

Manulife  
India Equity  
Fund

**Annual Report**

for the financial year ended 31 October 2023

# MANULIFE INDIA EQUITY FUND

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# MANULIFE INDIA EQUITY FUND

## 1 GENERAL INFORMATION

### 1.1 THE TRUST

The Fund commenced operations on 7 January 2010 and will continue its operations until terminated as provided under Clause 12 of the Deed.

### 1.2 FUND TYPE / CATEGORY

Growth / Feeder Fund (Equity)

### 1.3 BASE CURRENCY

Ringgit Malaysia (RM)

### 1.4 OBJECTIVE OF THE FUND

The Fund invests in the Manulife Global Fund-India Equity Fund (the "MGF-INDF") which aims to achieve long-term capital growth through equities and equity-related investments of companies covering different sectors of the Indian economy and which are listed on stock exchanges in India or on any stock exchange. The remaining assets of the MGF-INDF may include convertible bonds, bonds, deposits and other investments.

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

### 1.5 DISTRIBUTION POLICY

The Fund intends to distribute income, if any, on an annual basis.

### 1.6 PERFORMANCE BENCHMARK

MSCI India 10/40 Index, which is also the performance benchmark of the Target Fund.

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

### 1.7 INVESTMENT STYLE AND STRATEGY

The Fund will invest at least 85% of the Fund's net asset value (NAV) in Share Class I3 Acc of the Manulife Global Fund - India Equity Fund (the "Target Fund"), while the balance of the Fund's NAV will be invested in cash, money market instruments (including fixed income securities which have a remaining maturity period of less than 365 days), placement of deposits with financial institutions for liquidity purposes and/or derivatives for hedging purposes.

Although the Fund is passively managed, the investments of the Fund will be rebalanced from time to time to meet redemptions and to enable the proper and efficient management of the Fund. In all circumstances, the Fund will continue investing at least 85% of its NAV in the Target Fund and as such, the performance of the Target Fund will reflect on the Fund's performance.

Notwithstanding the above, the Manager may, in consultation with the Trustee and with the Unit Holder's approval, replace the Target Fund with another fund of a similar objective if, in the Managers' opinion, the Target Fund no longer meets this Fund's investment objective, or when the Target Fund no longer acts in the interest of the Unit Holders.

During the financial year under review, the Fund remained guided by its investment objective, having invested at least 85% of its NAV in the Target Fund and, with the balance NAV in cash and money market instruments.

# MANULIFE INDIA EQUITY FUND

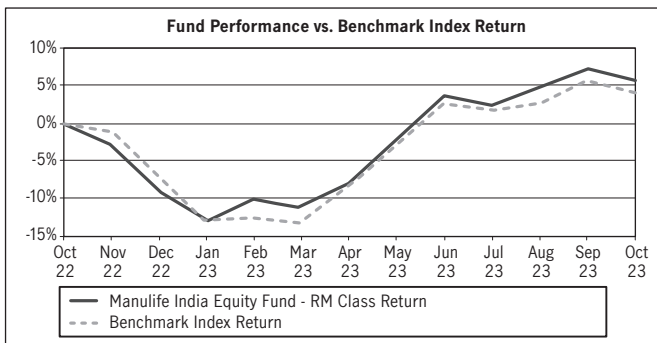
## 2 MANAGER'S REPORT

### 2.1 FUND PERFORMANCE

For the financial year ended 31 October 2023, the return of Feeder Fund's RM class increased 5.66% while its benchmark rose 3.99%. In terms of RM-Hedged Class, the Feeder Fund's return increased 1.92% while its benchmark rose 3.20% as it did not gain from a very strong greenback against Ringgit Malaysia (RM) by hedging away the USD strength. Stock selection in financials, consumer staples, industrials and utilities, the overweight to real estate and industrials, and the underweight to utilities were the primary contributors. Stock selection in materials, consumer discretionary and information technology, as well as the overweight to financials, were the primary detractors.

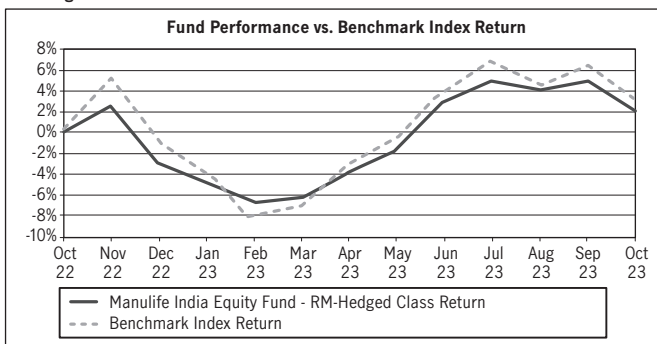
The graph below compares the 12-month performance of the Fund against its benchmark return:

#### RM Class



Source: Lipper, MorningStar & RIMES

#### RM-Hedged Class



Source: Lipper, MorningStar & RIMES

Note: The first subscription of the RM-Hedged Class was made on 3 December 2018, being the commencement date.

# MANULIFE INDIA EQUITY FUND

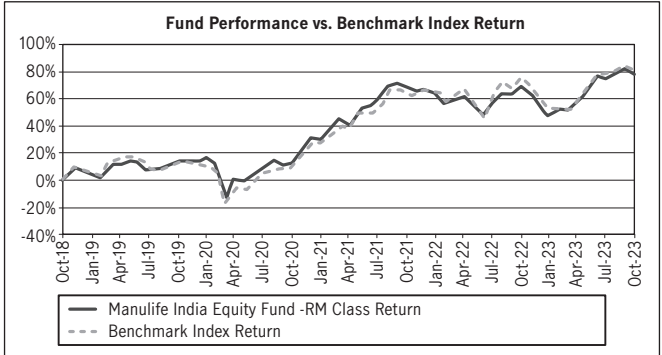
## Fund Size

The Fund's total NAV increased to RM467.93mil from RM443.87mil during the financial year under review.

