



**Manulife**

Investment Management

Manulife  
Investment-  
HW Shariah  
Flexi Fund

**Semi-annual Report**

for the six months financial period ended

31 July 2024

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

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# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 1 GENERAL INFORMATION

### 1.1 THE TRUST

The Fund commenced operations on 18 October 2012 and will continue its operations until terminated as provided under Clause 12 of the Deed.

### 1.2 FUND TYPE / CATEGORY

Growth / Mixed Assets (Islamic)

### 1.3 BASE CURRENCY

Ringgit Malaysia (RM)

### 1.4 OBJECTIVE OF THE FUND

The Fund seeks to provide Unit Holders with long-term capital appreciation.

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

### 1.5 DISTRIBUTION POLICY

Income distribution (if any) is incidental

### 1.6 PERFORMANCE BENCHMARK

50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Maybank 12-month GIA-i rate.

Note: The composite performance benchmark provides a balanced gauge on the asset allocation of the Fund which can invest up to 98% in Shariah-compliant equities and/or Shariah-compliant equity-related instruments or sukuk and Islamic money market instruments. It is only used as a reference for performance gauge purpose as the risk profile of the Fund is not the same as the risk profile. The performance benchmark information is available on [www.manulifeim.com.my](http://www.manulifeim.com.my).

### 1.7 INVESTMENT STYLE AND STRATEGY

The Fund invests in a diversified portfolio of Shariah-compliant equities and/or Shariah-compliant instruments as well as sukuk and/or Islamic money market instruments. Islamic liquid assets such as Islamic money market instruments and Islamic deposits are used to maintain liquidity position and as a short-term alternative should the Shariah-compliant equity or sukuk markets become extremely volatile. The Fund may invest in the Shariah compliant investments directly or via Islamic Collective Investment Schemes (CISs).

The Fund may invest up to 98% of its NAV in a single asset class of Shariah-compliant equities and/or Shariah-compliant instruments or sukuk and/or Islamic money market instruments. This allows the Fund the flexibility to switch to Shariah-compliant equities and/or Shariah-compliant instruments when the stock market is bullish and to sukuk and/or Islamic money market instruments when the stock market is bearish. At any one time, the asset mix may also comprise all asset classes. The Fund will maintain at least 2% of its NAV in Islamic liquid assets.

The Fund adopts an absolute return approach which seeks to provide investors with consistent returns across market cycles while managing the impact of the volatility.

In terms of investing in Shariah-compliant equity investment, the Manager intends to invest in companies that have recorded 10%-15% growth in profits from preceding year, as well as quality companies which the Manager classifies as having strong balance sheets, positive cash flows and low gearing levels compared to business peers and sector norm. The quality of the management is also crucial when searching for an investment opportunity. The Manager aims to identify mispricing opportunities as they occur and take advantage of them regardless of whether the companies exhibit growth, value or defensive characteristics. The Manager also aims to identify investment themes that will eventually capture market interest.

## MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

In terms of investing in sukuk, the Fund follows a strict selection process to ensure only appropriate sukuk are invested in with respect to the investment objective. The selection process is in essence a screening process that selects quality sukuk with risk-return profiles that match the Fund's requirements. The selection of sukuk will largely depend on the credit rating of the issuer to assure relative certainty of principal payment and overall total return stability. Similarly, for Islamic deposits, the Fund will place the deposits with Islamic financial institutions whose credit profile the Fund Manager is comfortable with.

The Fund invests in both the Shariah-compliant equity and sukuk of corporations in Malaysia that practise good corporate governance, a key driver in the selection of securities. Some of the criteria chosen are transparency, accountability and integrity. These include having independent directors on the board, transparent business procedures and financial information, accessibility of the management team to investors and the protection of minority shareholders' rights.

During the six months financial period under review, the Fund maintained its investment objective of providing medium to long-term capital appreciation and to provide dividend income.

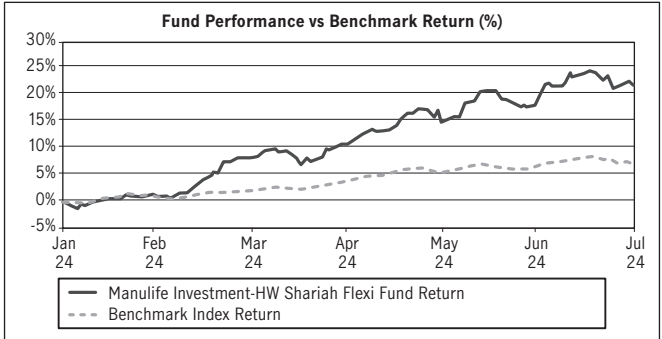
# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 2 MANAGER'S REPORT

### 2.1 FUND PERFORMANCE

For the six months financial period ended 31 July 2024, the Fund's return increased by 21.56%. The Fund outperformed its benchmark return, 50% FTSE Bursa Malaysia EMAS Shariah Index + 50% Maybank 12-month GIA-i rate which increased by 7.16%. The outperformance was due to fund's exposure in the Real Estate and Industrial sectors.

