

Manulife
Cash
Management
Fund

Annual Report

for the financial year ended 31 October 2023

MANULIFE CASH MANAGEMENT FUND

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MANULIFE CASH MANAGEMENT FUND

1 GENERAL INFORMATION

1.1 THE TRUST

The Fund commenced operations on 25 March 2013 and will continue its operations until terminated as provided under Clause 12 of the Deed.

1.2 FUND TYPE / CATEGORY

Income / Money Market

1.3 BASE CURRENCY

Ringgit Malaysia (RM)

1.4 OBJECTIVE OF THE FUND

The Fund aims to provide regular income* while maintaining capital stability.

* Income distribution (if any) will be reinvested as additional Units to Unit Holders.

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

1.5 DISTRIBUTION POLICY

Subject to the availability of income, the Fund will distribute income on a monthly basis.

Any distribution of income can only be made from realised gains, realised income and/or capital**.

**The Fund is allowed to distribute income out of capital to achieve the investment objective of the Fund to provide income at regular intervals as per the distribution policy of the Fund.

1.6 PERFORMANCE BENCHMARK

Maybank 1-month Fixed Deposit (FD) rate (obtainable via www.maybank2u.com).

Note: The benchmark above is only used as a reference for investment performance comparison purpose. Investing in the Fund is not the same as the placement of deposits in the Maybank 1-month fixed deposit. There are investment risks involved and the Fund's investments and returns are not protected or guaranteed. Hence, the Fund's risk profile is higher than that of the Maybank 1-month fixed deposit.

1.7 INVESTMENT STYLE AND STRATEGY

The Fund aims to achieve its objective by investing at least 90% of its net asset value (NAV) in money market instruments, debt securities with a remaining maturity of not more than 397 days, deposits and/or short-term debt securities or short-term money market instruments that have a maturity period of not more than two years if it is issued or guaranteed by, either a government, government agency, central bank or supranational. The balance of the Fund's NAV will be invested in high quality debt securities with maturity periods exceeding 397 days but not longer than 732 days, which is equivalent to approximately 2 years. These longer dated investments are subject to a cap of 10% of the NAV of the Fund. The Fund's investment must be traded under the rules of an Eligible Market and must not contain embedded derivatives.

The Fund will be actively managed to provide regular income returns while maintaining capital stability.

The investment strategy is confined to instruments of short duration in order to provide liquidity and to mitigate the impact of fluctuations in interest rate on the Fund's performance.

Selection of investments will also undergo a credit evaluation process that entails an assessment of the credit risk factor of the issuer and also the structure of the instruments, while also taking into consideration other factors, such as liquidity and credit spread of the instruments.

The Manager intends to invest in high quality debt securities from quality investment grade issues with a minimum top two short-term rating (including gradation and subcategories) of P2 (or equivalent) by RAM and/or of MARC-2 by MARC or minimum top three long-term rating (including gradation and subcategories) of A3 (or equivalent) by RAM and/or A- by MARC, and/or from a recognised credit rating agency. Should any of the instruments of the Fund or issuers, as applicable, fall below the aforementioned credit ratings, the Manager will seek to dispose of the respective investment instruments and replace them with those which are of their respective minimum credit rating stated above.

The Manager will ensure there is sufficient liquidity to meet repurchase requests.

During the financial year under review, active management of the portfolio was adopted depending on the market condition, market liquidity, fund liquidity and interest rate expectations.

MANULIFE CASH MANAGEMENT FUND

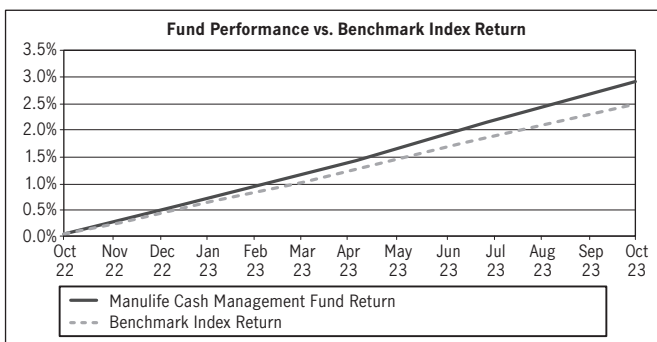
2 MANAGER'S REPORT

2.1 FUND PERFORMANCE

For the financial year ended 31 October 2023, the Fund's return increased by 2.92%. The Fund outperformed its benchmark, which increased by 2.53%. The outperformance was due to efficient investment duration management.

