

Manulife  
PRS-Conservative  
Fund

**Annual Report**

for the financial year ended 31 August 2023

# MANULIFE PRS-CONSERVATIVE FUND

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# MANULIFE PRS-CONSERVATIVE FUND

## 1 GENERAL INFORMATION

### 1.1 THE FUND

The Fund commenced operations on 19 November 2012 and will continue its operations until terminated as provided under clause 14.4 of the Deed.

### 1.2 FUND CATEGORY

Preservation / Core (Conservative)

### 1.3 BASE CURRENCY

Ringgit Malaysia (RM)

### 1.4 OBJECTIVE OF THE FUND

To provide members with steady returns while preserving\* capital.

*\* Please note that this Fund is neither a capital guaranteed fund nor a capital protected; therefore, a Member's capital is neither guaranteed nor protected.*

*Any material change to the investment objective of the Fund would require Members' approval.*

### 1.5 DISTRIBUTION POLICY

Income will be distributed once a year, if any, and will be automatically reinvested and distributed to members as additional Units of the Fund.

### 1.6 PERFORMANCE BENCHMARK

Median return of all non-Shariah-compliant PRS core funds – conservative funds established in Malaysia.

Note: The performance benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of the performance benchmark. The performance benchmark information is available at [www.manulifeim.com.my](http://www.manulifeim.com.my).

### 1.7 INVESTMENT STYLE AND STRATEGY

The Fund invests in a diversified portfolio of equities, equity-related securities, REITs (via Collective Investment Scheme (CIS)) and/or fixed income instruments. To achieve the investment objective of the Fund, the Fund may invest a maximum of 35% of its net asset value (NAV) in equities, equity-related securities and/or REITs (via CIS). The Fund will invest at least 65% of the Fund's NAV in fixed income instruments such as bonds, money market instruments and deposits with financial institutions. The fixed income instruments which the Fund invests in must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). Further, the Fund may also invest up to 5% of the Fund's NAV in fixed income instruments which are rated below BBB3/P2 and/or are unrated. The Fund may invest in these investments directly or via CIS.

The Fund may invest up to 100% of the Fund's NAV in foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions (IOSCO).

Further, the Fund may enter into derivative trades solely for hedging purposes only. The derivative trades would not be considered as investments of the Fund but rather a risk management device.

The Fund is actively managed. Any active and frequent trading strategy will depend on market opportunities or valuations.

## MANULIFE PRS-CONSERVATIVE FUND

The PRS Provider will analyse the general economic and market conditions. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends. The PRS Provider employs an active and opportunistic asset allocation strategy depending upon the market expectations. For example, when the economy bottoms-out from a recession, the PRS Provider will search for clearer evidence of sustainable economic recovery before overweighting on its equity asset allocation versus fixed income instruments. Likewise, when the economy has peaked and is heading towards a slow growth period, the PRS Provider will then decide to underweight its equity asset allocation versus fixed income instruments.

If and when the Fund invests in any of the CISs operated by the Provider or its related corporation, there will be no “double charging” of management fees and sales charges; fees and charges will be levied only at the Fund level. Any sales charge usually paid for investment in the CIS being invested into will be waived.

### Temporary Defensive Measures

The PRS Provider may lower the equity exposure of the Fund if the PRS Provider is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions; the PRS Provider will then reallocate the Fund's investments into more defensive instruments such as deposits and/or money market instruments.

During the financial year ended under review, the Fund is actively managed, predominantly referencing the Multi-Asset Solutions Team's Strategic Asset Allocation. Any active and frequent trading strategy is a function of subscriptions/redemptions, short term market opportunities, strategic rebalancing, and/or valuation discrepancies.

The Multi-Asset Solutions Team, which manages the Fund, maintains a fundamental core belief that effective diversification of asset classes globally, investment styles, and strategies allow for the greatest probability of achieving risk-adjusted results that are consistent with client objectives.

The Multi-Asset Solutions Team leverages both quantitative and fundamental analysis and investment techniques in customizing, constructing, and managing portfolios. Although quantitative and financial modelling techniques are input into the team's research process, the interpretation, fundamental judgement, and the human element of decision-making drive final portfolio outcomes.

The Multi-Asset Solutions Team takes an outcome-oriented approach. In general, the team utilizes a combination of strategic, long-term asset allocation and tactical asset allocations, where appropriate, to arrive at their desired portfolio weights. The strategic process, which centres around the formulation of five-year capital market forecasts, provides a base-case, long-term asset allocation. These are supplemented with shorter-term views where appropriate. Idea generation is both bottom-up and top-down in nature.

# MANULIFE PRS-CONSERVATIVE FUND

## 2 PRS PROVIDER'S REPORT

### 2.1 FUND PERFORMANCE

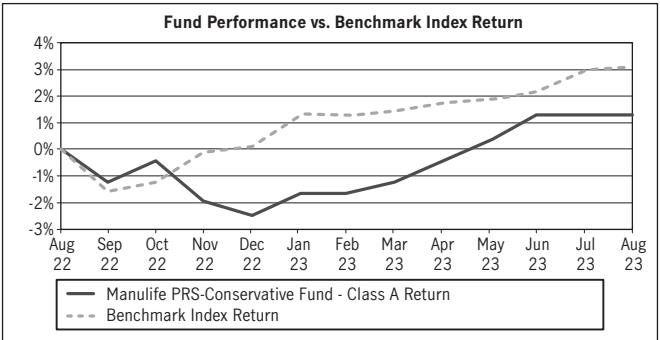
For the financial year ended 31 August 2023, the Fund's return increased by 1.33% and 1.46% for Class A and Class C respectively. The Fund underperformed its benchmark return, which increased by 3.09%.

For the financial year under review, the largest performance contributions were made by Developed Market Equities and Malaysia Bonds. Global Bonds, Malaysia Equities, and Money Market investments also contributed. The largest detraction was from Foreign Exchange.

The gross distribution of 0.65 sen for Class A and 0.65 sen per unit for Class C on 15 December 2022 had the effect of reducing the NAV per unit of the Fund, and the ex-distribution NAV per unit were RM0.5130 and RM0.5417 respectively.

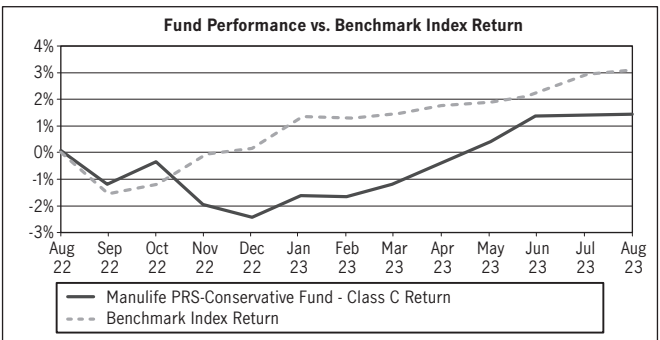
The graph below compares the 12-month performance of the Fund against its benchmark return:

#### Class A



Source: Lipper & Bloomberg

#### Class C



Source: Lipper & Bloomberg

#### Note for benchmark change:

Effective 14 February 2022, the Fund performance is compared against peers in the same fund category. The benchmark was changed from Maybank 12-month Fixed Deposit (FD) rate to Median return of all non Shariah-compliant PRS core funds – conservative funds established in Malaysia

# MANULIFE PRS-CONSERVATIVE FUND

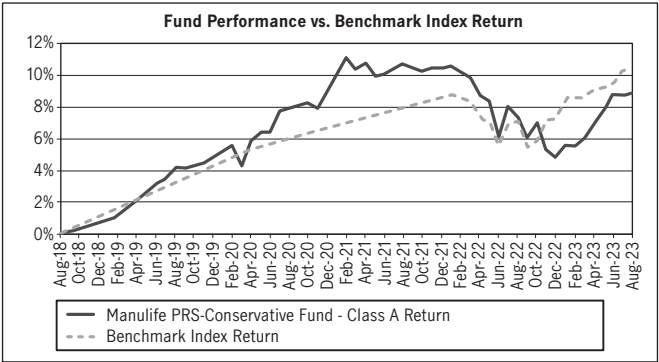
## Fund Size

The Fund's total NAV increased to RM4.23mil from RM4.01mil during the financial year under review.

## Fund's Returns

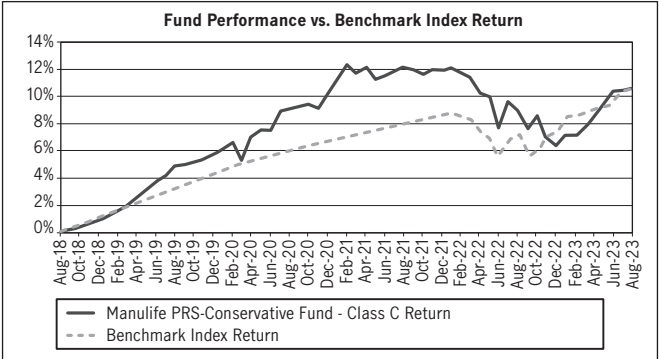
(a) The graph below compares the 5-year performance of the Fund against its benchmark return:

### Class A



Source: Lipper & Bloomberg

### Class C



Source: Lipper & Bloomberg

### Note for benchmark change:

Effective 14 February 2022, the Fund performance is compared against peers in the same fund category. The benchmark was changed from Maybank 12-month Fixed Deposit (FD) rate to Median return of all non Shariah-compliant PRS core funds – conservative funds established in Malaysia

# MANULIFE PRS-CONSERVATIVE FUND

(b) Average Total Return of the Fund:

## Class A

For the financial year ended 31 August 2023	Fund (% p.a.)	Benchmark (% p.a.)
1 year	1.33	3.09
3 years	0.28	1.39
5 years	1.71	2.01
Investment Commencement Date: 19 November 2012		

Source: Lipper & Bloomberg

## Class C

For the financial year ended 31 August 2023	Fund (% p.a.)	Benchmark (% p.a.)
1 year	1.46	3.09
3 years	0.46	1.39
5 years	2.04	2.01
Investment Commencement Date: 27 April 2016		