## Fund Returns

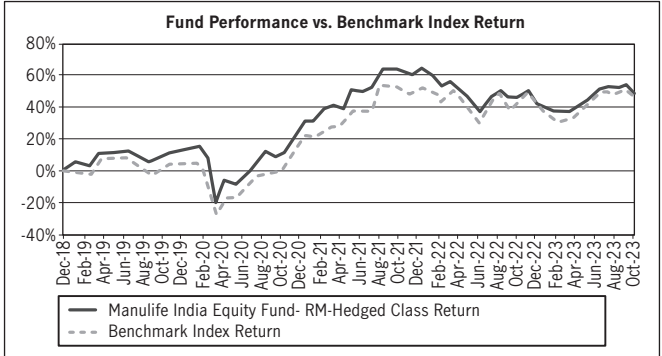
(a) The graph below compares the performance of the Fund against its benchmark return:

### RM Class



Source: Lipper, MorningStar & RIMES

### RM-Hedged Class (Since Inception)



Source: Lipper, MorningStar & RIMES

Note: The first subscription of the RM-Hedged Class was made on 3 December 2018, being the commencement date.

# MANULIFE INDIA EQUITY FUND

(b) Average Total Return of the Fund:

## RM Class

For the financial year ended 31 October 2023	Fund (% p.a.)	Benchmark (% p.a.)
1 year	5.66	3.99
3 years	16.27	18.41
5 years	12.43	12.70
Commencement Date: 27 January 2010		

Source: Lipper, MorningStar & RIMES

## RM-Hedged Class

For the financial year ended 31 October 2023	Fund (% p.a.)	Benchmark (% p.a.)
1 year	1.92	3.20
3 years	10.31	13.13
Since Commencement	8.57	8.03
Commencement Date: 3 December 2018		

Source: Lipper, MorningStar & RIMES

Note: The first subscription of the RM-Hedged Class was made on 3 December 2018, being the commencement date.

(c) Annual Total Return of the Fund:

## RM Class

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 October 2023	5.66	3.99
31 October 2022	1.64	5.68
31 October 2021	46.35	51.07
31 October 2020	(0.40)	(4.89)
31 October 2019	14.75	15.13
Commencement Date: 27 January 2010		

Source: Lipper, MorningStar & RIMES

## RM-Hedged Class

For the financial year ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 October 2023	1.92	3.20
31 October 2022	(10.68)	(7.44)
31 October 2021	47.46	51.58
31 October 2020	(0.25)	(4.35)
Since commencement to 31 October 2019	11.80	5.51
Investment commencement date: 3 December 2018		

Source: Lipper, MorningStar & RIMES

Note: The first subscription of the RM-Hedged Class was made on 3 December 2018, being the commencement date.

# MANULIFE INDIA EQUITY FUND

## BASES OF CALCULATION

### 1. Net Asset Value (NAV)

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

### 2. Net Asset Value per unit

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

### 3. Fund's Return

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

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

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.

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

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
Net Asset Value (RM)			
RM Class	456,266,144	435,008,217	380,797,018
RM-Hedged Class	11,658,968	8,861,709	8,549,527
Units in Circulation ('000)			
RM Class	325,530	327,944	291,777
RM-Hedged Class	17,993	13,938	12,011
NAV (RM per unit)			
RM Class	1.4016	1.3265	1.3051
RM-Hedged Class	0.6480	0.6358	0.7118
Highest / Lowest NAV (RM per unit)			
RM Class	1.4390/1.1450	1.3672/1.1340	1.3784 / 1.0292
RM-Hedged Class	0.6781/0.5806	0.7407/0.5856	0.7422 / 0.5563
Distribution - RM Class			
Gross (RM)	-	-	0.1760
Net (RM)	-	-	0.1760
Ex-date	-	-	24.02.2021
Distribution - RM-Hedged Class			
Gross (RM)	-	-	0.0970
Net (RM)	-	-	0.0970
Ex-date	-	-	24.02.2021
Total Fund Return (%) - RM Class	5.66	1.64	46.35
Capital growth (%)	5.66	1.64	26.57
Income distribution (%)	-	-	15.62
Total Fund Return (%) - RM-Hedged Class	1.92	(10.68)	47.62
Capital growth (%)	1.92	(10.68)	27.65
Income distribution (%)	-	-	15.51
Total Expense Ratio (%)	1.85	1.85	1.86
Portfolio Turnover Ratio (times)	1.33	0.26	0.40



# MANULIFE INDIA EQUITY 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 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 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.

[Total acquisitions of the fund for the year + Total disposals of the fund for the year]

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

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

### Impact on NAV Arising From Distribution Distributed For The six months financial period ended 31 October 2021:

#### RM Class

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
24.02.2021	1.2821	(0.1760)	1.1061

#### RM-Hedged Class

EX-DATE	CUM DISTRIBUTION NAV (RM)	GROSS DISTRIBUTION (RM)	EX DISTRIBUTION NAV (RM)
24.02.2021	0.7108	(0.0970)	0.6138

There were no distribution of income for financial year ending 31 October 2023 and 31 October 2022 respectively.

# MANULIFE INDIA EQUITY 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.*

## 2.2 ASSET ALLOCATION

Asset allocation of the Fund for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 October 2023	31 October 2022	31 October 2021
Collective Investment Scheme	97.02	97.07	94.58
Deposits With Licensed Financial Institutions	-	-	-
Other Assets & Liabilities	2.98	2.93	5.42

As at 31 October 2023, the Fund was 97.02% invested in Collective Investment Scheme and 2.98% in cash and cash equivalents. The Fund remained fully invested and a minimal level of cash was maintained for liquidity purposes.