The gross distribution 0.17sen per unit on 29 November 2022, 0.25sen per unit on 28 December 2022, 0.25sen per unit on 27 January 2023, 0.15sen per unit on 24 February 2023, 0.21sen per unit on 29 March 2023, 0.25sen per unit on 26 April 2023, 0.25sen per unit on 29 May 2023, 0.25sen per unit on 27 June 2023, 0.15sen per unit on 27 July 2023, 0.16sen per unit on 28 August 2023, 0.25sen per unit on 26 September 2023 and 0.25sen per unit on 27 October 2023 during the financial year under review has the effect of reducing the NAV per unit of the Fund.

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



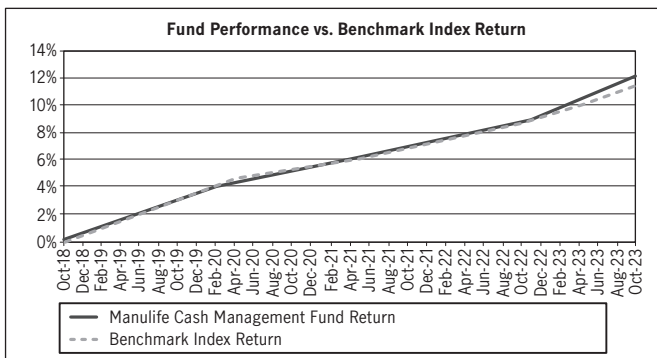
Source: Lipper & Bloomberg L.P.

Fund Size

The Fund's total NAV increased to RM226.73mil from RM195.55mil during the financial year under review.

Fund Returns

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



Source: Lipper & Bloomberg L.P.

MANULIFE CASH MANAGEMENT FUND

(b) Average Total Return of the Fund:

For the financial year ended 31 October 2023	Fund (% p.a.)	Benchmark (% p.a.)
1 year	2.92	2.53
3 years	2.11	1.91
5 years	2.29	2.19
Investment Commencement date: 25 March 2013		

Source: Lipper & Bloomberg L.P.

(c) Annual Total Return of the Fund:

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 October 2023	2.92	2.53
31 October 2022	1.81	1.72
31 October 2021	1.58	1.50
31 October 2020	2.21	2.18
31 October 2019	2.92	3.04
Investment Commencement date: 25 March 2013		

Source: Lipper & Bloomberg L.P.

BASES OF CALCULATION

1. Net Asset Value (NAV)

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

2. Net Asset Value per unit

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

3. Fund's Return

Fund's return can be calculated based on the computation methods as follows:

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

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

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

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.

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

MANULIFE CASH MANAGEMENT FUND

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

Fund Data	31 October 2023	31 October 2022	31 October 2021
NAV (RM)	226,733,316	195,545,544	211,591,460
Units in Circulation ('000)	224,661	194,362	210,254
NAV per unit (RM per unit)	1.0092	1.0061	1.0064
Highest / Lowest NAV (RM per unit)	1.0114/1.0061	1.0095/1.0057	1.0123/1.0039
Total Fund Return (%)	2.88	1.81	1.58
Capital growth (%)	0.31	(0.03)	(0.48)
Income distribution (%)	2.57	1.85	2.08
Total Expense Ratio (%)	0.24	0.24	0.24
Portfolio Turnover Ratio (times)	26.97	17.47	19.47

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 unit trust fund to the average value of the unit trust fund calculated on a daily basis.

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

Where:

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

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

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

The TER for the financial year remains consistent with the previous financial year.

(ii) Portfolio Turnover Ratio (PTR)

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

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

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

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

MANULIFE CASH MANAGEMENT FUND

Impact On NAV Arising From Distribution Distributed For The Financial Year Ended 31 October 2023:

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
27.10.2023	1.0113	(0.0025)	1.0088
26.09.2023	1.0113	(0.0025)	1.0088
28.08.2023	0.0104	(0.0016)	1.0088
27.07.2023	1.0095	(0.0015)	1.0080
27.06.2023	1.0096	(0.0025)	1.0071
29.05.2023	1.0095	(0.0025)	1.0070
26.04.2023	1.0095	(0.0025)	1.0070
29.03.2023	1.0093	(0.0021)	1.0072
24.02.2023	1.0081	(0.0015)	1.0066
27.01.2023	1.0084	(0.0025)	1.0059
28.12.2022	1.0085	(0.0025)	1.0060
29.11.2022	1.0078	(0.0017)	1.0061

Impact On NAV Arising From Distribution Distributed For The Financial Year Ended 31 October 2022:

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
27.10.2022	1.0079	(0.0021)	1.0058
28.09.2022	1.0079	(0.0019)	1.0060
26.08.2022	1.0089	(0.0029)	1.0060
27.07.2022	1.0095	(0.0023)	1.0072
28.06.2022	1.0082	(0.0002)	1.0080
27.05.2022	1.0071	(0.0004)	1.0067
27.04.2022	1.0090	(0.0033)	1.0057
29.03.2022	1.0083	(0.0006)	1.0077
24.02.2022	1.0074	(0.0007)	1.0067
27.01.2022	1.0075	(0.0013)	1.0062
29.12.2021	1.0081	(0.0020)	1.0061
26.11.2021	1.0075	(0.0008)	1.0067

Impact On NAV Arising From Distribution Distributed For The Financial Year Ended 31 October 2021:

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
27.10.2021	1.0079	(0.0018)	1.0061
28.09.2021	1.0078	(0.0011)	1.0067
26.08.2021	1.0070	(0.0007)	1.0063
27.07.2021	1.0064	(0.0007)	1.0057
28.06.2021	1.0057	(0.0007)	1.0050
27.05.2021	1.0051	(0.0007)	1.0044
27.04.2021	1.0063	(0.0025)	1.0038
29.03.2021	1.0074	(0.0025)	1.0049
24.02.2021	1.0086	(0.0025)	1.0061
26.01.2021	1.0098	(0.0025)	1.0073
29.12.2020	1.0111	(0.0025)	1.0086
26.11.2020	1.0122	(0.0025)	1.0097

MANULIFE CASH MANAGEMENT FUND

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

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

Source of distribution distributed for the financial year:

Source	Final	
	RM	%
Capital	854,966	15.81
Income	4,553,232	84.19

2.2 ASSET ALLOCATION

Asset allocation for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 October 2023	31 October 2022	31 October 2021
Deposits With Licensed Financial Institutions	97.24	103.38	95.40
Other Assets & Liabilities	2.76	(3.38)	4.60

As at 31 October 2023, the entire Fund was placed as deposits with licensed financial institutions.

2.3 MARKET REVIEW

During the financial year under review (1st November 2022 to 31st October 2023), initially, global bond yields rose as investors priced out expectations of rate cuts in the US amid hawkish US Federal Reserve (Fed) stance and down trending but still elevated inflation. 2Q 2023 started on a dovish tone for US Treasuries (UST) as investors worried that the Silicon Valley Bank run could morph into a wider banking crisis and potential recession. In 3Q 2023, the main spotlight was on the Fed's "higher-for-longer" narrative, which caused bond yields to rise globally. Throughout 3Q 2023, global inflation continued trending downwards, but core inflation had remained stickier. Higher energy prices and the waning impact of high energy base effect started exerting upward pressure on headline inflation in some markets.

Malaysian Government Securities (MGS) yield curve tracked UST direction and global bond trends most of the time. Bank Negara Malaysia (BNM) kept Overnight Policy rate (OPR) unchanged at 3.00% in 3Q 2023, continuing its pledge to remain vigilant of developments in assessing the outlook for domestic inflation and growth. Latest monetary policy statement was a tad more dovish and hinted at downside risks to growth.

2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

Malaysia's gross domestic product (GDP) growth is expected to continue easing, dragged by fading reopening tailwinds, weaker business sentiment and weak external demand.

We expect lacklustre trade and exports for the remainder of the year in light of the weak external demand. On a more positive note, there are signs that global semiconductor sector has bottomed, which is positive for Malaysian trade moving forward.

Inflationary pressure is likely to be subdued for the remainder of 2023, as targeted subsidy rationalisation is unlikely to materialise this year, while demand-pull inflation is softening on weaker consumer spending. That said, higher rice and energy prices could pose upside risks to inflation.

Over the short term, USD is likely to remain strong given the strong US labour market data, sticky inflation, high energy prices and risk-averse sentiment due to rising geopolitical risks.

Given the easing growth and inflation in Malaysia, we are of the view that BNM will not increase OPR any further, thus capping further rise in government bond yields. We are, therefore, positive on the local bond market over the medium term.

We will continue to maintain active investment duration management.

MANULIFE CASH MANAGEMENT FUND

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.

2.7 STATE OF AFFAIRS

NOTIFICATION OF CHANGES

A new Master Prospectus dated 15 May 2023 and First Supplemental Master Prospectus dated 20 October 2023 were issued to make the following general and administrative updates:

- the former name of Manulife Investment Management (M) Berhad (i.e. formerly known as Manulife Asset Management Services Berhad) is removed. The Manager is now known as Manulife Investment Management (M) Berhad.
- update of Manager's website address to www.manulifeim.com.my.
- replacement of terminology "interim report" with "semi-annual report" and "debentures" with "debt securities".
- update to include the definitions of "Eligible Market" and "U.S." and amendment to the definition of "UTCs".
- update the disclosure and designated website address for contact information of the Manager, Trustee and its delegates under Corporate Directory.
- inclusion of disclosure on termination of Fund without a special resolution being passed at a unit holders' meeting in the event the Fund/class is small as the Manager and Trustee may jointly deem it to be uneconomical for the Manager to continue managing the Fund/ class, provided that it is also in the best interests of the unit holders to terminate the Fund/ class.
- inclusion of suspension/deferment of redemption risk under general risks for investing in the Fund. In addition, liquidity risk is updated to describe the associated impact of liquidity risk on unit holders. Loan or financing risk disclosure has also been updated for better clarity and accuracy purpose.
- updated permitted investments to be consistent with the supplemental master deed.
- updated investment limits and restrictions disclosure to streamline with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia.
- enhanced the disclosure on borrowings and securities lending for better clarity.
- updated the list of supplemental master deed for the Fund that has been registered with the Securities Commission Malaysia. Unit holders may contact the Manager to obtain copies of the Fund's deed for reference on the changes made.
- included disclosure to provide clarity to investors who invested through an Institutional Unit Trust Scheme Adviser, updated illustration on how sales charge and unit prices are calculated, disclosure on redemption charge, transfer fee, switching fee and policy on rounding adjustment.
- updated annual trustee fee disclosure, amended list of expenses incurred by the Fund and salient terms of the deed to be consistent with the supplemental master deed.
- updated policy on rebates and soft commissions, valuation basis, handling of incorrect pricing, cooling-off refund and suspension of dealing in units to streamline with the Guidelines on Unit Trust Funds issued by Securities Commission Malaysia.
- updated disclosure on valuation point and computation of NAV per Unit of the Fund. Added the disclosure on requirement of foreign currency account for investment in non-RM currency classes, payment of redemption proceeds to third party account is prohibited and payment of redemption proceeds can only be made in the same currency as per the class of Fund which investors have invested in.
- removal of facsimile as one of the modes of communication available by the Manager.
- updated disclosure on switching and transfer of funds for better clarity. Disclosure on distribution of income and reinvestment policy is enhanced to provide clarity on costs to be borne by unit holders when income distribution is credited into their respective bank accounts.
- updated the corporate information of the Manager and Trustee.
- updated related-party transactions, removed details of any direct or indirect interest held by the Manager's director under related-party transaction or conflict of interest section and updated cross trade disclosure.
- an update to the bases for valuation of the assets of the Fund; and
- the revision to the minimum investment amount of the Fund.

The Master Prospectus dated 15 May 2023 and First Supplemental Master Prospectus dated 20 October 2023 are available on the website: www.manulifeim.com.my.

MANULIFE CASH MANAGEMENT FUND

3 POLICY ON STOCKBROKING REBATES AND SOFT COMMISSIONS

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

The Manager 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 account of the Fund concerned.

During the financial year under review, soft commissions have not been received by the Management Company.

MANULIFE CASH MANAGEMENT FUND

4 STATEMENT BY THE MANAGER

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

For and on behalf of the Manager

MANULIFE INVESTMENT MANAGEMENT (M) BERHAD

EDMOND CHEAH SWEE LENG

DIRECTOR

CHONG SOON MIN

DIRECTOR

Kuala Lumpur
15 December 2023

MANULIFE CASH MANAGEMENT FUND

5 TRUSTEE'S REPORT

TO THE UNIT HOLDERS OF MANULIFE CASH MANAGEMENT FUND ("Fund")

We have acted as Trustee of the Fund for the financial year ended 31 October 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 Management Company under the Deeds, securities laws and the Guidelines on Unit Trust Funds;
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 requirements.

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
15 December 2023

MANULIFE CASH MANAGEMENT FUND

6 INDEPENDENT AUDITORS' REPORT

TO THE UNIT HOLDERS OF MANULIFE CASH MANAGEMENT FUND

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Manulife Cash Management Fund ("the Fund") give a true and fair view of the financial position of the Fund as at 31 October 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 October 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements including a summary of significant accounting policies, as set out on pages 13 to 27.

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 Standard) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of the Manager for the financial statements

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

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

MANULIFE CASH MANAGEMENT FUND

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

OTHER MATTER

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

Kuala Lumpur
15 December 2023

MANULIFE CASH MANAGEMENT FUND

7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023 RM	2022 RM
INVESTMENT INCOME			
Interest income from deposits with licensed financial institutions at fair value through profit or loss		6,336,274	4,918,633
		6,336,274	4,918,633
EXPENSES			
Manager's fee	3	407,483	484,565
Trustee's fee	4	61,123	72,685
Auditors' remuneration		7,000	6,000
Tax agent's fee		3,007	2,700
Other expenses		3,928	4,370
		482,541	570,320
PROFIT BEFORE TAXATION		5,853,733	4,348,313
TAXATION	5	-	-
PROFIT AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME		5,853,733	4,348,313
Profit after taxation is made up as follows:			
Realised		5,853,733	4,348,313
Unrealised		-	-
		5,853,733	4,348,313