Source: Lipper & Bloomberg

Note for benchmark change:

Effective 14 February 2022, the Fund performance is compared against peers in the same fund category. The benchmark was changed from Maybank 12-month Fixed Deposit (FD) rate to Median return of all non Shariah-compliant PRS core funds – conservative funds established in Malaysia

(c) Annual Total Return of the Fund:

## Class A

For the financial year ended	Fund (% p.a.)	Benchmark (% p.a.)
31 August 2023	1.33	3.09
31 August 2022	(2.99)	(0.75)
31 August 2021	2.59	1.85
31 August 2020	3.64	2.64
31 August 2019	4.15	3.28
Investment Commencement Date: 19 November 2012		

Source: Lipper & Bloomberg

## Class C

For the financial year ended	Fund (% p.a.)	Benchmark (% p.a.)
31 August 2023	1.46	3.09
31 August 2022	(2.79)	(0.75)
31 August 2021	2.80	1.85
31 August 2020	3.98	2.64
31 August 2019	4.91	3.28
Commencement Date: 27 April 2016		

Source: Lipper & Bloomberg

Note for benchmark change:

Effective 14 February 2022, the Fund performance is compared against peers in the same fund category. The benchmark was changed from Maybank 12-month Fixed Deposit (FD) rate to Median return of all non Shariah-compliant PRS core funds – conservative funds established in Malaysia



# MANULIFE PRS-CONSERVATIVE FUND

## BASES OF CALCULATION

### 1. Net Asset Value (NAV)

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

### 2. Net Asset Value per unit

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

### 3. Fund's Return

Fund returns can be calculated based on the computation methods as follows:

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

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

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

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

Fund Data	31 August 2023	31 August 2022	31 August 2021
NAV (RM)			
– Class A	2,589,919	3,235,450	3,382,076
– Class C	1,640,060	772,883	678,396
Units in Circulation ('000)			
– Class A	4,901	6,124	6,116
– Class C	2,936	1,387	1,166
NAV (RM per unit)			
– Class A	0.5285	0.5283	0.5530
– Class C	0.5586	0.5573	0.5817
Highest / Lowest NAV (RM per unit)			
– Class A	0.5295/0.5076	0.5534/0.5203	0.5575/0.5420
– Class C	0.5595/0.5360	0.5822/0.5487	0.5858/0.5694
Total Fund Return (%)			
– Class A	1.33	(2.99)	2.59
Capital growth (%)	0.06	(4.48)	1.19
Income distribution (%)	1.27	1.56	1.38
Total Fund Return (%)			
– Class C	1.46	(2.79)	2.80
Capital growth (%)	0.25	(4.21)	1.38
Income distribution (%)	1.20	1.49	1.40
Final Distribution - Class A			
Gross (RM)	0.0065	0.0085	0.0075
Net (RM)	0.0065	0.0085	0.0075
Ex-Date	15.12.2022	15.12.2021	15.12.2020
Final Distribution - Class C			
Gross (RM)	0.0065	0.0085	0.0080
Net (RM)	0.0065	0.0085	0.0080
Ex-Date	15.12.2022	15.12.2021	15.12.2020
Total Expense Ratio (%)	1.59	1.52	1.26
Portfolio Turnover Ratio (times)	1.06	3.00	0.43

# MANULIFE PRS-CONSERVATIVE FUND

## NOTES

### (i) Total Expense Ratio (TER)

TER can be calculated based on the ratio of the sum of fees and the recovered expenses of the fund to the average value of the fund calculated on a daily basis.

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

Where:

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

**Recovered expenses** = All expenses recovered from/ charged to the fund, as a result of the expenses incurred by the operation of the 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 fund** = The NAV of the fund, including unit trust net income value of the fund, less expenses on an accrued basis, in respect of the period covered by the total expense ratio, calculated on a daily basis.

The TER for the financial year is higher as compared to the previous financial year mainly due to the decrease in the average NAV.

### (ii) Portfolio Turnover Ratio (PTR)

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

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

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

**The table below shows the impact on NAV arising from distribution distributed for the last three financial years:**

#### Class A

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
15.12.2022	0.5195	(0.0065)	0.5130
15.12.2021	0.5519	(0.0085)	0.5434
15.12.2020	0.5502	(0.0075)	0.5427

# MANULIFE PRS-CONSERVATIVE FUND

## Class C

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
15.12.2022	0.5482	(0.0065)	0.5417
15.12.2021	0.5809	(0.0085)	0.5724
15.12.2020	0.5781	(0.0080)	0.5701

### Source of distribution distributed for the financial year;

Source	2023			
	Class A		Class C	
	RM	%	RM	%
Capital	-	-	-	-
Income	41,040	100.00	9,427	100.00

*The PRS Provider wishes to highlight that past performance of the Fund is not an indication of its future performance.*

*The price of units and the investment returns may go down, as well as up.*

## 2.2 ASSET ALLOCATION

Asset allocation for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 August 2023	31 August 2022	31 August 2021
CIS - Local	56.26	55.52	69.96
CIS - Foreign	1.55	4.60	-
<b>Total Collective Investment Schemes</b>	<b>57.81</b>	<b>60.12</b>	<b>69.96</b>
<b>Warrants</b>	-	-	<b>0.03</b>
<b>Exchange Traded Funds</b>	<b>38.98</b>	<b>33.98</b>	
<b>Unquoted Fixed Income Securities</b>	-	-	<b>29.25</b>
Other Assets & Liabilities	3.21	5.90	0.76

As at 31 August 2023, the Fund was 57.81% invested in collective investment schemes, 38.98% in exchange traded funds and 3.21% in cash instruments

The Fund is aligned with the Multi-Asset Solutions Team's strategic asset allocation design and customised to achieve long-term investment success versus a fund by fund specific local peer universe.

The Multi-Asset Solutions Team aligns portfolios strategically with its five-year capital market forecasts, and where appropriate may take into account shorter-term tactical considerations. Allocations are populated with collective investment schemes and exchange traded funds, as well as cash holdings where appropriate.

## 2.3 MARKET REVIEW

During the financial year under review (1st September 2022 to 31st August 2023), global equity markets posted strong positive returns while global fixed income markets were mixed as the macro environment remained challenged. Bouts of optimism, especially during 2023, sustained equity performance over the period while expectations of higher rates for longer tempered global fixed income performance.

The period began with fears of recession weighing heavily on markets, and September 2022 saw developed equity markets post the steepest decline since the height of the Covid-19 pandemic-induced panic in March 2020. Markets saw a continued drawdown in risk assets, and notably all 47 countries in the MSCI World index ended the month in negative territory.

# MANULIFE PRS-CONSERVATIVE FUND

Over Q4 2022, global equities and fixed income were positive across the board, led by Europe and Asia-Pacific (APAC), on the back of better economic and inflation data in Europe and the announcement of supportive measures in the Chinese property sector coupled with the reopening of borders by China's government, which sparked a risk-on sentiment. Markets struggled between the China reopening hope and global central banks raising rates curtailing growth to combat inflation.

Markets rallied into 2023, with January seeing moderating inflation data, a weakening of the U.S. dollar, and a continued China reopening, despite a shaky start for the earnings season. Global equities and fixed income remained positive across the board over Q1 2023 despite volatility experienced during the period. Equities performed with positive economic surprise data, China reopening, warmer weather in Europe, which mitigated fears of an energy crisis, and a robust response from regulators to the banking issues. On the fixed income front, Q1 featured the most elevated bond market volatility in decades, as monetary policy expectations inflected over the course of the quarter.

As volatility and uncertainty continued across markets, Q2 2023 saw a break in performance with global equities mostly but not all positive and fixed income mostly negative. Markets weathered a series of risk events, including continued fallout from the banking crisis, the debt ceiling standoff in the US, an attempted mutiny in Russia by the mercenary Wagner group, and China's slide towards deflation. The big winner over the quarter were technology stocks, led by mega-cap U.S. names and excitement surrounding the potential implications of Artificial Intelligence (AI). Their dominance led to outperformance of growth over value and developed markets over emerging markets. On the fixed income front, yield curve inversion became more pronounced as a number of central banks remained resolutely hawkish in the face of slowing growth and recessionary fears.

Markets returned to positive territory in July, buoyed by economic surprises of resilient macro data in developed markets. Hopes were raised for a soft landing, supported a wider equity rally beyond the Technology sector to more cyclical sectors across regions. The month saw expected central bank hikes, mixed signals of global economic activities, as well as positive market sentiment on China's potential stimulus and support for the property sector. Equities were sent back to the year's previous highs while fixed income posted modest positive returns as expectations strengthened for moderating inflation without a significant decline in economic activity.

The period under review ended with a turbulent August, which saw broad equity and fixed income markets finishing lower, despite a strong rebound towards the end of the month. August saw the US government's credit rating downgraded by Fitch, mixed signals of global economic activities, contagion fears in China's sluggish property sector, as well as an abatement in inflation. US Treasury yields moved to the highest levels since 2007 before retreating.

## **Fixed Income**

During the financial year under review (1st September 2022 to 31st August 2023), fixed income markets saw mixed results. Rate sensitives were under pressure with the FTSE World Government Bond Index falling 0.89% and Bloomberg Global Aggregate sliding 0.09% over the period. Markets oscillated in their expectations of when the hiking cycle would pause even as central bank hawkishness remained a defining feature of the macro backdrop.

In contrast, the Bloomberg Global High Yield index rose 9.38% over the period, gaining ground when risk assets rallied. Emerging Markets also outperformed, with the Bloomberg Emerging Markets USD Aggregate index rising 3.98% over the period.

## **Equity**

During the financial year under review (1st September 2022 to 31st August 2023), global equity markets posted strong positive results, with the MSCI ACWI index rising 14.53%.