Asset allocation of the Target Fund for the past three financial years:

Sector Allocation	% of Net Asset Value		
	31 October 2023	31 October 2022	31 October 2021
Financials	26.59	27.60	33.70
Consumer Discretionary	11.98	12.00	6.60
Industrials	11.65	8.10	5.60
Information Technology	10.66	13.00	13.20
Health Care	8.66	8.00	5.20
Energy	7.92	6.70	9.30
Consumer Staples	6.44	6.70	6.00
Materials	5.33	6.60	11.70
Others	7.18	7.50	5.80
Cash & Cash Equivalents	3.59	3.80	2.90

Country Allocation	% of Net Asset Value		
	31 October 2023	31 October 2022	31 October 2021
India	96.41	96.20	97.10
Cash & Cash Equivalents	3.59	3.80	2.90

Top 10 holdings of the Target Fund for the past three financial years:

Security name	% of Net Asset Value
	31 October 2023
ICICI Bank Limited	7.41
Reliance Industries Limited	5.48
Axis Bank Limited	5.47
HDFC Bank Limited	4.22
Infosys Limited	4.03
Bharti Airtel Limited	3.56
Mahindra & Mahindra Ltd.	3.27
UltraTech Cement Limited	2.54
NTPC Limited	2.54
Oil & Natural Gas Corp.	2.45

# MANULIFE INDIA EQUITY FUND

Security name	% of Net Asset Value
	31 October 2022
Infosys Limited	8.53
ICICI Bank Limited	8.15
Reliance Industries Limited	6.74
Bharti Airtel Limited	3.90
Axis Bank Limited	2.95
Sun Pharmaceutical Industries Limited	2.68
UltraTech Cement Limited	2.51
State Bank of India	2.49
SBI Life Insurance Co. Ltd.	2.47
Eicher Motors Limited	2.42

Security name	% of Net Asset Value
	31 October 2021
Bharti Airtel Limited	9.31
ICICI Bank Limited	9.03
Infosys Limited	7.38
Axis Bank Limited Housing	4.10
Development Finance Corporation Limited	3.72
Bajaj Finance Limited	3.58
Larsen & Toubro Ltd.	2.78
State Bank of India	2.69
UltraTech Cement Limited	2.62
Hindustan Unilever Limited	2.52

## 2.3 MARKET REVIEW

During the financial year under review (1st November 2022 to 31st October 2023), India equities posted gains.

In the last 2 months of 2022, India equities moved higher on the back of improving market sentiment amid softening U.S. inflation and a potentially more dovish US Federal Reserve (Fed), as well as both a moderating local inflation and trade deficit with falling oil prices. During the period, the Reserve Bank of India (RBI) hiked rates by 35 bps to 6.25%, which was in line with expectations. On the economic front, November Consumer Price Index (CPI) inflation, which came in after the RBI's rate hike decision, was sharply below expectations at 5.9%, thanks to falling food prices. The H1FY23 fiscal deficit remained in check with overall tax revenues ahead of estimates led by robust GST collections and direct taxes.

In the first quarter of 2023, India equities retreated on the back of concerns over domestic growth and the global banking sector's stability, as well as an allegation of stock manipulation and accounting fraud against a prominent listed conglomerate published by a U.S. short-seller firm, which had a spillover effect on market sentiment. On the policy front, the Indian Union Budget was released, which stayed on the path of fiscal prudence with the fiscal deficit projected to fall by 50bps next year, backed by credible tax projections. During the quarter, the RBI raised rates by 25 bps and kept its hawkish tone intact as core inflation has been sticky. On the economic front, Q3FY23 real gross domestic product (GDP) growth came in at 4.4%, in line with expectations, with growth dominated by investments and offset by weak private consumption. Meanwhile, Q3FY23's current account deficit improved quarter-on-quarter as trade deficits continued to narrow.

# MANULIFE INDIA EQUITY FUND

In the second quarter of 2023, India equities moved higher on the back of strong macro fundamentals with falling trade deficits and inflation, resilient earnings from domestic companies and strong foreign portfolio investment (FPI) flows. During the quarter, Q4FY23 GDP growth came in better than expected, led by higher investments and exports. The Q4FY23 current account deficit contracted to near balance (at 0.2% of GDP), attributable to shrinking goods trade deficits and robust growth in the service trade surplus. In addition, headline CPI inflation cooled to 4.3%, while core inflation was flattish but within the RBI's tolerance band. The RBI surprised the market with a pause in the rate hike cycle as it responded to growth concerns globally and signs of softening inflation in India. Meanwhile, it maintained a hawkish tone amid inflation uncertainty over the monsoon season. Moving into the Q4FY23 earnings season, domestic-focused companies posted strong performances. While financials saw margin and asset quality improvements, industrials posted revenue and order book growth. Consumer staples demonstrated resilient margins. Automobile names registered solid bookings for Sports Writing Vehicles (SUVs). Companies relying on manufacturing outsourcing from India, like speciality chemicals and engineering, also showed strong earnings. In contrast, Information Technology (IT) services posted weak results on delayed decision-making from U.S. clients. Retail and food services companies were impacted by softer consumer demand.

Turning into the third quarter and October of 2023, India equities continued to remain relatively resilient, despite the U.S. Fed's hawkish commentary, which impacted regional equities. India's Fully Accessible Route (FAR) securities will be included in the JP Morgan GBI-EM Global Diversified Index and other related indices from 28 June 2024, with a weight of 10%, staggered over 10 months. It is expected to attract ~USD30 billion of inflows over the next 18 months, which could help stabilise yields and raise external account resilience. Q1FY24 real GDP posted strong broad-based growth at 7.8% year-on-year. Moving into the Q1FY24 earnings season, performances were mixed across sectors. The pharmaceuticals earnings upgrade led the way, thanks to improving margins from U.S. businesses with lower pricing pressure. Financials reported strong and in-line results, with solid loan book growth and stable asset quality, yet flattening margins. Consumer sectors continued to be mixed with outperformance in higher-end consumption but slower growth in mass consumption. I.T. services posted weak growth and a cautious outlook due to softening end demand from developed economies.

## 2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

The primary growth drivers of digitisation driving economic formalisation and reinvestment policies underpinning manufacturing growth are well embedded in India's economic growth agenda. This is starting to show results with visibly improved capital expenditure and industrial order books, as well as a narrowing current account deficit and a healthier inflationary picture. We also believe that the structural reforms will make India a more efficient, productive and resilient economy. The strong primary growth drivers create multiple new themes and investible opportunities that could be potential wealth creators for investors. Indeed, through structural reforms and policy support, India has responded to various macro challenges over the past three years, including COVID-19 and the energy price shock in 2022. This resiliency has been supported by low external debt plus strong household, corporate and government balance sheets, as well as a conservative central bank that is preventing the build-up of excess in the system. This has protected the currency outlook and kept foreign exchange reserves strong. This macro resiliency has underwritten the strength of foreign and domestic flows and valuations.