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

MANULIFE CASH MANAGEMENT FUND

8 STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	<u>31.10.2023</u>	<u>31.10.2022</u>
		RM	RM
ASSETS			
Cash and cash equivalents	7	31,443	28,580
Financial assets at fair value through profit or loss	6	220,473,977	202,154,117
Amount due from Manager		6,435,000	-
TOTAL ASSETS		<u>226,940,420</u>	<u>202,182,697</u>
LIABILITIES			
Amount due to Manager			
- Manager's fee		34,933	34,345
- Cancellation of units		-	6,351,304
Amount due to Trustee		5,240	5,152
Withholding tax payable		139,805	222,736
Other payables	8	27,126	23,616
TOTAL LIABILITIES		<u>207,104</u>	<u>6,637,153</u>
NET ASSET VALUE ("NAV") OF THE FUND		<u>226,733,316</u>	<u>195,545,544</u>
EQUITY			
Unit holders' capital		225,171,078	194,428,841
Retained earnings		1,562,238	1,116,703
		<u>226,733,316</u>	<u>195,545,544</u>
NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS	2	<u>226,733,316</u>	<u>195,545,544</u>
NUMBER OF UNITS IN CIRCULATION	9	<u>224,661,236</u>	<u>194,361,863</u>
NAV PER UNIT		<u>1.0092</u>	<u>1.0061</u>

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

MANULIFE CASH MANAGEMENT FUND

9 STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 NOVEMBER 2022	194,428,841	1,116,703	195,545,544
Movement in unit holders' contribution:			
Creation of units arising from applications	819,777,265	-	819,777,265
Creation of units arising from distribution	3,994,918	-	3,994,918
Cancellation of units	(793,029,946)	-	(793,029,946)
Total comprehensive income	-	5,853,733	5,853,733
Distribution (Note 15)	-	(5,408,198)	(5,408,198)
BALANCE AS AT 31 OCTOBER 2023	<u>225,171,078</u>	<u>1,562,238</u>	<u>226,733,316</u>

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
BALANCE AS AT 1 NOVEMBER 2021	210,746,545	844,915	211,591,460
Movement in unit holders' contribution:			
Creation of units arising from applications	856,617,911	-	856,617,911
Creation of units arising from distribution	3,299,675	-	3,299,675
Cancellation of units	(876,235,290)	-	(876,235,290)
Total comprehensive income	-	4,348,313	4,348,313
Distribution (Note 15)	-	(4,076,525)	(4,076,525)
BALANCE AS AT 31 OCTOBER 2022	<u>194,428,841</u>	<u>1,116,703</u>	<u>195,545,544</u>

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

MANULIFE CASH MANAGEMENT FUND

10 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023	2022
		RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Placement of deposits with licensed financial institutions		(5,524,613,272)	(4,232,515,541)
Proceeds from maturity of deposits with licensed financial institutions		5,506,422,214	4,232,173,193
Interest income received		6,207,471	4,969,412
Manager's fee paid		(406,895)	(484,103)
Trustee's fee paid		(61,035)	(72,615)
Audit fee paid		(6,000)	(6,000)
Tax agent's fee paid		-	(2,700)
Payment for other fees and expenses		(4,424)	(562,895)
Withholding tax paid		(1,496,211)	-
		<hr/>	<hr/>
Net cash (used in)/generated from operating activities		(13,958,152)	3,498,751
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from creation of units		813,342,265	866,385,912
Payments for cancellation of units		(799,381,250)	(869,883,986)
		<hr/>	<hr/>
Net cash generated from/(used in) financing activities		13,961,015	(3,498,074)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		2,863	677
Cash and cash equivalents at the beginning of the financial year		28,580	27,903
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	7	31,443	28,580
		<hr/>	<hr/>
Cash and cash equivalents comprised:			
Bank balance in a licensed bank	7	31,443	28,580
		<hr/> <hr/>	<hr/> <hr/>

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

MANULIFE CASH MANAGEMENT FUND

11 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 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 at fair value through profit or loss.

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the financial year ended 31 October 2023.

(i) Standards and amendments to existing standards effective 1 November 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 November 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, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

B FINANCIAL ASSETS AND FINANCIAL LIABILITIES

(i) Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest. However, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

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

The Fund classifies cash and cash equivalents and amount due from Manager as financial assets at amortised cost as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

MANULIFE CASH MANAGEMENT FUND

The Fund classifies amount due to Manager, amount due to Trustee and other payables 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.