Developed Markets were far ahead of Emerging Markets, with MSCI World returning 16.21% over the period. Sector wise within MSCI World, Technology was the clear winner on the back of mega-cap US stocks and excitement surrounding A.I., gaining 29.89% over the period. Industrials and Communication Services were not far behind, gaining 21.17% and 20.35%, respectively. On the other hand, Real Estate and Utilities underperformed, falling 6.77% and 4.73%, respectively.

Europe was the clear winner by region over the period, with MSCI Europe rising 23.31%. The region started 2023 in a strong position with better-than-expected Eurozone Purchasing Managers' Index (PMI) results and economies supported by energy-related government assistance. Much of the gains over the period were a recovery from the prior months, during which Europe was battered by weak sentiment and geopolitical worries, with MSCI Europe having fallen 21.62% in the first eight months of 2022.

While Emerging Markets overall posted positive performance, gaining 1.69% over the period, a closer look reveals diverging trajectories. On one hand, Asia Pacific ex Japan returned 0.62% over the period, dragged down by China's lacklustre showing; negative sentiment, which took root in 2022 with increasing geopolitical tensions and a tougher regulatory environment, returned in full force as troubles continued to plague the property sector and the economy showed signs of slowing. On the other hand, MSCI Latam gained 18.96% over the period and outperformed aggregate Developed Markets, in part thanks to commodity outperformance and expectations surrounding policy easing

# MANULIFE PRS-CONSERVATIVE FUND

## 2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

The current tightening cycle in advanced economies is already the most aggressive in decades and central banks are continuing down their path of rate hikes. Hawkish language suggests the possibility of further hikes remain on the table, even as ramifications for the global economy continue to unfold. Key to central bank decision-making is the persistence of inflation, which has shown signs of moderation but remains too high relative to their stated goals. There is two-sided and substantial risk around central bank outlooks, and the slow improvement in inflation injects a non-negligible risk of continued further tightening that we feel is underappreciated in markets. Bond yields continue to push higher on the US Federal Reserve (Fed) factor, and due to higher oil prices, which could lead to an uptick in inflation towards year end.

In August 2023, the US Job Openings and Labour Turnover (JOLTS) report illustrated that the number of job openings moderated far more than expected (~8.8M vs 9.5M expected). Moreover, the quit rates embedded in the report moderated further. Nonfarm Payrolls also showed cooling sentiment, which has altered perceptions around how 'hot' hiring has been. Taken as a whole, these components paint a picture of shifting labour demand/supply dynamics that would suggest a normalisation of the labour market. Over the short term, this print will lower the already low probability of a September hike. Over the medium term, a move like this will go some way to removing concerns about entrenched wage growth pushing medium term inflation dynamics higher. Average hourly earnings are still high, but if the labour market keeps moderating and wage growth follows, the hurdle to the Fed lowering its policy rate as the economy weakens becomes incrementally lower.

Our framework for the Fed outlook remains intact with our forecasts having a 5.5% peak Fed Funds rate and first cuts beginning in Q1 2024. Our base case is that most central banks are now either finished or close to completing their rate hike cycle, though action remains desynchronised. Pockets of resilient macro is prolonging a pivot from the Fed to ease. We remain confident that we get a deterioration in growth. We are forecasting recessionary conditions to envelop much of the globe albeit we believe the recession has been postponed rather than cancelled, with expectations of continued near-term market volatility. Continued tight financial conditions, slowing manufacturing production, a negative consumer wealth effect, and ongoing fiscal drags are all important headwinds to growth. However, the exact timeline for this decline is unknown given now-positive real wages, continued full employment, residual benefits from fiscal stimulus and residential construction could all provide support to gross domestic product (GDP) for a few more quarters. Against that backdrop, we see material risks around the timeline for when the Fed might cut, which would leave the Fed at peak policy rates for longer than our base case would suggest.

With global growth forecasts revised downwards, hope is fading for China to be an engine of growth. China's economy has stalled recently, and headwinds are still intensifying on multiple fronts: weaker than expected activity, market disappointment around the lack of a stronger stimulus response, further losses in the property sector, growing concerns about local government debt, investment, and depreciation in Chinese yuan (CNY). For the cyclical rebound to strengthen itself beyond the mechanical reopening boost, we would need to see a sustained recovery in household consumption and property sales, but there was limited evidence of either. It was unlikely that China would deliver policy support proportional to the economic headwinds China faces, and that market hopes of stimulus were overdone. The emerging narrative around China for the rest of 2023 would be the refinancing problems of local governments and property developers.

In markets, an uncertain macroeconomic landscape is a potential headwind for equities. That said, corporate earnings have remained strong, outpacing expectations. Given the uncertainty surrounding several factors—among them monetary policy, corporate earnings, geopolitical tensions, and recessionary risks—we are focusing on quality across equity assets and taking a more defensive position. At the same time, we appreciate the excitement surrounding AI and the magnitude of its potential impacts on revenue monetisation, productivity, and cost-cutting, and seek pockets of related growth opportunities.

Tactical positioning will be more prevalent again into end of 2023, to be able to nimbly add and de-risk portfolios as well as add to yield opportunities as they arise. Overall, we are tilted towards higher for longer rates whilst seeing yields keeping contained given the potential for macro data disappointments.

## 2.5 SECURITIES FINANCING TRANSACTIONS

During the financial year under review, the Fund has not undertaken any securities lending or repurchase transactions (collectively referred to as "securities financing transactions").

## 2.6 CROSS TRADE TRANSACTIONS

During the financial year under review, no cross trade transactions were carried out.

# MANULIFE PRS-CONSERVATIVE FUND

## 2.7 STATES OF AFFAIRS

### NOTIFICATION OF CHANGES

A new First Supplemental Disclosure Document dated 30 August 2023 has been issued to make the following updates:

1. removal of information in relation to Class B of the core funds and changes to the provisions in relation to the conversion of Units for core funds following the termination of Class B;
2. in respect of the Manulife PRS – Moderate Fund and Manulife PRS – Conservative Fund, the amendment to the Funds' income distribution policy to allow the Funds to distribute income out of their capital;
3. amendments to streamline with the Guidelines on Private Retirement Funds ("Guidelines"), which includes but not limited to the following:
  - the core funds are no longer restricted to invest in markets where the regulatory authorities are ordinary or associate members of the International Organisation of Securities Commissions ("IOSCO") and the core funds will invest in Eligible Markets as permitted by the relevant laws;
  - update to the investment policy and strategy of the Funds, permitted investments of the core funds and investment limits and restrictions of the Funds;
  - revision to the redemption proceeds payment timeline to seven (7) business days;
  - update to the disclosure on valuation bases of the assets of the Funds, policy on rebates and soft commissions, incorrect pricing, cooling-off period and suspension of dealing in units;
  - removal of investment committee which will be replaced with committee undertaking the oversight function of the Funds;
  - amended the disclosure on suspension of dealing in units;
4. update to liquidity risk and risk considerations for investing in derivatives and warrants, and inclusion of suspension/deferment of redemption risk and taxation risk/ withholding tax risk;
5. update to sales charge, transfer fee and expenses of the Funds;
6. expanded the information on minimum initial investment and minimum additional investment to disclose the difference of minimum investment amount between walk-in/hardcopy application and online application;
7. inclusion of disclosure to allow termination of non-core fund without obtaining Members' approval;
8. inclusion of liquidity risk management tools;
9. amended permitted expenses of the Funds to be consistent with the deed in respect of the Scheme;
10. other general and administrative updates:
  - update to the Provider's website to [www.manulifeim.com.my](http://www.manulifeim.com.my);
  - updated definition of "Deed" to include seventh supplemental deed in respect of the Scheme which was registered with the SC on 2 June 2023;
  - amended the definition of "Special Resolution" to be consistent with the PRS Guidelines;
  - updated the definition of "HSBC Group" for clarity;
  - updated the registered office and business address and added email address for fund valuation provider;
  - updated the registered office and business address and added email address for Scheme Trustee. Further information on the Scheme Trustee is provided in our website at <https://www.manulifeim.com.my/about-us/corporate-profile/trustee.html>;
  - editorial amendment to Scheme Trustee's delegate for better clarity;
  - added email and website address for the auditors of the Funds under the Scheme;
  - added the email and website address for tax adviser for the Funds;
  - added the website address for solicitor appointed for the Funds;
  - added the website address for principal banker appointed for the funds;
  - updated Federation of Investment Managers Malaysia (FiMM)'s telephone number;
  - amended the telephone number for Shah Alam branch of the Provider for accuracy purpose;
  - added information on the website address where contact details and further information in relation to the Provider, Scheme Trustee and its delegate can be obtained.
  - removed profiles of the designated fund managers from the Disclosure Document. The information of the investment team is available in our website at <https://www.manulifeim.com.my/about-us/corporate-profile/key-personnel.html>
  - removed list of Board of Directors from the Disclosure Document. The list of Board of the Provider is available in our website at <https://www.manulifeim.com.my/about-us/corporate-profile/the-board-of-directors.html>.

The First Supplemental Disclosure Document dated 30 August 2023 is available on the company website: [www.manulifeim.com.my](http://www.manulifeim.com.my).

## **MANULIFE PRS-CONSERVATIVE FUND**

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

It is the PRS Provider's policy not to enter into soft-dollar arrangements. Exceptions have to be assessed on a case-by-case basis in accordance to the PRS Provider policy prior to entering into any soft-dollar arrangement.

The PRS Provider may retain soft commissions provided by any brokers or dealers if the soft commissions bring direct benefit or advantage to the management of the Fund. Any dealings with the brokers or dealers are executed on terms which are the most favourable to the Fund and there is no churning of trades. Any rebates/shared commissions should be credited to the count of the Fund concerned.

During the financial year under review, soft commissions have not been received by the PRS Provider.

# MANULIFE PRS-CONSERVATIVE FUND

## 4 STATEMENT BY THE PRS PROVIDER

We, Edmond Cheah Swee Leng and Chong Soon Min, being two of the Directors of Manulife Investment Management (M) Berhad (the “PRS Provider”), do hereby state that, in the opinion of the PRS Provider, the accompanying financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in net assets attributable to members, statement of cash flows, summary of significant accounting policies and notes to the financial statements, are drawn up in accordance with the provisions of the Deeds and give a true and fair view of the financial position of the Fund as at 31 August 2023 and of its financial performance, changes in net assets attributable to members and cash flows of the Fund for the financial year ended 31 August 2023 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).