Cyclically, India's macro setup also looks robust with favourable growth, inflation and external account dynamics. We think the latest GDP growth print was ahead of expectations, driven by substantial investments, and is in line with the economic agenda. The current account deficit has moved to near zero, and the balance of payments was positive in the last two quarters. Furthermore, a strong services trade surplus supports the current account as global companies increase their presence in the knowledge-based outsourcing and consultancy services segments. Also, capital flows remain strong as overseas investors are keen to participate in the Indian growth story, which helps the country's overall balance of payments. We expect India to bolster its share of emerging-market flows as its medium-to long-term growth story remains strong. We remain positive about India's long-term structural story and believe that these transformative changes require a modified approach as new forces emerge from the underlying drivers. We recognise that future wealth creators in many sectors will come from disruptors leveraging the transformed landscape and traditional incumbents. We classify these forces under the 5Ds framework – Digitalisation, Deglobalisation, Decarbonisation, Demography and Deficit Reduction. We aim to capitalise on such opportunities through our bottom-up research process.

# MANULIFE INDIA EQUITY FUND

From a sectoral positioning, we are more optimistic about: 1) India manufacturing plays such as industrial, chemical, auto ancillary and utility companies that are benefitting from improved market share globally, as well as capital expenditure (capex) on automation, energy efficiency and electric mobility. India is seeing strong reinvestment in capacities from engineering companies and gains in the share of net exports, as global supply chains are reorienting and “friend-shoring”. Also, India’s decarbonisation path is driving capex in clean energy; 2) domestic demand plays where we continue to identify beneficiaries of rising domestic income selectively. We are positive on real estate and stock-specific opportunities in staples, auto and building material names; 3) health care where we see opportunities in domestic healthcare service names as well as U.S. generics as prices are seeing a cyclical uptick. The sector is also a good defence against a growth slowdown by being largely disconnected from business cycles; 4) financials, which remain a strong proxy of India’s growth story with solid and structural improvement in asset quality. We remain positive on banks which are leveraging technology to drive cost efficiencies and growth, as well as Non-Banking Financial Companies (NBFCs), which are serving highly profitable areas in support of the financial inclusion needs of India. We remain underweight on: 1) I.T. services due to medium-term deflationary effects of generative Artificial Intelligence (AI) on the sector, as well as a cyclical slowdown in I.T. spending; 2) consumer staples due to disruption from D2C (direct-to-consumer) brands and mature penetration among product categories.

## **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 TRANSACTION**

During the financial year under review, no cross-trade transactions have been carried out.

# MANULIFE INDIA EQUITY FUND

## 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 names of Manulife Investment Management (M) Berhad (i.e. formerly known as Manulife Asset Management Services Berhad) and investment manager of the target fund (i.e. formerly known as Manulife Asset Management (Hong Kong) Limited) are removed. The Manager is known as Manulife Investment Management (M) Berhad; whereas the investment manager of the target fund is known as Manulife Investment Management (Hong Kong) Limited.
- update of Manager's website address to [www.manulifeim.com.my](http://www.manulifeim.com.my).
- replacement of terminology "interim report" with "semi-annual report".
- update to include the definitions of "Share class AA", "Investment Manager of the Target Fund" and "U.S.", removal of "Investment Manager" and amendments to the definition of "Dealing Day" and "UTCs".
- update the disclosure and designated website address for contact information of the Manager, Trustee and its delegates under Corporate Directory.
- updated the investment objective of the Fund to be consistent with the target fund on removal of convertible bonds.
- updated disclosure on risk management strategies and techniques on the asset allocation for the Fund and the requirements for investments in derivatives for hedging purpose.
- 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 to include liquidity risk and withholding tax risk for the Fund.
- update on specific risk disclosure for country risk, currency risk and the risk considerations for investing in derivatives and warrants.
- update target fund risk disclosure including small-cap/ mid-cap risk to be consistent with target fund prospectus.
- 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.
- updated the profile of Manulife Global Fund, information on the target fund, investment restrictions of the target fund and fees, charges and expenses of the target fund to be consistent with target fund prospectus. Disclosure on risk management of the target fund is added.
- updated disclosure on dealing and redemption of the target fund. A new section on redemption policy of the target fund is included to comply with the Prospectus Guidelines for Collective Investment Schemes issued by Securities Commission Malaysia.
- 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 on the appointment of Manulife Investment Management (Singapore) Pte. Ltd. (Sub-Investment Manager) for Manulife India Equity Fund
- the change of share class of the Target Fund, from Share Class AA to Share Class 13 Acc;
- an update to the changes of fees, charges and expenses of the Target Fund consequential from the revision of share class of Target Fund, from Share Class AA to Share Class 13 Acc;
- 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](http://www.manulifeim.com.my).

### **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 INDIA EQUITY 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 net assets attributable to unit holders, statement of cash flows, summary of significant accounting policies and notes to the financial statements, are drawn up in accordance with the provisions of the 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 net assets attributable to unit holders 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 INDIA EQUITY FUND

## 5 TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF MANULIFE INDIA EQUITY 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 requirement.

For HSBC (Malaysia) Trustee Berhad

Yap Lay Guat  
Manager, Investment Compliance Monitoring

Kuala Lumpur  
15 December 2023

## **6 INDEPENDENT AUDITORS' REPORT**

### **TO THE UNIT HOLDERS OF MANULIFE INDIA EQUITY FUND**

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

##### Our opinion

In our opinion, the financial statements of Manulife India Equity 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 net assets attributable to unit holders 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 38.

