5 | 249,862 | 249,862 |
| MYR | 5 | (1,304) | (1,304) |
| MXN | 5 | 37,741 | 37,741 |
| SGD | 5 | 163,823 | 163,823 |
| | | <u>1,642,739</u> | <u>1,642,739</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 with 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 is 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>Other receivable</u> | |
| <u>30.11.2021</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |
| AAA | 2,732,845 | - | - | - | - | 2,732,845 |
| Not rated | - | 497,573 | 1,726 | 161,765 | - | 661,064 |
| | <u>2,732,845</u> | <u>497,573</u> | <u>1,726</u> | <u>161,765</u> | <u>-</u> | <u>3,393,909</u> |

| | | | | | | |
|-----------|------------------|---------------|----------------|----------------|----------------|------------------|
| AAA | 1,940,768 | - | - | - | - | 1,940,768 |
| Not rated | - | 35,808 | 789,182 | 177,201 | 112,597 | 1,114,788 |
| | <u>1,940,768</u> | <u>35,808</u> | <u>789,182</u> | <u>177,201</u> | <u>112,597</u> | <u>3,055,556</u> |

MANULIFE SHARIAH GLOBAL REIT FUND

Liquidity risk

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

| <u>As at</u> | <u>Within one year</u> | <u>No maturity date</u> | <u>Total</u> |
|-------------------|----------------------------|---------------------------------|--------------|
| <u>30.11.2021</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |

Financial assets

| | | | |
|--|----------------|-------------------|-------------------|
| Cash and cash equivalents | - | 2,732,845 | 2,732,845 |
| Financial assets at fair value through profit or loss | - | 82,041,251 | 82,041,251 |
| Amount due from Manager | 497,573 | - | 497,573 |
| Amount due from stockbrokers | 1,726 | - | 1,726 |
| Dividends receivable | 161,765 | - | 161,765 |
| | <u>661,064</u> | <u>84,774,096</u> | <u>85,435,160</u> |

Financial liabilities

Net assets attributable to unit holders **

| | | | |
|-------------------------|-------------------|----------|-------------------|
| Amount due to Manager | 85,145,472 | - | 85,145,472 |
| - Manager's fee | 126,844 | - | 126,844 |
| - Cancellation of units | 81,039 | - | 81,039 |
| Amount due to Trustee | 4,228 | - | 4,228 |
| Other payables | 5,570 | - | 5,570 |
| Distribution payable | 72,007 | - | 72,007 |
| | <u>85,435,160</u> | <u>-</u> | <u>85,435,160</u> |

| <u>As at</u> | <u>Within one year</u> | <u>No maturity date</u> | <u>Total</u> |
|-------------------|----------------------------|---------------------------------|--------------|
| <u>30.11.2020</u> | <u>USD</u> | <u>USD</u> | <u>USD</u> |

Financial assets

| | | | |
|--|------------------|-------------------|-------------------|
| Cash and cash equivalents | - | 1,940,768 | 1,940,768 |
| Financial assets at fair value through profit or loss | - | 68,393,183 | 68,393,183 |
| Amount due from Manager | 35,808 | - | 35,808 |
| Amount due from stockbrokers | 789,182 | - | 789,182 |
| Dividends receivable | 177,201 | - | 177,201 |
| Other receivables | 112,597 | - | 112,597 |
| | <u>1,114,788</u> | <u>70,333,951</u> | <u>71,448,739</u> |

MANULIFE SHARIAH GLOBAL REIT FUND

| <u>As at</u> | <u>Within one</u> | <u>No</u> | |
|--|-------------------|-----------------|-------------------|
| <u>30.11.2020</u> | <u>year</u> | <u>maturity</u> | <u>Total</u> |
| | <u>USD</u> | <u>date</u> | <u>USD</u> |
| | | <u>USD</u> | |
| <u>Financial liabilities</u> | | | |
| Net assets attributable to unit holders ** | 70,084,074 | - | 70,084,074 |
| Amount due to Manager | | | |
| - Manager's fee | 108,450 | - | 108,450 |
| - Cancellation of units | 691,152 | - | 691,152 |
| Amount due to stockbrokers | 524,999 | - | 524,999 |
| Amount due to Trustee | 3,615 | - | 3,615 |
| Other payables | 4,301 | - | 4,301 |
| Distribution payable | 32,148 | - | 32,148 |
| | <u>71,448,739</u> | <u>-</u> | <u>71,448,739</u> |

** Units are cancelled on demand at the unit holders' option. However, the Manager does not envisage that 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 Shariah Supervisory Board of IdeaRatings Global REITs Islamic Select Malaysia Index 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 return 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 USD85,145,472 (30.11.2020: USD70,084,074). 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.