For and on behalf of the PRS Provider

**MANULIFE INVESTMENT MANAGEMENT (M) BERHAD**

**EDMOND CHEAH SWEE LENG**

DIRECTOR

**CHONG SOON MIN**

DIRECTOR

Kuala Lumpur  
27 October 2023



# MANULIFE PRS-CONSERVATIVE FUND

## 5 SCHEME TRUSTEE'S REPORT TO THE MEMBERS OF MANULIFE PRS-CONSERVATIVE FUND

We have acted as Scheme Trustee of the Fund for the financial year ended 31 August 2023 and we hereby confirm 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 year covered by these financial statements in accordance with the following:

1. Limitations imposed on the investment powers of the PRS Provider under the Deeds, securities laws and the Guidelines on Private Retirement Schemes;
2. Valuation and pricing is carried out in accordance with the Deeds; and
3. Any creation and cancellation of units are carried out in accordance with the Deeds and any regulatory requirement.

We are of the opinion that the distributions of income by the Fund are appropriate and reflects the investment objective of the Fund.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
27 October 2023

## **6 INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF MANULIFE PRS-CONSERVATIVE FUND**

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

##### Our opinion

In our opinion, the financial statements of Manulife PRS-Conservative Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 August 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

##### What we have audited

We have audited the financial statements of the Fund, which comprise the statement of financial position as at 31 August 2023, and the statement of comprehensive income, statement of changes in net asset attributable to members and statement of cash flows for the financial year then ended, and notes to the financial statements including a summary of significant accounting policies, as set out on pages 17 to 42.

##### Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 PRS Provider of the Fund is responsible for the other information. The other information comprises PRS Provider'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 PRS Provider for the financial statements

The PRS Provider 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 PRS Provider is also responsible for such internal control as the PRS Provider 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 PRS Provider 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 PRS Provider either intends to liquidate the Fund or to terminate the Fund, or has no realistic alternative but to do so.

# MANULIFE PRS-CONSERVATIVE 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 PRS Provider.
- (d) Conclude on the appropriateness of the PRS Provider'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 of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the PRS Provider 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 members 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  
27 October 2023

# MANULIFE PRS-CONSERVATIVE FUND

## 7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Interest income from deposits with licensed financial institutions at amortised cost		-	2,183
Interest income from current accounts		1,088	280
Interest income from unquoted fixed income securities at fair value through profit or loss		-	17,451
Gross dividend income		92,908	122,613
Net gain/(loss) on financial assets at fair value through profit or loss	7	107,330	(219,646)
Net loss on forward foreign currency contracts	8	(28,258)	(620)
Net foreign currency exchange (loss)/gain		(42,575)	18,780
		<u>130,493</u>	<u>(58,959)</u>
<b>EXPENSES</b>			
Management fee	3	44,804	47,308
Scheme Trustee's fee	4	1,439	1,423
Private Pension Administrator's fee	5	1,645	1,627
Transaction costs		162	375
Other expenses		23,280	11,586
		<u>71,330</u>	<u>62,319</u>
<b>PROFIT/(LOSS) BEFORE FINANCE COST AND TAXATION</b>		59,163	(121,278)
<b>FINANCE COST (EXCLUDING MOVEMENT IN NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>			
Distributions:			
- Class A	16(i)	(41,040)	(51,794)
- Class C	16(ii)	(9,427)	(10,644)
<b>PROFIT/(LOSS) AFTER FINANCE COST AND BEFORE TAXATION</b>		8,696	(183,716)
<b>TAXATION</b>	6	(44)	-
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>8,652</u>	<u>(183,716)</u>
Increase/(decrease) in net assets attributable to members is made up of the following:			
Realised		(57,200)	(122,589)
Unrealised		65,852	(61,127)
		<u>8,652</u>	<u>(183,716)</u>

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

# MANULIFE PRS-CONSERVATIVE FUND

## 8 STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

	Note	<b>31.08.2023</b>	<b>31.08.2022</b>
		<b>RM</b>	<b>RM</b>
<b>ASSETS</b>			
Cash and cash equivalents	9	138,547	250,194
Financial assets at fair value through profit or loss	7	4,094,261	3,771,801
Amount due from PRS Provider - Creation of units		1,671	3,042
Amount due from brokers		-	16,064
Derivative assets at fair value through profit or loss	8	-	60
Tax recoverable		-	44
<b>TOTAL ASSETS</b>		<b>4,234,479</b>	<b>4,041,205</b>
<b>LIABILITIES</b>			
Amount due to PRS Provider - Management fee		2,141	2,643
Amount due to brokers		-	28,185
Amount due to Scheme Trustee		125	120
Amount due to Private Pension Administrator		143	137
Derivative liabilities at fair value through profit or loss	8	2,091	1,787
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO MEMBERS)</b>		<b>4,500</b>	<b>32,872</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>4,229,979</b>	<b>4,008,333</b>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<b>4,229,979</b>	<b>4,008,333</b>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS</b>			
- Class A		2,589,919	3,235,450
- Class C		1,640,060	772,883
		<b>4,229,979</b>	<b>4,008,333</b>
<b>UNITS IN CIRCULATION (UNITS)</b>			
- Class A	10(i)	4,900,682	6,123,859
- Class C	10(ii)	2,936,129	1,386,784
		<b>7,836,811</b>	<b>7,510,643</b>
<b>NET ASSET VALUE PER UNIT</b>			
- Class A		0.5285	0.5283
- Class C		0.5586	0.5573

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

# MANULIFE PRS-CONSERVATIVE FUND

## 9 STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO MEMBERS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	<u>2023</u> RM	<u>2022</u> RM
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>		4,008,333	4,060,472
Movements due to the units created and cancelled during the financial year:			
Creation of units arising from applications			
- Class A		289,530	219,336
- Class C		864,965	120,577
Creation of units arising from distribution			
- Class A		41,040	51,794
- Class C		9,427	10,644
Cancellation of units			
- Class A		(967,924)	(266,228)
- Class C		(24,044)	(4,546)
		<u>4,221,327</u>	<u>4,192,049</u>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO MEMBERS DURING THE FINANCIAL YEAR</b>		<u>8,652</u>	<u>(183,716)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS AT THE END OF THE FINANCIAL YEAR</b>		<u>4,229,979</u>	<u>4,008,333</u>

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

# MANULIFE PRS-CONSERVATIVE FUND

## 10 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

	Note	2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Purchase of investments		(4,458,324)	(12,067,792)
Sale of investments		4,273,932	12,189,318
Net realised (loss)/gain on forward foreign currency contract		(27,894)	1,107
Net realised foreign exchange loss		(19,160)	(329)
Dividends received		27,344	12,345
Interest income received		1,088	40,080
PRS Provider's fee paid		(28,368)	(28,661)
Scheme Trustee's fee paid		(1,434)	(1,423)
Private Pension Administrator's fee paid		(1,639)	(1,627)
Payment for other fees and expenses		(17,674)	(11,982)
Net cash (used in)/generated from operating activities		<u>(252,129)</u>	<u>131,036</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		1,155,866	344,030
Payments for cancellation of units		(991,968)	(270,774)
Net cash generated from financing activities		<u>163,898</u>	<u>73,256</u>
Net (decrease)/increase in cash and cash equivalents		(88,231)	204,292
Currency translation differences		(23,416)	19,109
Cash and cash equivalents at beginning of the financial year		<u>250,194</u>	<u>26,793</u>
Cash and cash equivalents at end of the financial year	9	<u>138,547</u>	<u>250,194</u>
Cash and cash equivalents comprise:			
Bank balance in a licensed bank	9	<u>138,547</u>	<u>250,194</u>

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

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

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

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 PRS Provider to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the PRS Provider's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the financial year ended 31 August 2023.

#### (i) Standards and amendments to existing standards effective 1 September 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Fund.

#### (ii) New standards, amendments and interpretations effective after 1 September 2022 and have not been early adopted.

A number of new standards, amendments to standards or interpretations are effective for annual periods beginning after 1 January 2022, 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 quoted equities as fair value through other comprehensive income. The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

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



## MANULIFE PRS-CONSERVATIVE FUND

The Fund classifies cash and cash equivalents, amount due to brokers and amount due from PRS Provider 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 PRS Provider, amount due to Scheme Trustee, amount due to Private Pension Administrator and amount due to brokers as other financial liabilities measured at amortised cost.

### (ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Fund commits to purchase or sell the assets. Investments are initially recognised at fair value. Transaction cost are recognised as expenses 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 it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or has expired.

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

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

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

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

Collective investment schemes are valued based on the most recent published net asset value per unit or share of such collective investment schemes or, if unavailable, on the last published price of such unit or share (excluding any sales charge included in such selling price).

Unquoted fixed income securities denominated in Ringgit Malaysia ("RM") are revalued on a daily basis based on fair value prices quoted by a Bond Pricing Agency ("BPA") registered with the Securities Commission as per the Securities Commission Guidelines on Private Retirement Scheme.

Derivative investment consists of forward foreign currency contract. Financial derivative position will be "marked to market" at the close of each valuation day. Foreign exchange gains or losses on the derivative financial instrument are recognised in profit or loss when settled or at the date of the statement of financial position at which time they are included in the measurement of the derivative financial instrument.

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

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

# MANULIFE PRS-CONSERVATIVE FUND

## (iii) Impairment

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

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

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

## (vi) Write-off

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

## C INCOME RECOGNITION

Interest income from deposits placed with licensed financial institutions and unquoted fixed income securities are recognised on a time proportionate basis using the effective interest rate method on an accrual basis.

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

Dividend income from quoted investments and collective investment schemes are recognised on the ex-dividend date.