##### 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 INDIA EQUITY 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 MATTERS

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

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

Kuala Lumpur  
15 December 2023

# MANULIFE INDIA EQUITY FUND

## 7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	2023 RM	2022 RM
<b>INVESTMENT INCOME</b>			
Interest income from deposits with licensed financial institutions at amortised cost		470	322
Net gain on financial assets at fair value through profit or loss	6	29,262,901	15,135,573
Net (loss)/gain on foreign currency exchange		(213,158)	1,387,748
Net realised loss on forward foreign currency contracts	7	(464,855)	(1,065,138)
		28,585,358	15,458,505
<b>EXPENSES</b>			
Manager's fee	3	7,484,709	7,234,371
Trustee's fee	4	166,329	160,767
Auditors' remuneration		8,500	5,800
Tax agent's fee		3,000	2,700
Other expenses		23,527	15,419
		7,686,065	7,419,057
<b>PROFIT BEFORE FINANCE COST AND TAXATION</b>		20,899,293	8,039,448
<b>FINANCE COST</b>			
- RM Class		-	-
- RM-Hedged Class		-	-
		20,899,293	8,039,448
<b>TAXATION</b>	5	-	-
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		20,899,293	8,039,448
Increase in net assets attributable to unit holders is made up as follows:			
Realised		131,685,565	14,628,272
Unrealised		(110,786,272)	(6,588,824)
		20,899,293	8,039,448

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

# MANULIFE INDIA EQUITY FUND

## 8 STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	<u>31.10.2023</u>	<u>31.10.2022</u>
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	8	15,167,120	13,589,015
Financial assets at fair value through profit or loss	6	453,998,092	430,872,709
Amount due from Manager - Creation of units		1,887,400	3,189,126
Amount due from dealers		1,870,757	3,314,229
Derivative assets at fair value through profit or loss	7	25,366	-
<b>TOTAL ASSETS</b>		<u>472,948,735</u>	<u>450,965,079</u>
<b>LIABILITIES</b>			
Amount due to Manager - Manager's fee		359,931	126,196
- Cancellation of units		57,009	11,495
Amount due to dealers		1,874,088	3,315,343
Amount due to Trustee		15,866	14,628
Amount due to manager of collective investment scheme - Purchase of collective investment scheme		2,683,773	3,592,724
Derivative liabilities at fair value through profit or loss	7	-	11,566
Other payables	9	32,956	23,201
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>		<u>5,023,623</u>	<u>7,095,153</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		<u>467,925,112</u>	<u>443,869,926</u>
<b>NET ASSET VALUE OF THE FUND</b>		<u>467,925,112</u>	<u>443,869,926</u>
<b>REPRESENTED BY:</b>			
<b>FAIR VALUE OF OUTSTANDING UNITS (RM)</b>			
- RM Class		456,266,144	435,008,217
- RM-Hedged Class		11,658,968	8,861,709
		<u>467,925,112</u>	<u>443,869,926</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>			
- RM Class	10(i)	325,530,144	327,944,211
- RM-Hedged Class	10(ii)	17,993,031	13,938,450
		<u>343,523,175</u>	<u>341,882,661</u>
<b>NET ASSET VALUE PER UNIT (RM)</b>			
- RM Class		<u>1.4016</u>	<u>1.3265</u>
- RM-Hedged Class		<u>0.6480</u>	<u>0.6358</u>

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

# MANULIFE INDIA EQUITY FUND

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

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	2023	2022
	RM	RM
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	443,869,926	389,346,545
Movement due to units created and cancelled during the financial year :		
Creation of units arising from applications		
- RM Class	91,791,758	116,342,638
- RM-Hedged Class	13,372,206	13,246,845
Creation of units arising from distribution		
- RM Class	-	-
- RM-Hedged Class	-	-
Cancellation of units		
- RM Class	(91,304,455)	(71,324,868)
- RM-Hedged Class	(10,703,616)	(11,780,682)
Increase in net assets attributable to unit holders during the financial year	20,899,293	8,039,448
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS AT THE END OF THE FINANCIAL YEAR</b>	<b>467,925,112</b>	<b>443,869,926</b>

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

# MANULIFE INDIA EQUITY FUND

## 10 STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

	Note	<u>2023</u>	<u>2022</u>
		RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Purchase of investments		(552,848,754)	(128,131,351)
Sale of investments		552,249,342	76,179,193
Net realised foreign exchange (loss)/gain		(424,891)	1,734,894
Interest income received		470	322
Net realised loss on forward foreign currency contracts		(499,570)	(1,021,354)
Manager's fee paid		(1,422,995)	(1,594,788)
Trustee's fee paid		(165,091)	(159,222)
Audit fee paid		(5,800)	(5,800)
Tax agent's fee paid		-	(2,700)
Payment for other fees and expenses		(19,472)	(15,088)
Net cash used in operating activities		<u>(3,136,761)</u>	<u>(53,015,894)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		106,465,690	137,417,060
Payments for cancellation of units		(101,962,557)	(83,171,180)
Net cash generated form financing activities		<u>4,503,133</u>	<u>54,245,880</u>
Net increase in cash and cash equivalents		1,366,372	1,229,986
Currency translation differences		211,733	(211,301)
Cash and cash equivalents at beginning of the financial year		<u>13,589,015</u>	<u>12,570,330</u>
Cash and cash equivalents at end of the financial year	8	<u>15,167,120</u>	<u>13,589,015</u>
Cash and cash equivalents comprise:			
Bank balances in licensed banks	8	<u>15,167,120</u>	<u>13,589,015</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 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 revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

The Fund classifies cash and cash equivalents, amount due from Manager, amount due from manager of collective investment scheme and amount due from dealers as financial assets at amortised costs as these financial assets are held to collect contractual cash flows consisting of the amount outstanding.

The Fund classifies amount due to Manager, amount due to dealers, amount due to Trustee, amount due to manager of collective investment scheme 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.

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.

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).

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.

## (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.

# MANULIFE INDIA EQUITY 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.

## C CREATION AND CANCELLATION OF UNITS

The unit holders' 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 in two classes of units, known respectively as the RM Class and RM-Hedged Class which are cancelled at the unit holders' option and do not have identical features. The units are classified as financial liabilities. Cancellable units can be put back to the Fund at any time for the 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 statement of financial position date if the unit holders exercise the right to put the units back to the Fund.

Units are created and cancelled at the unit holders' options at prices based on the Fund's net asset value per unit of the respective classes at the close of business on the relevant dealing day. The Fund's net asset value per unit of the respective classes is calculated by dividing the net assets attributable to the unit holders of respective classes with the total number of outstanding units of respective classes.

## D INCOME RECOGNITION

Interest income from deposits placed with licensed financial institution 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).

Dividend income on collective investment scheme is recognised on the ex-dividend date.