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



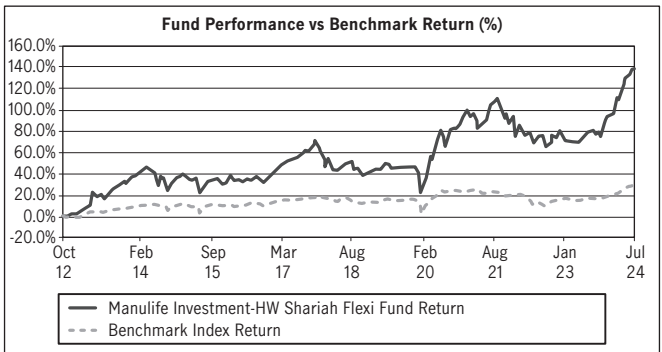
Source: Bloomberg L.P

### Fund Size

The Fund's total NAV increased to RM203.66mil from RM142.49mil during the six months financial period under review.

### Fund's Returns

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



Source: Bloomberg L.P

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

(b) Average Total Return of the Fund:

For the financial period ended 31 July 2024	Fund (% p.a.)	Benchmark (% p.a.)
1 year	33.44	9.57
3 years	7.04	2.41
5 years	9.81	2.10
Investment Commencement Date: 8 November 2012		

Source: Bloomberg L.P

(c) Annual Total Return of the Fund:

For the financial period ended:	Fund (% p.a.)	Benchmark (% p.a.)
31 July 2024	33.44	9.57
31 July 2023	1.11	2.62
31 July 2022	(9.08)	(4.48)
31 July 2021	9.55	(4.18)
31 July 2020	18.85	7.84
Investment Commencement Date: 8 November 2012		

Source: Bloomberg L.P

## BASES OF CALCULATION

### 1. Net Asset Value (NAV)

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

### 2. Net Asset Value per unit

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

### 3. Fund's Return

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

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

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

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

$$\text{Average Total Return} = (\text{NAV Return} * \text{Series of Income Return}) (365.25/n) \times 100 - 100,$$

where n = number of days between beginning and end dates.

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

Fund Data	31 July 2024	31 July 2023	31 July 2022
NAV (RM)	203,655,475	131,771,156	138,805,462
Units in Circulation ('000)	507,335	438,065	466,639
NAV (RM per unit)	0.4014	0.3008	0.2975
Highest / Lowest NAV (RM per unit)	0.4103/0.3261	0.3081/0.2853	0.3318/0.2831
Total Fund Return (%)	21.56	(0.92)	(7.26)
Capital growth (%)	21.56	(0.92)	(7.26)
Income distribution (%)	-	-	-
Total Expense Ratio (%)	0.79	0.79	0.79
Portfolio Turnover Ratio (times)	0.20	0.28	0.29

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## NOTES

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

TER is computed based on the total fees and expenses excluding transaction costs incurred by the Fund divided by the average Fund size calculated on a daily basis.

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

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 annual management fee, the annual trustee fee and any other fees deducted / deductible directly from the unit trust fund;

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

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

The TER for the financial period remains consistent compared to the previous financial period.

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

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

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

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

***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.***



# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 2.2 ASSET ALLOCATION

Asset allocation for the past three financial periods:

Sector Allocation	% of Net Asset Value		
	31 July 2024	31 July 2023	31 July 2022
Industrial Products & Services	18.60	20.87	19.77
Property	17.83	8.43	2.40
Construction	11.77	5.14	4.04
Telecommunications & Media	10.53	9.07	10.20
Technology	7.73	15.26	13.32
Healthcare	7.20	6.70	-
Islamic Real Estate Investment insert (i-REITs)	5.71	7.45	5.18
Energy	4.93	-	1.16
Utilities	4.92	6.13	-
Consumer Products & Services	1.43	2.47	4.28
Financial Services	-	1.23	3.73
Plantation	-	2.61	3.67
<b>Total Shariah-compliant Investments</b>	<b>90.65</b>	<b>85.36</b>	<b>67.75</b>
Islamic deposits with Licensed Financial Institutions	10.42	12.55	32.81
Other Assets & Liabilities	(1.07)	2.09	(0.56)

As at 31 July 2024, the Fund was 90.65% invested in Shariah-compliant equities and 9.35% in Islamic deposits and other assets & liabilities. By sectors, there was notable increase in the Property, Energy and Construction sectors. On the other hand, the fund decreased exposure for Technology and Plantation sectors.

## 2.3 MARKET REVIEW

During the six months financial period under review (1st Feb 2024 – 31st July 2024), the KLCI emerged as one of the top performers in the region despite geopolitical tensions in the Middle East. The market experienced a broad-based rally, with most sectors showing positive returns, reflecting the strength of the local economy. The stability of the government and investor-friendly policies, including the New Energy Transition Plan, the JB-SG Special Zone, and fiscal reforms measures, have generated strong interest in local market. These well-conceived plans are anticipated to drive long-term economic growth. Additionally, the 2Q24 Gross domestic product (GDP) growth of 5.8% exceeded expectations, largely due to a rebound in tourism and exports.