Realised gain or loss on disposal of quoted investments and collective investment schemes are calculated based on the differences between the net disposal proceeds and the carrying amount of the investments, determined on a weighted average cost basis.

Realised gain or loss on disposal of unquoted fixed income securities is calculated based on the differences between the net disposal proceeds and carrying amount of investments, determined on cost adjusted for accretion of discount or amortisation of premium.

## D EXPENSES

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

# MANULIFE PRS-CONSERVATIVE FUND

## **E AMOUNTS DUE FROM/TO BROKERS (SALE AND PURCHASE OF COLLECTIVE INVESTMENT SCHEMES)**

Amounts due from and to Brokers (sales/purchase of collective investment schemes) represent receivables for collective investment schemes sold and payables for collective investment schemes 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 Broker 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 Broker, probability that the brokers will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

## **F CASH AND CASH EQUIVALENTS**

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

## **G FINANCE COST**

A distribution to the Fund's members 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 is recognised as a financial liability in the financial year in which it is approved by the Scheme Trustee.

Distribution equalisation is the amount attributable to net realised income that is included in the price of units created or units cancelled by the Fund during the reporting year.

## **H FUNCTIONAL AND PRESENTATION CURRENCY**

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Fund's functional and presentation currency.

## **I FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

# MANULIFE PRS-CONSERVATIVE 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 deposits with financial institutions

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

(b) Collective investment schemes

The estimated fair value is based on the most recent published net asset value per unit or share of such collective investment schemes or, if unavailable, on the last published selling price of such unit or share (excluding any sales charge included in such selling price).

(c) Quoted investments

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

(d) Unquoted fixed income securities

The estimated fair value is based on price quoted by a Bond Pricing Agency ("BPA") registered with the Securities Commission ("SC").

Where such a quotation is not available or where the PRS Provider is of the view that the price quoted by the BPA for a specific unquoted fixed income security differs from the market price by more than 20 basis points, the PRS Provider may use the market price, provided that the PRS Provider:

- (i) records its basis for using non-BPA price;
- (ii) obtains necessary internal approvals to use the non-BPA price; and
- (iii) keeps an audit trail of all decisions and basis for adopting the market yield.

(e) Other short-term financial instruments

Other short-term financial instruments comprise amount due from/to PRS Provider, amount due to Scheme Trustee, amount due to Private Pension Administrator, amount due from/to brokers and other payables. The carrying values of the assets and liabilities are assumed to approximate their fair values due to the short tenure of less than one year.

## J TAXATION

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

## K TRANSACTION COSTS

Transaction costs are costs incurred to acquire or dispose of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as expenses.

## L MANAGEMENT FEE REBATE

Management fee rebate is derived from the collective investment schemes held by the Fund on an accruals basis to ensure no double charging of management fee. It is accrued daily based on the fair value of collective investment schemes held.

# MANULIFE PRS-CONSERVATIVE FUND

## **M CREATION AND CANCELLATION OF UNITS**

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

The Fund issues cancellable units, comprising two classes of units, known respectively as the Class A and Class C, which are cancelled at the member's option and do not have identical features subject to restrictions as stipulated in the Disclosure Documents and Securities Commission Guidelines on Private Retirement Scheme. 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 member exercise the right to put back the unit to the Fund.

Units are created and cancelled at the member's 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 members of respective classes with the total number of outstanding units of respective classes.

## **N DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

The Fund's derivative financial instruments comprise foreign forward currency contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the date of the statement of financial position with the resulting value discounted back to present value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for in accordance with the accounting policy set out in Note B to the financial statements.

## **12 NOTES TO THE FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2023

### **1 INFORMATION ON THE FUND**

Manulife PRS-Conservative Fund (the "Fund") has been constituted by way of a Trust Deed on 8 November 2012, as amended and supplemented by subsequent Supplemental Deeds (collectively, referred to as the "Deed") between Manulife Investment Management (M) Berhad (the "PRS Provider") and HSBC (Malaysia) Trustee Berhad (the "Scheme Trustee").

The Fund was launched on 19 November 2012 and will continue its operations until terminated as provided under Clause 14.4 of the Deed.

The Fund is one of the core funds of Manulife PRS NESTEGG Series (the "Scheme"), a voluntary investment scheme designed to facilitate accumulation of retirement savings by individuals for their retirement needs.

The investment objective is to provide members with steady returns while preserving capital.

\* Please note that this Fund is neither a capital guaranteed fund nor a capital protected fund; therefore, a Member's capital is neither guaranteed nor protected.

The Fund has two classes of Units (Class A and Class C) and are distinguished by the amount of sales charge, redemption charge, switching fee, transfer fee and amount of management fee imposed by the PRS Provider on each of those classes of units.

On the 10th anniversary of the date the first contribution was made by or on behalf of a Member holding Class A Units of a Fund, the Class A Units of such Fund held by a Member will automatically be converted into Class C Units of such Fund at no cost to the Member. Accordingly, any subsequent contributions by or on behalf of the Member after the said 10th anniversary will be utilised towards the purchase of Class C Units of the Fund. For the avoidance of doubt, the date the first contribution was made shall be the earliest date the first contribution was made to the Scheme or to any other private retirement scheme operated by the PRS Provider.

The Fund invests in a diversified portfolio of equities, equity-related securities, REITs (via Collective Investment Scheme (CIS)) and/or fixed income instruments. To achieve the investment objective of the Fund, the Fund may invest a maximum of 35% of its net asset value in equities, equity-related securities and/or REITs (via CIS). The Fund will invest at least 65% of the Fund's net asset value in fixed income instruments such as bonds, money market instruments and deposits with financial institutions. The fixed income instruments which the Fund invests in must be rated at least BBB3/P2 by RAM (or equivalent rating by MARC). Further, the Fund may also invest up to 5% of the Fund's net asset value in fixed income instruments which are rated below BBB3/P2 and/or are unrated. The Fund may invest in these investments directly or via CIS.

The Fund may invest up to 100% of the Fund's net asset value in foreign investments in the global markets where the regulatory authority is an ordinary or associate member of the International Organisation of Securities Commissions (IOSCO).

Further, the Fund may enter into derivative trades solely for hedging purposes only. The derivative trades would not be considered as investments of the Fund but rather a risk management device.

The Fund is actively managed. Any active and frequent trading strategy will depend on market opportunities or valuations.

# MANULIFE PRS-CONSERVATIVE FUND

The PRS Provider will analyse the general economic and market conditions. The top-down approach examines global and local macro-economic factors such as interest rate trends, inflation rates, supply demand trends, commodities trends, industry outlook and trends. The PRS Provider employs an active and opportunistic asset allocation strategy depending upon the market expectations. For example, when the economy bottoms-out from a recession, the PRS Provider will search for a clearer evidence of sustainable economic recovery before overweighting on its equity asset allocation versus fixed income instruments. Likewise, when the economy has peaked and is heading towards a slow growth period, the PRS Provider will then decide to underweight its equity asset allocation versus fixed income instruments.

If and when the Fund invests in any of the CIS operated by the Provider or its related corporation, there will be no “double-charging” of management fees and sales charges; fees and charges will be levied only at the Fund level. Any sales charge usually paid for investment in the CIS being invested into will be waived.

## Temporary Defensive Measures

The PRS Provider may lower the equity exposure of the Fund if the PRS Provider is of the opinion that the investment climate is deemed unfavourable or under adverse market conditions; the PRS Provider will then reallocate the Fund’s investments into more defensive instruments such as deposits and/or money market instruments.

The PRS Provider, a company incorporated in Malaysia, a wholly-owned subsidiary of Manulife Holdings Berhad, is 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 scheme, fund management activities and financial planning.

The financial statements were authorised for issue by the PRS Provider on 27 October 2023.

## **2 MANAGEMENT FEE REBATE**

As the Fund invests in collective investment schemes, the management fee charged by the collective investment schemes is fully refunded to the Fund. In accordance with the Fund’s Disclosure Documents, there is no double charging of management fee to the Fund.

For the financial year ended 31 August 2023 and 31 August 2022, the management fee rebate is recognised at the following rates:

<b><u>Fund Name</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Manulife Asia Total Return Bond Fund - RM-Hedged Class	1.25%	-
Manulife Bond Plus Fund	1.00%	-
Manulife Dragon Growth Fund - RM-Hedged Class	1.80%	-
Manulife Investment Al-Ma'mun - Class A	-	0.35%
Manulife Investment Al Ma'mun - Class I	-	0.25%
Manulife Investment As-Saad	-	0.75%
Manulife Investment Asia-Pacific Ex Japan Fund	1.50%	1.50%
Manulife Investment Bond Fund	0.75%	0.75%
Manulife Investment Growth Fund	1.50%	1.50%
Manulife Investment Money Market Fund - Class A	-	0.35%
Manulife Investment Money Market Fund - Class I	0.25%	0.25%
Manulife Investment U.S Equity Fund - RM-Class	1.80%	1.80%

## **3 MANAGEMENT FEE**

In accordance with the Deed, the PRS Provider is entitled to an annual management fee at a rate not exceeding 3.00% per annum for Class A and 1.50% per annum for Class C of the net asset value of the respective classes before deducting Scheme Trustee’s fee, Management fee and Private Pension Administrator’s fee for the day, calculated on a daily basis.

# MANULIFE PRS-CONSERVATIVE FUND

For the financial year, the PRS Provider is entitled to management fee at a rate of 1.20% per annum for the financial period from 1 September 2022 to 20 November 2022, 1.00% per annum from 21 November 2022 to 31 March 2023 and 1.20% per annum from 1 April 2023 to 31 August 2023 (2022: 1.20% per annum) for Class A, while it is recognised at 1.00% per annum (2022: 1.00% per annum) for Class C, of the net asset value of the respective classes before deducting Scheme Trustee's fee, Management fee and Private Pension Administrator's fee for the day, calculated on a daily basis.

Auditors' remuneration of RM 8,500 (2022: RM5,500) and tax agent's fee of RM3,000 (2022: RM2,700) were borne by the PRS Provider.