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

## E EXPENSES

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

# MANULIFE INDIA EQUITY FUND

## F AMOUNTS DUE FROM/TO MANAGER OF COLLECTIVE INVESTMENT SCHEME

Amounts due from and amount due to manager of collective investment scheme represent receivables for collective investment scheme sold and payables for collective investment scheme purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The amount due from manager of collective investment scheme is held for collection.

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 manager of collective investment scheme at an amount equal to lifetime expected credit loss 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 manager of collective investment scheme, probability that the Manager of the collective investment scheme will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

If 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 Manager as any contractual payment which is more than 30 days past due.

## G CASH AND CASH EQUIVALENTS

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

## H FINANCE COST

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

A proposed distribution 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.

## I FOREIGN CURRENCY

### Functional and presentation currency

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

Due to mixed factors in determining the functional currency of the Fund, the Manager has used its judgement to determine the functional currency that most faithfully represent the economic effects of the underlying transactions, events and conditions and have determined the functional currency to be in RM primarily due to the following factors:

- (i) Significant portion of the Fund's expenses are denominated in RM; and
- (ii) Units of the Fund are denominated in RM.

### Transactions and balances

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

# MANULIFE INDIA EQUITY FUND

## **J 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 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 last published net asset value per unit or share of such collective investment schemes or, if unavailable, on the average of the last published buying price and the last published selling price of such unit or share (excluding any sales charge included in such selling price).

### **(c) Other short-term financial instruments**

Other short-term financial instruments comprise amount due from/to Manager, amount due from/to manager of collective investment scheme, amount due to/from dealers, 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.

## **K MANAGEMENT FEE REBATE**

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

## **L 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.

## **M DERIVATIVE FINANCIAL INSTRUMENTS**

A derivative financial instrument is any contract that gives rise to both a financial assets 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 unfavorable.

## MANULIFE INDIA EQUITY FUND

The Fund's derivative financial instruments comprise 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 currency contracts is determined using forward exchange rates at the date of statements 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.

# MANULIFE INDIA EQUITY FUND

## 12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2023

### 1 INFORMATION ON THE FUND

Manulife India Equity Fund (the "Fund") was established pursuant to a Master Deed dated 27 October 2009, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as the "Deed") between Manulife Investment Management (M) Berhad (the "Management Company") 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. The Fund may invest in collective investment schemes, liquid assets and money market instruments (including fixed income securities of not more than 365 days) and deposits with any financial institutions and any other forms of investments as may be permitted by the Securities Commission ("SC") from time to time. The Fund commenced operations on 7 January 2010 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The Fund invests in the Manulife Global Fund-India Equity Fund (the "MGF-INDF") which aims to achieve long-term capital growth through equities and equity-related investments of companies covering different sectors of the Indian economy and which are listed on stock exchanges in India or on any stock exchange. The remaining assets of the MGF-INDF may include convertible bonds, bonds, deposits and other investments.

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, private retirement schemes, fund management activities and financial planning.

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

### 2 MANAGEMENT FEE REBATE

As the Fund invests in a collective investment scheme, the management fee charged by the collective investment scheme is fully refunded to the Fund. In accordance with the Fund's Master Prospectus, there is no double charging of management fee to the Fund.

From the financial period 1 November 2022 to 19 October 2023 and for financial year ended 31 October 2022 respectively, the management fee rebate is recognised at the following rates:

	<u>2023</u>	<u>2022</u>
	%	%
Fund		
Manulife Global Fund - India Equity Fund - Class AA	1.50	1.50

### 3 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of not exceeding 2.55% 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 1.80% per annum (2022: 1.80% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

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

### 4 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee at a rate of not exceeding 0.15% 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, subject to a minimum fee of RM 18,000 per annum.

For the financial year, the Trustee is entitled to a Trustee's fee at a rate of 0.04% per annum (2022: 0.04% 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.

# MANULIFE INDIA EQUITY FUND

## 5 TAXATION

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Current taxation	-	-

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

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Profit before finance cost and taxation	20,899,293	8,039,448
Tax calculated at Malaysian tax rate of 24% (2022: 24%)	5,015,830	1,929,468
Tax effect in respect of:		
- Expenses not deductible for tax purposes	41,629	40,532
- Restriction on tax deductible expenses for unit trust funds	1,803,026	1,740,041
- Investment income not subject to tax	(6,860,485)	(3,710,041)
Tax expenses	-	-

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

	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss		
- Collective investment scheme	453,998,092	430,872,709
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Net gain on financial assets at fair value through profit or loss		
- Realised	134,469,859	17,731,677
- Unrealised	(111,034,937)	(8,144,090)
- Management fee rebate #	5,827,979	5,547,986
	29,262,901	15,135,573

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

As the Fund invests in a collective investment scheme, the management fee charged by the collective investment scheme is fully refunded to the Fund. In accordance with the Fund's prospectus, there is no double charging of management fee to the Fund. The Manager fee paid to the Manager is net of rebate. Rebate recognised at a rate 1.50% per annum (2022: 1.50% per annum) on the Collective Investment Scheme's fair value calculated and accrued daily.

# MANULIFE INDIA EQUITY FUND

<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost</u> RM	<u>Fair value</u> as at 31.10.2023 RM	<u>Fair value as</u> at 31.10.2023 expressed as percentage of value of Fund %
<b>31.10.2023</b>				
Manulife Global Fund - India Equity Fund - Class I3	9,716,240	462,868,950	453,998,092	97.02
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<u>9,716,240</u>	<u>462,868,950</u>	<u>453,998,092</u>	<u>97.02</u>
<b>ACCUMULATED UNREALISED LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		(8,870,858)		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>453,998,092</u>		

<u>COLLECTIVE INVESTMENT SCHEME</u>	<u>Quantity</u> Units	<u>Cost</u> RM	<u>Fair value</u> as at 31.10.2022 RM	<u>Fair value as</u> at 31.10.2022 expressed as percentage of value of Fund %
<b>31.10.2022</b>				
Manulife Global Fund - India Equity Fund - Class AA	35,732,195	328,708,630	430,872,709	97.07
<b>TOTAL COLLECTIVE INVESTMENT SCHEME</b>	<u>35,732,195</u>	<u>328,708,630</u>	<u>430,872,709</u>	<u>97.07</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		102,164,079		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		<u>430,872,709</u>		