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

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

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

Deposits with licensed financial institutions are stated at fair value. Due to the short term nature of the deposits, the cost plus accrued interest calculated based on the effective interest method over the period from the date of placement to the date of maturity of the respective deposits is a reasonable estimate of fair value.

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

(iii) Impairment

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

(iv) Significant increase in credit risk

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

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

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

(vi) Write-off

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

MANULIFE CASH MANAGEMENT FUND

C INCOME RECOGNITION

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

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

D EXPENSES

Expenses are accounted for on an accrual basis and charged to the statement of comprehensive income.

E CASH AND CASH EQUIVALENTS

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

F DISTRIBUTION

A distribution of the Fund's unit holders is accounted for as a deduction from realised reserve. A proposed distribution to unit holders is recognised in the statement of changes in equity upon approval by the Trustee.

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

G 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.

H FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

A range of methodologies and assumptions has been used in deriving the fair values of the Fund's financial instruments as at the date of statement of financial position. The total fair value of each financial instrument is not materially different from the total carrying value.

The fair values are based on the following methodologies and assumptions:

(a) Short-term deposits with financial institutions

For deposits and placements with 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.

MANULIFE CASH MANAGEMENT FUND

(b) Other short-term financial instruments

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

I 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.

12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

1 INFORMATION ON THE FUND

Manulife Cash Management Fund (the “Fund”) was established pursuant to a Master Deed dated 13 August 2012, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as the “Deed”) between Manulife Investment Management (M) Berhad (the “Manager”) and HSBC (Malaysia) Trustee Berhad (the “Trustee”).

The principal activity of the Fund is to invest in “Investments” as defined under The Seventh Schedule of the Deed, which include Debentures, Money market instruments, Placement in deposits and any other form of investments as may be agreed upon by the Manager and the Trustee from time to time. The Fund commenced operations on 25 March 2013 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The main objective of the Fund is to provide regular income* while maintaining capital stability.

*Income distribution (if any) will be reinvested as additional units to unit holders of the Fund.

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

The financial statements were authorised for issue by the Manager on 15 December 2023.

2 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

The unit holders’ contributions to the Fund meet the criteria to be classified as equity instruments under MFRS 132 “Financial Instruments: Presentation”. Those criteria include:

- the units entitle the holder to a proportionate share of the Fund’s net asset value;
- the units are the most subordinated class and class features are identical;
- there is no contractual obligations to deliver cash or another financial asset other than the obligation on the Fund to repurchase; and
- the total expected cash flows from the units over their lifespan are based substantially on the profit or loss of the Fund.

The outstanding units are carried at the redemption amount that is payable at each financial period if unit holders exercise the right to put the units back to the Fund.

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

3 MANAGER’S FEE

In accordance with the Deed, the Manager is entitled to Manager’s fee at a rate of not exceeding 1.00% per annum of the net asset value of the Fund before deducting Trustee’s fee and Manager’s fee for the day, calculated on a daily basis.

For the financial year, the Manager is entitled to Manager’s fee at a rate of 0.20% per annum (2022: 0.20% per annum) of the net asset value of the Fund before deducting Trustee’s fee and Manager’s fee for the day, calculated on a daily basis.

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

4 TRUSTEE’S FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate of not exceeding 0.20% per annum of the net asset value of the Fund before deducting Trustee’s fee and Manager’s fee for the day, calculated on a daily basis.

MANULIFE CASH MANAGEMENT FUND

For the financial year, the Trustee is entitled to a fee of 0.03% per annum (2022: 0.03% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

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

5 TAXATION

	2023	2022
	RM	RM
Current taxation	-	-

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

	2023	2022
	RM	RM
Profit before taxation	5,853,733	4,348,313
Tax calculated at Malaysian tax rate of 24% (2022: 24%)	1,404,896	1,043,595
Tax effect in respect of:		
- Expenses not deductible for tax purposes	16,330	19,141
- Restriction on tax deductible expenses for unit trust funds	99,480	117,736
- Investment income not subject to tax	(1,520,706)	(1,180,472)
Tax expenses	-	-

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31.10.2023	31.10.2022
	RM	RM
Financial assets at fair value through profit or loss		
- Deposits with licensed financial institutions	220,473,977	202,154,117

Deposits with licensed financial institutions include interest receivable of RM396,895 (2022: RM268,092).

Weighted average effective interest rates per annum and weighted average maturity of deposits with licensed financial institutions are as follows:

	31.10.2023	31.10.2022
	%	%
Short-term deposits with licensed financial institutions	3.14	2.55

The deposits have an average maturity of 20 days (31.10.2022 : 14 days).