There will be no further liability to the PRS Provider in respect of management fee, auditor's remuneration and tax agent's fee other than the amount recognise above.

#### 4 SCHEME TRUSTEE'S FEE

In accordance with the Deed, the Scheme Trustee is entitled to an annual Scheme Trustee's fee (excluding foreign sub-custodian fees and charges) at a rate not exceeding 0.20% per annum of the net asset value of the Fund before deducting Scheme Trustee's fee, Management fee and Private Pension Administrator's fee for the day, calculated on a daily basis.

For the financial year, the Scheme Trustee's fee is recognised at a rate of 0.035% per annum (2022: 0.035% per annum) on the net asset value of the Fund before deducting Scheme Trustee's fee, Management fee and Private Pension Administrator's fee for the day, calculated on a daily basis.

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

#### 5 PRIVATE PENSION ADMINISTRATOR'S ("PPA") FEE

For the financial year, the PPA's fee is recognised at a rate of 0.04% per annum (2022: 0.04% per annum) of the net asset value of the Fund before deducting Scheme Trustee's fee, Management fee and Private Pension Administrator's fee for the day, calculated on a daily basis.

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

#### 6 TAXATION

	2023	2022
	RM	RM
Current taxation	-	-
Underprovision of taxation in prior year	44	-
	44	-

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

	2023	2022
	RM	RM
Profit/(loss) after finance cost and before taxation	8,696	(183,716)



# MANULIFE PRS-CONSERVATIVE FUND

Tax calculated at Malaysian tax rate of 24% (2022: 24%)	2,087	(44,092)
Tax effect in respect of:		
- Expenses not deductible for tax purposes	18,478	18,588
- Restriction on tax deductible expenses for Private Retirement Schemes	10,753	11,354
- (Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(31,318)	14,150
- Under provision of taxation in prior year	44	-
Tax expenses	<u>44</u>	<u>-</u>

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

	<u>31.08.2023</u>	<u>31.08.2022</u>
	RM	RM
Financial asset at fair value through profit or loss		
- Collective investment schemes - Local	2,379,895	2,225,578
- Collective investment schemes - Foreign	65,573	184,471
- Exchange Traded Funds	1,648,793	1,361,752
	<u>4,094,261</u>	<u>3,771,801</u>
	<u>2023</u>	<u>2022</u>
	RM	RM
Net gain/(loss) on financial assets at fair value through profit or loss		
- Realised	760	(159,769)
- Unrealised	89,632	(78,508)
- Management fee rebate #	16,938	18,631
	<u>107,330</u>	<u>(219,646)</u>

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

<u>COLLECTIVE INVESTMENT SCHEMES-LOCAL</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 31.08.2023</u> RM	<u>Fair value as at 31.08.2023 expressed as percentage of value of Fund</u> %
<b>31.08.2023</b>				
Manulife Asia Total Return Bond Fund - RM-Hedged Class	555,845	239,403	225,784	5.34
Manulife Bond Plus Fund	2,055,516	1,155,200	1,157,461	27.36
Manulife Dragon Growth Fund - RM-Hedged Class	36,627	33,400	32,287	0.76
Manulife Investment Asia-Pacifc Ex-Japan Fund	495,491	172,089	179,219	4.24
Manulife Investment Growth Fund	677,496	225,229	227,503	5.38
Manulife Investment Money Market Fund - Class I	482,271	479,415	486,805	11.51
Manulife Investment U.S Equity Fund - RM-Class	87,290	66,400	70,836	1.67
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES -LOCAL</b>	<u>4,390,536</u>	<u>2,371,136</u>	<u>2,379,895</u>	<u>56.26</u>

# MANULIFE PRS-CONSERVATIVE FUND

<b><u>COLLECTIVE INVESTMENT SCHEMES-FOREIGN</u></b>	<b><u>Quantity Units</u></b>	<b><u>Cost of shares RM</u></b>	<b><u>Fair value as at 31.08.2023 RM</u></b>	<b><u>Fair value as at 31.08.2023 expressed as percentage of value of Fund %</u></b>
<b>31.08.2023</b>				
Manulife Global Fund - Dragon Growth Fund	6,493	23,274	21,797	0.52
Manulife Global Fund - Healthcare Fund I3	9,128	40,583	43,776	1.03
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES -FOREIGN</b>	<b>15,621</b>	<b>63,857</b>	<b>65,573</b>	<b>1.55</b>

<b><u>EXCHANGE TRADED FUNDS</u></b>	<b><u>Quantity Units</u></b>	<b><u>Cost of shares RM</u></b>	<b><u>Fair value as at 31.08.2023 RM</u></b>	<b><u>Fair value as at 31.08.2023 expressed as percentage of value of Fund %</u></b>
<b>31.08.2023</b>				
iShares Core MSCI World UCITS ETF	924	323,878	364,876	8.63
iShares US Aggregate Bond UCITS ETF	2,537	1,080,724	1,084,412	25.64
iShares USD Corp Bond UCITS ETF	160	72,013	74,696	1.76
WisdomTree Japan Equity UCITS ETF	297	34,200	36,034	0.85
Xtrackers MSCI World Information Technology UCITS ETF	292	84,361	88,775	2.10
<b>TOTAL EXCHANGE TRADED FUNDS</b>	<b>4,210</b>	<b>1,595,176</b>	<b>1,648,793</b>	<b>38.98</b>
<b>TOTAL INVESTMENTS</b>	<b>4,410,367</b>	<b>4,030,169</b>	<b>4,094,261</b>	<b>96.79</b>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>64,092</b>		
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<b>4,094,261</b>		

# MANULIFE PRS-CONSERVATIVE FUND

<b><u>COLLECTIVE INVESTMENT SCHEMES-LOCAL</u></b>	<b><u>Quantity</u></b>	<b><u>Cost of shares</u></b>	<b><u>Fair value as at 31.08.2022</u></b>	<b><u>Fair value as at 31.08.2022 expressed as percentage of value of Fund</u></b>
	<b>Units</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b><u>31.08.2022</u></b>				
Manulife Investment Asia-Pacific Ex-Japan Fund	503,231	182,722	171,250	4.27
Manulife Investment Bond Fund	1,309,176	1,131,834	1,137,936	28.39
Manulife Investment Growth Fund	631,595	222,789	192,510	4.80
Manulife Investment Money Market Fund - Class I	721,214	716,892	723,882	18.06
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES-LOCAL</b>	<b>3,165,216</b>	<b>2,254,237</b>	<b>2,225,578</b>	<b>55.52</b>

<b><u>COLLECTIVE INVESTMENT SCHEMES-FOREIGN</u></b>	<b><u>Quantity</u></b>	<b><u>Cost of shares</u></b>	<b><u>Fair value as at 31.08.2022</u></b>	<b><u>Fair value as at 31.08.2022 expressed as percentage of value of Fund</u></b>
	<b>Units</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b><u>31.08.2022</u></b>				
Manulife Global Fund - Asia Total Return Fund	14,275	59,603	60,437	1.51
Manulife Global Fund - China Total Return Bond Fund	15,113	64,107	65,020	1.62
Manulife Global Fund - Healthcare Fund I3	5,470	23,691	22,892	0.57
Manulife Investment Dragon Growth Fund	9,809	36,164	36,122	0.90
<b>TOTAL COLLECTIVE INVESTMENT SCHEMES -FOREIGN</b>	<b>44,667</b>	<b>183,565</b>	<b>184,471</b>	<b>4.60</b>

<b><u>EXCHANGE TRADED FUNDS</u></b>	<b><u>Quantity</u></b>	<b><u>Cost of shares</u></b>	<b><u>Fair value as at 31.08.2022</u></b>	<b><u>Fair value as at 31.08.2022 expressed as percentage of value of Fund</u></b>
	<b>Units</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
<b><u>31.08.2022</u></b>				
iShares Core MSCI World UCITS ETF	653	219,260	215,491	5.38
iShares US Aggregate Bond UCITS ETF	2,181	928,643	938,603	23.42
Xtrackers II Harvest China Government Bond UCITS ETF	1,308	130,874	127,530	3.18
Xtrackers MSCI World Consumer Staples UCITS ETF	184	36,511	35,061	0.88
Xtrackers MSCI World Energy UCITS ETF	92	15,980	17,353	0.43
Xtrackers MSCI World Information Technology UCITS ETF	122	28,271	27,714	0.69
<b>TOTAL EXCHANGE TRADED FUNDS</b>	<b>4,540</b>	<b>1,359,539</b>	<b>1,361,752</b>	<b>33.98</b>

# MANULIFE PRS-CONSERVATIVE FUND

<u>EXCHANGE TRADED FUNDS</u>	<u>Quantity</u> Units	<u>Cost of</u> <u>shares</u> RM	<u>Fair value</u> <u>as at</u> <u>31.08.2022</u> RM	<u>Fair value as</u> <u>at 31.08.2022</u> <u>expressed as</u> <u>percentage</u> <u>of value of</u> <u>Fund</u> %
<b>31.08.2022</b>				
<b>TOTAL INVESTMENTS</b>	3,214,423	3,797,341	3,771,801	94.10
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		(25,540)		
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		3,771,801		

## 8 DERIVATIVE ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>31.08.2023</u> RM	<u>31.08.2022</u> RM
<u>Derivative assets</u>		
Forward foreign currency contract	-	60
<u>Derivative liabilities</u>		
Forward foreign currency contract	2,091	1,787
	<u>2023</u> RM	<u>2022</u> RM
Net realised (loss)/gain on forward currency contracts	(27,894)	1,107
Net unrealised loss on forward currency contracts	(364)	(1,727)
	(28,258)	(620)

(i) Forward foreign currency contracts as at 31 August 2023 is as follows:

	<u>Payables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage</u> <u>of NAV</u> %
HSBC Bank Malaysia Berhad	901,000	903,091	(2,091)	(0.05)
Total forward foreign currency contracts	901,000	903,091	(2,091)	(0.05)

(ii) Forward foreign currency contracts as at 31 August 2022 is as follows:

	<u>Payables</u> RM	<u>Payables</u> RM	<u>Fair value</u> RM	<u>Percentage</u> <u>of NAV</u> %
HSBC Bank Malaysia Berhad	260,120	260,060	60	-
Standard Chartered Bank, KL	260,000	261,787	(1,787)	(0.04)
Total forward foreign currency contracts	520,120	521,847	(1,727)	(0.04)

# MANULIFE PRS-CONSERVATIVE FUND

As at 31 August 2023, the notional principal amount of the 1 (2022: 2) outstanding forward foreign currency contracts amounted to RM901,000 (31.08.2022: RM520,060). The MYR/USD forward foreign currency contracts were entered into during the financial year to minimise the risk of foreign exchange exposure between the USD and the MYR for the Fund.