# MANULIFE INDIA EQUITY FUND

Top 10 holdings of the Target Fund

Security Name	Percentage of Target Fund NAV
<b><u>31.10.2023</u></b>	
	%
ICICI Bank Limited	7.41
Reliance Industries Limited	5.48
Axis Bank Limited	5.47
HDFC Bank Limited	4.22
Infosys Limited	4.03
Bharti Airtel Limited	3.56
Mahindra & Mahindra Ltd.	3.27
UltraTech Cement Limited	2.54
NTPC Limited	2.54
Oil & Natural Gas Corp. Ltd.	2.45
	<u>40.97</u>

Security Name	Percentage of Target Fund NAV
<b><u>31.10.2022</u></b>	
	%
Infosys Limited	8.53
ICICI Bank Limited	8.15
Reliance Industries Limited	6.74
Bharti Airtel Limited	3.90
Axis Bank Limited	2.95
Sun Pharmaceutical Industries Limited	2.68
UltraTech Cement Limited	2.51
State Bank of India	2.49
SBI Life Insurance Co. Ltd.	2.47
Eicher Motors Limited	2.42
	<u>42.84</u>

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

	<u>31.10.2023</u>	<u>31.10.2022</u>
	RM	RM
<u>Derivative assets</u>		
Forward foreign currency contract	25,366	-
<u>Derivative liabilities</u>		
Forward foreign currency contract	-	11,566
	<u>2023</u>	<u>2022</u>
	RM	RM
Net realised loss on forward currency contracts	(501,787)	(1,021,354)
Net unrealised gain/(loss) on forward currency contracts	36,932	(43,784)
	<u>(464,855)</u>	<u>(1,065,138)</u>

# MANULIFE INDIA EQUITY FUND

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

	<b>Receivables</b>	<b>Payables</b>	<b>Fair value</b>	<b>Percentage of NAV</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
HSBC Bank Malaysia Berhad	11,136,150	11,110,784	25,366	0.01
<b>Total Forward foreign currency contracts</b>	<b>11,136,150</b>	<b>11,110,784</b>	<b>25,366</b>	<b>0.01</b>

(i) Forward foreign currency contracts as at 31 October 2022 are as follows:

	<b>Receivables</b>	<b>Payables</b>	<b>Fair value</b>	<b>Percentage of NAV</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>%</b>
HSBC Bank Malaysia Berhad	8,134,787	8,145,891	(11,104)	-
HSBC Bank Malaysia Berhad	175,520	175,899	(379)	-
HSBC Bank Malaysia Berhad	251,260	251,343	(83)	-
<b>Total Forward foreign currency contracts</b>	<b>8,561,567</b>	<b>8,573,133</b>	<b>(11,566)</b>	<b>-</b>

As at 31 October 2023, the notional principal amount of the 1 (2022: 3) outstanding forward foreign currency contract amounted to RM11,136,150 (30.10.2022: RM8,561,567). The USD/MYR forward foreign currency contracts entered into during the financial year to minimise the risk of foreign exchange exposure between the USD and MYR for the Fund.

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

## 8 CASH AND CASH EQUIVALENTS

	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>RM</b>	<b>RM</b>
Bank balances in licensed banks	15,167,120	13,589,015

## 9 OTHER PAYABLES

	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration	8,500	5,800
Tax agent's fee	5,692	2,692
Sundry payables and accruals	18,764	14,709
	<b>32,956</b>	<b>23,201</b>

# MANULIFE INDIA EQUITY FUND

## 10 UNITS IN CIRCULATION

(i) RM Class	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>No. of units</b>	<b>No. of units</b>
At beginning of the financial year	327,944,211	291,777,220
Add: Creation of units	69,717,182	92,523,781
Less: Cancellation of units	(72,131,249)	(56,356,790)
At end of the financial year	<b>325,530,144</b>	<b>327,944,211</b>

(ii) RM-Hedged Class	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>No. of units</b>	<b>No. of units</b>
At beginning of the financial year	13,938,450	12,010,703
Add: Creation of units	20,992,011	19,384,602
Less: Cancellation of units	(16,937,430)	(17,456,855)
At end of the financial year	<b>17,993,031</b>	<b>13,938,450</b>

## 11 BROKERS' 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 respectively.

## 12 UNITS HELD BY THE MANAGER AND PARTIES RELATED TO THE MANAGER

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

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

Units held by the Director of the Manager:

(i) RM Class	<b>DIRECTOR OF THE MANAGER WONG BOON CHOY*</b>	
	<b>No. of units</b>	<b>RM</b>
As at:		
31.10.2023	469,680	658,303
31.10.2022	290,302	385,086

\* The units are held legally

There are no units held by the Manager and Directors of the Manager for RM-Hedged Class.

# MANULIFE INDIA EQUITY FUND

	2023	2022
	RM	RM
<u>Significant related party transactions</u>		
Purchase of collective investment scheme:		
- Manulife Investment Management (Hong Kong) Limited	551,939,803	129,366,778
Disposal of collective investment scheme:		
- Manulife Investment Management (Hong Kong) Limited	552,249,342	76,317,588
Management fee rebate		
- Manulife Investment Management (Hong Kong) Limited	5,827,979	5,547,986
	<b>31.10.2023</b>	<b>31.10.2022</b>
	RM	RM
<u>Significant related party balances</u>		
Collective investment scheme managed by the Manager:		
Manulife Global Fund - India Equity Fund - Class AA	453,998,092	430,872,709

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

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

### 13 TOTAL EXPENSE RATIO (“TER”)

	2023	2022
	%	%
TER	1.85	1.85

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.

### 14 PORTFOLIO TURNOVER RATIO (“PTR”)

	2023	2022
PTR (times)	1.33	0.26

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 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.

# MANULIFE INDIA EQUITY 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 Manager 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.