7 CASH AND CASH EQUIVALENTS

	31.10.2023	31.10.2022
	RM	RM
Bank balance in a licensed bank	31,443	28,580

MANULIFE CASH MANAGEMENT FUND

8 OTHER PAYABLES

	<u>31.10.2023</u>	<u>31.10.2022</u>
	RM	RM
Auditors' remuneration	7,000	5,800
Tax agent's fee	5,700	2,692
Sundry payables and accruals	14,426	15,124
	<u>27,126</u>	<u>23,616</u>

9 UNITS IN CIRCULATION

	<u>31.10.2023</u>	<u>31.10.2022</u>
	No. of units	No. of units
At beginning of the financial year	194,361,863	210,254,298
Add: Creation of units arising from applications	812,794,929	850,475,110
Add: Creation of units arising from distribution	3,965,658	3,279,043
Less: Cancellation of units	(786,461,214)	(869,646,588)
At end of the financial year	<u>224,661,236</u>	<u>194,361,863</u>

10 BROKERS'/DEALERS' TRANSACTIONS

There were no transactions with brokers in relation to equities or fixed income securities for the financial year ended 31 October 2023 and 31 October 2022.

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

11 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

<u>Related parties</u>	<u>Relationship</u>
Manulife Investment Management (M) Berhad	The Manager
Manulife Financial Corporation ("Manulife")	Ultimate holding company of the Manager
Manulife Holdings Bhd	Immediate holding company of the Manager
Manulife Insurance Berhad ("MIB")	Subsidiary of the holding company of the Manager
CitiGroup Nominees (M) Sdn Bhd	Nominee of Immediate Holding Company of the Manager
CitiGroup Nominees (T) Sdn Bhd	Nominee of Immediate Holding Company of the Manager
Subsidiaries and associates of Manulife as disclosed in its Financial Statements	Subsidiaries and associate companies of the ultimate holding company of the Manager
Manulife Wholesale Government Bond Fund	Fund Managed by the Manager
Manulife Wholesale Corporate Bond Fund	Fund Managed by the Manager

Units held by the parties related to the Manager:

<u>As at:</u>	Manulife Wholesale Government Bond Fund*		Manulife Wholesale Corporate Bond Fund*	
	No. of units	RM	No. of units	RM
31.10.2023	1,810,505	1,827,162	3,060,110	3,088,263
31.10.2022	3,843,139	3,866,582	4,533,477	4,561,131

* The units are held legally.

There were no units held by the Manager as at 31 October 2023 and 31 October 2022 respectively.

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

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

MANULIFE CASH MANAGEMENT FUND

12 TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	0.24	0.24

TER represents expenses including Manager’s fee, Trustee’s fee, auditors’ remuneration, tax agent’s fee and other expenses (excluding SST on transaction costs and withholding tax) expressed as an annual percentage of the Fund’s average net asset value calculated on a daily basis.

13 PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	26.97	17.47

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.

14 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Financial risk management is carried out through internal control processes adopted by the Manager and adherence to all rules and regulations as stipulated by the Securities Commission’s Guidelines on Unit Trust Funds.

Market risk

(a) 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 changes in interest rate will affect the performances of the Fund’s investments and its returns. To manage the risk, the Fund’s investments will be concentrated on investment grade securities issued by financial institutions and companies determined by the Manager.

Investors should note that money market instruments are subject to interest rate fluctuations. Such investments may be subject to unanticipated rise in interest rate which may impair the ability of the issuers to make payments of interest and principal, especially if the issuers are highly leveraged. An increase in interest rate may therefore increase the potential for default by issuers.

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

Credit risk

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

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

MANULIFE CASH MANAGEMENT FUND

The settlement terms of the proceeds from the creation of units receivable by the Manager are governed by the Securities Commission's Guidelines on Unit Trust Funds.

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

<u>As at</u>	<u>Neither Past Due Nor Impaired</u>			
	<u>Cash and cash equivalents</u>	<u>Financial assets at fair value through profit or loss</u>	<u>Amount due from Manager</u>	<u>Total</u>
	RM	RM	RM	RM
<u>31.10.2023</u>				
AAA	31,443	169,348,877	6,435,000	175,815,320
AA1	-	21,061,126	-	21,061,126
AA2	-	30,063,974	-	30,063,974
	<u>31,443</u>	<u>220,473,977</u>	<u>6,435,000</u>	<u>226,940,420</u>
<u>31.10.2022</u>				
AAA	28,580	154,050,260	-	154,078,840
AA2	-	21,051,296	-	21,051,296
AA3	-	27,052,561	-	27,052,561
	<u>28,580</u>	<u>202,154,117</u>	<u>-</u>	<u>202,182,697</u>