As the Fund has not adopted hedge accounting, the change in fair value of the forward foreign currency contract is recognised immediately in statement of comprehensive income.

## 9 CASH AND CASH EQUIVALENTS

	<b>31.08.2023</b>	<b>31.08.2022</b>
	<b>RM</b>	<b>RM</b>
Bank balance in a licensed bank	138,547	250,194

## 10 UNITS IN CIRCULATION

### (i) Class A

	<b>31.08.2023</b>	<b>31.08.2022</b>
	<b>No. of units</b>	<b>No. of units</b>
At beginning of the financial year	6,123,859	6,116,169
Add: Creation of units arising from applications	560,103	403,554
Add: Creation of units arising from distribution	80,172	95,350
Less: Cancellation of units	(1,863,452)	(491,214)
At end of the financial year	4,900,682	6,123,859

### (ii) Class C

	<b>31.08.2023</b>	<b>31.08.2022</b>
	<b>No. of units</b>	<b>No. of units</b>
At beginning of the financial year	1,386,784	1,166,252
Add: Creation of units arising from applications	1,575,526	209,841
Add: Creation of units arising from distribution	17,439	18,602
Less: Cancellation of units	(43,620)	(7,911)
At end of the financial year	2,936,129	1,386,784

## 11 BROKERS' TRANSACTIONS

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

<b><u>Name of brokers</u></b>	<b>Percentage</b>		<b>Percentage</b>	
	<b>Value of trades</b>	<b>of total trades</b>	<b>Brokerage fees</b>	<b>of total brokerage fees</b>
	<b>RM</b>	<b>%</b>	<b>RM</b>	<b>%</b>
<b><u>2023</u></b>				
Goldman Sachs International London	2,146,212	68.29	107	66.05
Investment Technology Group, Inc.	573,171	18.24	29	17.90
Macquarie Capital (Europe) Limited, London	372,519	11.85	19	11.73
Goldman Sachs and Company, New York	19,489	0.61	3	1.85
BOFA Securities, Inc	19,080	0.61	3	1.85
Investment Technology Group (Europe) Limited, Ireland	12,459	0.40	1	0.62
	<b>3,142,930</b>	<b>100.00</b>	<b>162</b>	<b>100.00</b>

# MANULIFE PRS-CONSERVATIVE FUND

	Value of trades RM	Percentage of total trades %	Brokerage fees RM	Percentage of total brokerage fees %
<b>2022</b>				
Goldman Sachs International London	6,648,040	36.75	330	88.03
HSBC International Trustee (Hong Kong) Limited	6,242,611	34.50	-	-
GHSS Mutual Fund Depository	3,280,765	18.14	-	-
Affin Hwang Investment Bank Berhad	817,079	4.52	-	-
Calastone Limited	566,579	3.13	1	0.20
RHB Investment Bank Berhad	337,136	1.86	-	-
Macquarie Securities (Australia) Limited	155,776	0.86	-	-
The Goldman Sachs Group	25,729	0.14	1	0.34
Goldman Sachs and Company, New York	15,812	0.09	3	0.76
Instinet Pacific Limited	1,251	0.01	40	10.67
	18,090,778	100.00	375	100.00

Included in transactions by the Fund were trades conducted with Manulife Investment Management (M) Berhad, the PRS Provider. The PRS Provider is of the opinion that all transactions have been entered into in the normal course of business on agreed terms between the related parties.

## 12 UNITS HELD BY THE PRS PROVIDER AND PARTIES RELATED TO THE PRS PROVIDER

The related parties and their relationship with the Fund are as follows:

<u>Related parties</u>	<u>Relationship</u>
Manulife Investment Management (M) Berhad	The PRS Provider
Manulife Financial Corporation ("Manulife")	Ultimate holding company of the PRS Provider
Manulife Holdings Berhad	Immediate holding company of the PRS Provider
Manulife Investment Management (Hong Kong) Limited	Subsidiaries and associate companies of the ultimate holding company of the PRS Provider
Subsidiaries and associates of Manulife as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the PRS Provider
Directors of Manulife Investment Management (M) Berhad	Directors of the PRS Provider

Units held by party related to the PRS Provider:

	31.08.2023		31.08.2022	
	No. of units	RM	No. of units	RM
Director of the PRS Provider				
Class C				
Wong Boon Choy**	101	56	100	56

\*\* The units are held legally and beneficially.

There were no units held by the PRS Provider for Class A and Class C as at the end of financial year.

In addition to the related party disclosure mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The PRS Provider is of the opinion that all transactions with the related companies have been entered into in the normal course of business at agreed terms between the related parties.

# MANULIFE PRS-CONSERVATIVE FUND

	2023	2022
	RM	RM
<u>Significant related party transactions</u>		
Dividends from collective investment schemes:		
- Manulife Investment Management (M) Berhad	58,291	110,268
- Manulife Investment Management (Hong Kong) Limited	1,669	-
	<u>59,960</u>	<u>110,268</u>
Purchase of collective investment schemes:		
- Manulife Investment Management (M) Berhad	2,187,797	1,767,070
- Manulife Investment Management (Hong Kong) Limited	550,609	409,599
	<u>2,738,406</u>	<u>2,176,669</u>
Disposal of collective investment schemes:		
- Manulife Investment Management (M) Berhad	2,125,478	4,563,212
- Manulife Investment Management (Hong Kong) Limited	681,614	156,980
	<u>2,807,092</u>	<u>4,720,192</u>
Management fee rebates:		
- Manulife Investment Management (M) Berhad	16,937	18,631
	<u>16,937</u>	<u>18,631</u>
	<b>31.08.2023</b>	<b>31.08.2022</b>
	<b>RM</b>	<b>RM</b>

## Significant related party balances

Collective investment schemes managed by the PRS Provider:

- Manulife Asia Total Return Bond Fund - RM-Hedged Class	225,784	-
- Manulife Bond Plus Fund	1,157,461	-
- Manulife Dragon Growth Fund - RM-Hedged Class	32,287	-
- Manulife Investment Asia-Pacifc Ex-Japan Fund	179,219	171,250
- Manulife Investment Bond Fund	-	1,137,936
- Manulife Investment Growth Fund	227,503	192,510
- Manulife Investment Money Market Fund - Class I	486,805	723,882
- Manulife Investment U.S Equity Fund - RM-Class	70,836	-
	<u>2,379,895</u>	<u>2,225,578</u>

### 13 TOTAL EXPENSE RATIO ("TER")

	2023	2022
	%	%
TER	<u>1.59</u>	<u>1.52</u>

TER represents expenses including Management fee, Scheme Trustee's fee, Private Pension Administrator fee and other expenses (excluding SST on transaction costs and withholding tax) expressed as an annual percentage of the Fund's average net asset value, calculated on a daily basis.

### 14 PORTFOLIO TURNOVER RATIO ("PTR")

	2023	2022
PTR (times)	<u>1.06</u>	<u>3.00</u>

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

### 15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund is exposed to a variety of risks which include market risk (including price risk, interest rate risk and currency risk), credit risk, liquidity risk, capital risk and collective investment scheme risk.

Financial risk management is carried out through internal control processes adopted by the PRS Provider and adherence to all rules and regulations as stipulated by the Security Commission Malaysia's Guidelines on Private Retirement Schemes.

# MANULIFE PRS-CONSERVATIVE FUND

## Market risk

### (a) Price risk

Price risk arises mainly from uncertainty about future prices of investments. It represents the potential loss the Fund may suffer through holding market positions in the face of price movements. The PRS Provider manages the risk of unfavourable changes in prices by continuous monitoring of the performance and risk profile of the investment portfolio.

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

	<u>31.08.2023</u>	<u>31.08.2022</u>
	RM	RM
Financial assets at fair value through profit or loss		
- Collective investment schemes - Local	2,379,895	2,225,578
- Collective investment schemes - Foreign	65,573	184,471
- Exchange Traded Funds	<u>1,648,793</u>	<u>1,361,752</u>
	<u>4,094,261</u>	<u>3,771,801</u>

The following table summarises the sensitivity of the Fund's profit or loss after taxation and net asset value to price risk movements of investments at the end of each reporting year. The analysis is based on the assumptions that the market price of investments fluctuates by 5% with all other variables being held constant, and that fair value of the Fund's investments move according to the historical correlation of the index. Disclosures 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 or loss after taxation</u>	<u>Impact on net asset value</u>
	%	RM	RM
<b><u>31.08.2023</u></b>			
Financial assets at fair value through profit or loss			
- Collective investment schemes - Local	5	118,995	118,995
- Collective investment schemes - Foreign	5	3,279	3,279
- Exchange Traded Funds	5	<u>82,440</u>	<u>82,440</u>
		<u>204,714</u>	<u>204,713</u>
<b><u>31.08.2022</u></b>			
Financial assets at fair value through profit or loss			
- Collective investment schemes - Local	5	111,279	111,279
- Collective investment schemes - Foreign	5	9,224	9,224
- Exchange Traded Funds	5	<u>68,088</u>	<u>68,088</u>
		<u>188,591</u>	<u>188,591</u>

### (b) Interest rate risk

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

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

### (c) Currency risk

For investments denominated in foreign currencies, the currency risk may have a significant impact on the returns of the Fund. The PRS Provider will evaluate the likely direction of a foreign currency versus Ringgit Malaysia based on consideration of economic fundamentals such as interest rate differentials, balance of payment position, debt level and technical consideration.