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 USD82,041,251 (30.11.2020: USD68,393,183) is classified within level 1 of the fair value hierarchy.

MANULIFE SHARIAH GLOBAL REIT FUND

15 FINANCE COST

Distribution to unit holders is derived from the following sources:

| i) RM Class | 2021 | | 2020 | |
|---|-------------|-------------|-------------|-------------|
| | 1st Interim | 2nd Interim | 1st Interim | 2nd Interim |
| | USD | USD | USD | USD |
| Profit Income | - | - | 4,305 | 19 |
| Gross Dividend Income | 820,537 | 1,076,376 | 954,565 | 1,217,292 |
| Realised gain/(loss) on financial assets at FVTPL | 219,520 | 572,168 | 194,978 | 16,217 |
| | 1,040,057 | 1,648,544 | 1,153,848 | 1,233,528 |
| Distribution equalisation | 678,085 | 742,184 | 736,971 | 458,108 |
| Less: | | | | |
| Expenses | (749,449) | (906,359) | (838,003) | (1,037,196) |
| | 968,693 | 1,484,369 | 1,052,816 | 654,440 |
| Gross distribution per unit (cent) | 0.24 | 0.28 | 0.17 | 0.12 |
| Net distribution per unit (cent) | 0.24 | 0.28 | 0.17 | 0.12 |
| RESPECTIVE CURRENCY | | | | |
| Gross distribution per unit (sen) | 1.00 | 1.20 | 0.75 | 0.50 |
| Net distribution per unit (sen) | 1.00 | 1.20 | 0.75 | 0.50 |
| Ex-date | 27.05.2021 | 26.11.2021 | 27.05.2020 | 27.11.2020 |
| ii) USD Class | 2021 | | 2020 | |
| | 1st Interim | 2nd Interim | 1st Interim | 2nd Interim |
| | USD | USD | USD | USD |
| Dividend Income | 64,963 | 105,569 | 66,899 | 96,327 |
| Realised gain/(loss) on financial assets at FVTPL | 21,328 | 27,682 | 19,378 | 9,763 |
| | 86,291 | 133,251 | 86,277 | 106,090 |
| Distribution equalisation | 62,026 | 104,464 | 62,777 | 58,013 |
| Less: | | | | |
| Expenses | (59,708) | (88,481) | (59,373) | (81,227) |
| | 88,609 | 149,234 | 89,681 | 82,876 |
| Gross distribution per unit (cent) | 1.00 | 1.15 | 0.75 | 0.80 |
| Net distribution per unit (cent) | 1.00 | 1.15 | 0.75 | 0.80 |
| Ex-date | 27.05.2021 | 26.11.2021 | 27.05.2020 | 27.11.2020 |

MANULIFE SHARIAH GLOBAL REIT FUND

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

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

There are unrealised gains of USD10,494,822 (30.11.2020 unrealised losses of: USD4,252,208) arising during the financial year.

16 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

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

MANULIFE SHARIAH GLOBAL REIT FUND

14 CORPORATE INFORMATION

MANAGER

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

BOARD OF DIRECTORS

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

INVESTMENT COMMITTEE

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

SHARIAH ADVISER

ZICO Shariah Advisory Services Sdn. Bhd
Registration No: 200701011429 (769433-D)
Level 13, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur

MANULIFE SHARIAH GLOBAL REIT FUND

HEAD OFFICE

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Customer Service Hotline: (03) 2719-9271
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Penang
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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,
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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

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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
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Fax: (06) 678-0016

Melaka

No. 87-01 & 87-02
Jalan Melaka Raya 25
Taman Melaka Raya 1
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Johor Bahru

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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 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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