	<b>31.10.2023</b>	<b>31.10.2022</b>
	<b>RM</b>	<b>RM</b>
Financial assets at fair value through profit or loss		
- Collective investment scheme	453,998,092	430,872,709

The following table summarises the sensitivity of the Fund's profit after tax and net asset value to price risk movements of collective investment schemes as at the end of each reporting period. The analysis is based on the assumptions that the market price of collective investment schemes 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 after taxation</u>	<u>Impact on net asset value</u>
	%	RM	RM
<b><u>31.10.2023</u></b>			
Financial assets at fair value through profit or loss			
- Collective investment scheme	5	22,699,905	22,699,905
<b><u>31.10.2022</u></b>			
Financial assets at fair value through profit or loss			
- Collective investment scheme	5	21,543,635	21,543,635

### (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 Manager 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 INDIA EQUITY FUND

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

<u>As at</u>	Cash and cash equivalents	Financial assets at fair value through profit or loss	Amount due from/(to) manager of collective investment scheme	Amount due from/(to) dealers	Derivative (liabilities)/ assets at fair value through profit or loss	Total
	RM	RM	RM	RM	RM	RM
<b><u>31.10.2023</u></b>						
USD	15,165,009	453,998,092	(2,683,773)	(3,331)	25,366	466,501,363
<b><u>As at</u></b>						
<b><u>31.10.2022</u></b>						
USD	13,578,755	430,872,709	(3,592,724)	(1,114)	(11,566)	440,846,060

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

	Changes in foreign exchange	Impact on profit after taxation	Impact on net asset value
	%	RM	RM
<b><u>31.10.2023</u></b>			
USD	5	23,325,068	23,325,068
<b><u>31.10.2022</u></b>			
USD	5	22,042,303	22,042,303

## **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.

For amount due from manager of collective investment scheme, the Fund will invest with an investment management company of the collective investment scheme which is authorised or approved by the relevant regulatory authority in its home jurisdiction.

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.

# MANULIFE INDIA EQUITY FUND

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

	<b>Neither Past Due Nor Impaired</b>				<b>Total</b>
	<b>Cash and cash equivalents</b>	<b>Amount due from Manager</b>	<b>Amount due from dealers</b>	<b>Derivative assets at fair value through profit or loss</b>	
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	
<b>As at</b>					
<b><u>31.10.2023</u></b>					
AAA	15,167,120	-	1,870,757	25,366	17,063,243
Not rated	-	1,887,400	-	-	1,887,400
	<u>15,167,120</u>	<u>1,887,400</u>	<u>1,870,757</u>	<u>25,366</u>	<u>18,950,643</u>
<b>As at</b>					
<b><u>31.10.2022</u></b>					
AAA	13,589,015	-	-	-	13,589,015
Not rated	-	3,189,126	3,314,229	-	6,503,355
	<u>13,589,015</u>	<u>3,189,126</u>	<u>3,314,229</u>	<u>-</u>	<u>20,092,370</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 banks, deposits with licensed financial institutions and other instruments which are capable of being converted into cash within 7 days.

The following table analyses the Fund's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the following table are the contractual undiscounted cash flows.

<b>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>31.10.2023</u></b>			
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	15,167,120	15,167,120
Financial assets at fair value through profit or loss	-	453,998,092	453,998,092
Amount due from Manager	1,887,400	-	1,887,400
Amount due from dealers	1,870,757	-	1,870,757
Derivative assets at fair value through profit or loss	25,366	-	25,366
	<u>3,783,523</u>	<u>469,165,212</u>	<u>472,948,735</u>

# MANULIFE INDIA EQUITY FUND

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
<u>31.10.2023</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>Financial liabilities</u></b>			
Net assets attributable to unit holders**	467,925,112	-	467,925,112
Amount due to Manager			
- Manager's fee	359,931	-	359,931
- Cancellation of units	57,009	-	57,009
Amount due to dealers	1,874,088	-	1,874,088
Amount due to Trustee	15,866	-	15,866
Amount due to manager of collective investment scheme			
- Purchase of collective investment scheme	2,683,773	-	2,683,773
Derivative liabilities at fair value through profit or loss	-	-	-
Other payables	32,956	-	32,956
	<u>472,948,735</u>	<u>-</u>	<u>472,948,735</u>

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
<u>31.10.2022</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>Financial assets</u></b>			
Cash and cash equivalents	-	13,589,015	13,589,015
Financial assets at fair value through profit or loss	-	430,872,709	430,872,709
Amount due from Manager	3,189,126	-	3,189,126
Amount due from dealers	3,314,229	-	3,314,229
	<u>6,503,355</u>	<u>444,461,724</u>	<u>450,965,079</u>

<b><u>Financial liabilities</u></b>			
Net assets attributable to unit holders**	443,869,926	-	443,869,926
Amount due to Manager			
- Manager's fee	126,196	-	126,196
- Cancellation of units	11,495	-	11,495
Amount due to dealers	3,315,343	-	3,315,343
Amount due to Trustee	14,628	-	14,628
Amount due to manager of collective investment scheme			
- Purchase of collective investment scheme	3,592,724	-	3,592,724
Derivative liabilities at fair value through profit or loss	11,566	-	11,566
Other payables	23,201	-	23,201
	<u>450,965,079</u>	<u>-</u>	<u>450,965,079</u>



# MANULIFE INDIA EQUITY FUND

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

## **Capital risk**

The capital of the Fund is represented by net assets attributable to unit holders' of RM467,925,112 (31.10.2022: RM443,869,926). The amount of net assets attributable to unit holders can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders, and to maintain a strong capital base to support the development of the investment activities of the Fund.

## **Fair value estimation**

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

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

Financial assets at fair value through profit or loss amounting to RM453,998,092 (31.10.2022: RM430,872,709) is classified within level 1 of the fair value hierarchy.

Derivative assets at fair value through profit or loss amounting to RM25,366 (31.10.2022: RM nil) is classified within level 2 of the fair value hierarchy.

Derivative liabilities at fair value through profit or loss amounting to RM Nil (31.10.2022: RM 11,566) is classified within level 2 of the fair value hierarchy.

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

### **TAX CONSULTANTS**

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

# MANULIFE INDIA EQUITY 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 INDIA EQUITY 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  
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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  
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Fax: (07) 234-4620

## **Kuching**

No. 63 & 65, 2nd Floor  
Jalan Tun Jugah  
93350 Kuching  
Sarawak  
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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 INDIA EQUITY 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  
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