# MANULIFE PRS-CONSERVATIVE FUND

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

<u>As at</u>	Cash and cash equivalents	Derivative assets at fair through profit or loss	Derivative liabilities at fair value through profit or loss	Financial assets at fair value through profit or loss	Amount due from brokers -Sale of collective investment scheme
<u>31.08.2023</u>	RM	RM	RM	RM	RM
EUR	157	-	-	-	-
USD	8,382	-	(2,091)	1,714,366	-
	8,539	-	(2,091)	1,714,366	-
					<b>Total</b>
					<b>RM</b>
EUR					157
USD					1,720,657
					<u>1,720,814</u>
					<b>Total</b>
					<b>RM</b>
<u>31.08.2022</u>					
EUR	118	-	-	-	-
USD	241,673	60	(1,787)	1,546,223	(12,121)
	241,791	60	(1,787)	1,546,223	(12,121)
					<b>Total</b>
					<b>RM</b>
EUR					118
USD					1,774,048
					<u>1,774,166</u>

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

<u>As at</u>	Changes in foreign exchange	Impact on profit or loss after taxation	Impact on net asset value
<u>31.08.2023</u>	%	RM	RM
EUR	5	8	8
USD	5	86,033	86,033
		<u>86,041</u>	<u>86,041</u>
<u>31.08.2022</u>			
EUR	5	6	6
USD	5	88,702	88,702
		<u>88,708</u>	<u>88,708</u>

# MANULIFE PRS-CONSERVATIVE FUND

## 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 PRS Provider manages the credit risk by undertaking credit evaluation to minimise such a risk.

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

For amount due from Manager of collective investment schemes, the settlement terms are governed by the relevant rules and regulations as prescribed by respective countries stock exchanges.

For unquoted fixed income securities, the PRS Provider regularly reviews the ratings assigned to the issuer so that necessary steps can be taken if the ratings fall below those prescribed by the Deeds.

The settlement terms of the proceeds from the creation of units receivable from the PRS Provider are governed by the Securities Commission Malaysia's Guidelines on Private Retirement Schemes.

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

	<b>Neither Past Due Nor Impaired</b>		
	<b>Cash and cash equivalents</b>	<b>Amount due from PRS Provider- Creation of units</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>As at</b>			
<b>31.08.2023</b>			
- AAA	130,008	-	130,008
- AA3	8,539	-	8,539
Not rated	-	1,671	1,671
	<u>138,547</u>	<u>1,671</u>	<u>140,218</u>

	<b>Neither Past Due Nor Impaired</b>				
	<b>Cash and cash equivalents</b>	<b>Derivative assets at fair value through profit or loss</b>	<b>Amount due from PRS Provider- Creation of units</b>	<b>Amount due from brokers -Sale of collective investment scheme</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>As at</b>					
<b>31.08.2022</b>					
- AAA	8,402	60	-	-	8,462
- AA3	241,792	-	-	-	241,792
Not rated	-	-	3,042	16,064	19,106
	<u>250,194</u>	<u>60</u>	<u>3,042</u>	<u>16,064</u>	<u>269,360</u>

All financial assets of the Fund at the end of each reporting period are neither past due nor impaired.

# MANULIFE PRS-CONSERVATIVE FUND

## Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligation.

The PRS Provider manages this risk by maintaining a sufficient level of liquid assets to meet anticipated payments and cancellation of units by the members. The liquid assets comprise cash at bank, 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>
	RM	RM	RM
<b><u>31.08.2023</u></b>			
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	138,547	138,547
Financial assets at fair value through profit or loss	-	4,094,261	4,094,261
Amount due from PRS Provider			
- Creation of units	1,671	-	1,671
	<u>1,671</u>	<u>4,232,808</u>	<u>4,234,479</u>

## Financial liabilities

Net assets attributable to members **	4,229,979	-	4,229,979
Amount due to PRS Provider- Management fee	2,141	-	2,141
Amount due to Scheme Trustee	125	-	125
Amount due to Private Pension Administrator	143	-	143
Derivative liabilities at fair value through profit or loss	2,091	-	2,091
	<u>4,234,479</u>	<u>-</u>	<u>4,234,479</u>

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	RM	RM	RM
<b><u>31.08.2022</u></b>			
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	250,194	250,194
Financial assets at fair value through profit or loss	-	3,771,801	3,771,801
Amount due from PRS Provider			
- Creation of units	3,042	-	3,042
Amount due from Brokers	16,064	-	16,064
Derivative assets at fair value through profit or loss	60	-	60
	<u>19,166</u>	<u>4,021,995</u>	<u>4,041,161</u>

# MANULIFE PRS-CONSERVATIVE FUND

<b>As at</b>	<b>Within one year</b>	<b>No maturity date</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b><u>31.08.2022</u></b>			
<b><u>Financial liabilities</u></b>			
Net assets attributable to members **	4,008,333	-	4,008,333
Amount due to PRS Provider			
- Management fee	2,643	-	2,643
Amount due from brokers	28,185	-	28,185
Amount due to Scheme Trustee	120	-	120
Amount due to Private Pension Administrator	137	-	137
Derivative liabilities at fair value through profit or loss	1,787	-	1,787
	<u>4,041,205</u>	<u>-</u>	<u>4,041,205</u>

\*\*Units are cancelled on demand at the members' option. However, the PRS Provider does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows as members typically retain them for the medium-to long-term return.

## **Capital risk**

The capital of the Fund is represented by net assets attributable to members of RM4,229,979 (31.08.2022: RM4,008,333). The amount of net assets attributable to members can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of members. 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 members 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 RM4,094,261 (31.08.2022: RM3,771,801) is classified within level 1 of the fair value hierarchy.

Derivative assets at fair value through profit or loss amounting to RM Nil (31.08.2022: RM60) is classified within level 2 of the fair value hierarchy.

Derivative liabilities at fair value through profit or loss amounting to RM2,091 (31.08.2022: RM1,787) is classified within level 2 of the fair value hierarchy.

## **Collective investment scheme risk**

This risk is associated with the Fund's investment in collective investment schemes exposing the Fund to the inherent investment risks faced by collective investment schemes. The Fund may also be exposed to liquidity risk which may arise from the inability of the collective investment schemes to meet redemption amounts, as well as the risk of not being aligned with the Fund's mandate in the event the collective investment scheme that the Fund is invested into breaches its asset allocation limits. Therefore, should any of the risks faced by the collective investment schemes materialise, the performance of the Fund will be affected.

# MANULIFE PRS-CONSERVATIVE FUND

## 16 FINANCE COST

Distribution to members is derived from the following sources:

(i) Class A	2023	2022
	RM	RM
Previous financial years' realised income	13,889	-
Dividend income	39,932	79,879
Distribution equalisation	4,104	5,179
Less:		
Expenses	(16,885)	(33,264)
	<u>41,040</u>	<u>51,794</u>
Gross distribution per unit (sen)	<u>0.65</u>	<u>0.85</u>
Net distribution per unit (sen)	<u>0.65</u>	<u>0.85</u>
Ex-date	<u>15.12.2022</u>	<u>15.12.2021</u>
(ii) Class C	2023	2022
	RM	RM
Previous financial years' realised income	2,488	-
Dividend income	9,726	14,634
Distribution equalisation	943	1,064
Less:		
Expenses	(3,730)	(5,054)
	<u>9,427</u>	<u>10,644</u>
Gross distribution per unit (sen)	<u>0.65</u>	<u>0.85</u>
Net distribution per unit (sen)	<u>0.65</u>	<u>0.85</u>
Ex-date	<u>15.12.2022</u>	<u>15.12.2021</u>

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

Included in the distribution for the financial year is an amount of RM16,648 (2022: RM Nil) derived from previous financial year's realised income.

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

There are unrealised gains of RM65,852 (2022: unrealised losses of RM61,127) arising during the financial year.

## **13 CORPORATE INFORMATION**

### **PRS PROVIDER**

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 MANAGER**

Manulife Investment Management (Hong Kong) Limited  
Registration No: (482556)  
47th Floor, The Lee Gardens  
33 Hysan Avenue, Causeway Bay  
Hong Kong SAR

### **SCHEME TRUSTEE OF THE FUND**

HSBC (Malaysia) Trustee Berhad  
Registration No: 193701000084 (1281-T)  
Level 19, Menara IQ, Lingkaran TRX  
Tun Razak Exchange  
55188 Kuala Lumpur

### **AUDITORS**

PricewaterhouseCoopers PLT  
Registration No: LLP0014401-LCA & AF 1146  
Level 10, TH1 Sentral, Jalan Rakyat  
Kuala Lumpur Sentral  
P O Box 10192  
50706 Kuala Lumpur

### **TAX CONSULTANTS**

Deloitte Tax services Sdn Bhd  
Registration No: 197701005407 (36421-T)  
Level 16, Menara LGB  
No 1, Jalan Wan Kadir  
Taman Tun Dr Ismail  
60000 Kuala Lumpur

# MANULIFE PRS-CONSERVATIVE FUND

## HEAD OFFICE

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

## BRANCH OFFICES

### Kota Bharu

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

### Sungai Petani

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

### Penang

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

### Ipoh

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

### Dataran Sunway

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

### Shah Alam

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

# MANULIFE PRS-CONSERVATIVE FUND

## **Klang**

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

## **Kuala Lumpur**

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

## **Seremban**

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

## **Melaka**

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Jalan Melaka Raya 25  
Taman Melaka Raya 1  
75000 Melaka  
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Fax: (06) 282-0587

## **Johor Bahru**

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

## **Kuching**

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

## **Miri**

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

## **Bintulu**

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



## MANULIFE PRS-CONSERVATIVE FUND

### **Sibu**

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

### **Kota Kinabalu**

Lot J-55-2, Block J,  
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KK Times Square,  
Off Jalan Coastal Highway,  
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Sabah  
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### **Sandakan**

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