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its financial obligations. The Manager manages this risk by maintaining a sufficient level of liquid assets to meet anticipated payments and cancellations of units by unit holders. The 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
<u>31.10.2023</u>			
<u>Financial assets</u>			
Cash and cash equivalents	-	31,443	31,443
Financial assets at fair value through profit or loss	220,473,977	-	220,473,977
Amount due from Manager	6,435,000	-	6,435,000
	<u>226,908,977</u>	<u>31,443</u>	<u>226,940,420</u>

MANULIFE CASH MANAGEMENT FUND

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	RM	RM	RM
<u>31.10.2023</u>			
<u>Financial liabilities</u>			
Amount due to Manager			
- Manager's fee	34,933	-	34,933
Amount due to Trustee	5,240	-	5,240
Other payables	27,126	-	27,126
	<u>67,299</u>	<u>-</u>	<u>67,299</u>

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	RM	RM	RM
<u>31.10.2022</u>			
<u>Financial assets</u>			
Cash and cash equivalents	-	28,580	28,580
Financial assets at fair value through profit or loss	202,154,117	-	202,154,117
	<u>202,154,117</u>	<u>28,580</u>	<u>202,182,697</u>

Financial liabilities

Amount due to Manager			
- Manager's fee	34,345	-	34,345
- Cancellation of units	6,351,304	-	6,351,304
Amount due to Trustee	5,152	-	5,152
Other payables	23,616	-	23,616
	<u>6,414,417</u>	<u>-</u>	<u>6,414,417</u>

Capital risk

The capital of the Fund is represented by equity consisting of unit holders' capital of RM225,171,078 (31.10.2022: RM194,428,841) and retained earnings of RM1,562,238 (31.10.2022: RM1,116,703). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders, and to maintain a strong capital base to support the development of the investment activities of the Fund.

Fair value estimation

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset and liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Financial assets at fair value through profit or loss consisting of RM220,473,977 (31.10.2022 : RM202,154,117) is classified within Level 2.

MANULIFE CASH MANAGEMENT FUND

15 DISTRIBUTION

Distribution to unit holders is derived from the following sources:

	2023	2022
	RM	RM
Previous financial years' realised income	854,966	844,915
Interest income	5,033,702	3,801,930
	5,888,668	4,646,845
Less:		
Expenses	(480,470)	(570,320)
	5,408,198	4,076,525

	2023		2022	
	Gross Distribution per unit	Net Distribution per unit	Gross Distribution per unit	Net Distribution per unit
	RM	RM	RM	RM
Ex-date				
26.11.2021	-	-	0.0008	0.0008
29.12.2021	-	-	0.0020	0.0020
27.01.2022	-	-	0.0013	0.0013
24.02.2022	-	-	0.0007	0.0007
29.03.2022	-	-	0.0006	0.0006
27.04.2022	-	-	0.0033	0.0033
27.05.2022	-	-	0.0004	0.0004
28.06.2022	-	-	0.0002	0.0002
27.07.2022	-	-	0.0023	0.0023
26.08.2022	-	-	0.0029	0.0029
28.09.2022	-	-	0.0019	0.0019
27.10.2022	-	-	0.0021	0.0021
28.11.2022	0.0017	0.0017	-	-
28.12.2022	0.0025	0.0025	-	-
27.01.2023	0.0025	0.0025	-	-
24.02.2023	0.0015	0.0015	-	-
29.03.2023	0.0021	0.0021	-	-
26.04.2023	0.0025	0.0025	-	-
29.05.2023	0.0025	0.0025	-	-
27.06.2023	0.0025	0.0025	-	-
27.07.2023	0.0015	0.0015	-	-
28.08.2023	0.0016	0.0016	-	-
26.09.2023	0.0025	0.0025	-	-
27.10.2023	0.0025	0.0025	-	-
	0.0259	0.0259	0.0185	0.0185

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 RM854,966 (31.10.2022: RM844,915) 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.

MANULIFE CASH MANAGEMENT FUND

13 CORPORATE INFORMATION

MANAGER

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

BOARD OF DIRECTORS

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

INVESTMENT MANAGER

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

TRUSTEE OF THE FUND

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

AUDITORS

PricewaterhouseCoopers PLT
Registration No. LLP0014401-LCA & AF 1146
Level 10, 1 Sentral, Jalan Rakyat
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur

TAX CONSULTANTS

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

MANULIFE CASH MANAGEMENT FUND

HEAD OFFICE

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

Klang

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

Kuala Lumpur

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

Seremban

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

Melaka

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

Johor Bahru

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

Kuching

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

Miri

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

Bintulu

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

MANULIFE CASH MANAGEMENT FUND

Sibu

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

Kota Kinabalu

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

Sandakan

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

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