Buoyed by a robust economy, street is projecting double-digit earnings growth for Corporate Malaysia in 2024. The recent 1Q24 reporting season met expectations and provided much-needed credibility and visibility to these optimistic forecasts. From a flow perspective, foreign investors have resumed buying after a long hiatus, and local government-linked funds have been strongly encouraged to increase their investments in Malaysia to provide support to Ringgit.

The next potential market driver is the recovery of the Ringgit. A more dovish Federal Reserve, aimed at mitigating hard landing risks, is expected to benefit all emerging market currencies, including the Ringgit. During the review period, the FBM KLCI and FBM EMAS Shariah Index increased by 7.4% and 13.2% respectively.

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 2.4 MARKET OUTLOOK AND INVESTMENT STRATEGY

We have turned positive on local market since early 2024 and continue to maintain a constructive stance going forward despite macroeconomic uncertainties such as a potential slowdown in the U.S. and the unwinding of the Yen carry trade. While these global risks are significant, Malaysia is expected to be relatively shielded due to its robust local economy. Market fundamentals have improved considerably since last year, driven by effective policy measures, particularly fiscal reforms that should ease some pressure on the Ringgit. Additionally, strong foreign direct investment (FDI) in data centers and trade divergence are expected to support long-term economic growth.

Despite the strong performance this year, market valuations remain attractive compared to historical levels and regional peers. We believe there is further potential for valuation re-rating, given the strong fundamentals. Therefore, we will continue to be highly invested, focusing on companies with solid earnings growth and strong balance sheet.

## 2.5 SECURITIES FINANCING TRANSACTIONS

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

## 2.6 CROSS-TRADE TRANSACTIONS

During the six months financial period under review, there is no cross-trade transactions have been carried out.

### **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 six months financial period under review, soft commissions have not been received by the Management Company.

## **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 unaudited financial statements comprising the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, material accounting policies information and notes to the financial statements, are drawn up in accordance with the provisions of the Deed and give a true and fair view of the financial position of the Fund as at 31 July 2024 and of its financial performance, changes in equity and cash flows of the Fund for the six months financial period ended 31 July 2024 in accordance with the Malaysian Financial Reporting Standards (“MFRS”) and the International Financial Reporting Standards (“IFRS”).

For and on behalf of the Manager

**MANULIFE INVESTMENT MANAGEMENT (M) BERHAD**

**EDMOND CHEAH SWEE LENG**

DIRECTOR

**CHONG SOON MIN**

DIRECTOR

Kuala Lumpur

25 September 2024

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 5 TRUSTEE'S REPORT

### TO THE UNIT HOLDERS OF MANULIFE INVESTMENT-HW SHARIAH FLEXI FUND ("Fund")

We have acted as Trustee of the Fund for the financial period ended 31 July 2024 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 period 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  
25 September 2024

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

### **TO THE UNIT HOLDERS OF MANULIFE INVESTMENT-HW SHARIAH FLEXI FUND**

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 financial period/year covered by these financial statements in accordance with the Shariah principles and requirements and complied with the applicable guidelines, rulings or decisions issued by the Securities Commission Malaysia pertaining to Shariah matters; and

The assets of the Fund comprise instruments that have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia. As for the instruments which are not classified as Shariah-compliant by the SAC of the Securities Commission Malaysia, we have reviewed the said instruments and confirmed that these instruments are Shariah-compliant.

For ZICO Shariah Advisory Services Sdn Bhd

DR. AIDA OTHMAN

Designated Person Responsible For Shariah Matters Relating To The Fund

Kuala Lumpur  
25 September 2024

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 7 STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

	Note	2024 RM	2023 RM
<b>INVESTMENT INCOME/(LOSS)</b>			
Profit income from Islamic deposits with licensed financial institutions at amortised cost		143,907	287,862
Gross dividend income		2,331,222	2,611,420
Net gain/(loss) on financial assets at fair value through profit or loss	6	30,052,301	(3,142,134)
		32,527,430	(242,852)
<b>EXPENSES</b>			
Manager's fee	3	1,226,569	982,630
Trustee's fee	4	49,063	39,305
Auditors' remuneration		3,232	4,223
Tax agent's fee		1,643	1,339
Other expenses		32,904	28,353
Transaction costs		232,831	265,258
		1,546,242	1,321,108
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		30,981,188	(1,563,960)
<b>TAXATION</b>	5	-	-
<b>PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME/(LOSS)</b>		30,981,188	(1,563,960)
Profit/(loss) after taxation is made up as follows:			
Realised		1,178,843	(3,487,607)
Unrealised		29,802,345	1,923,647
		30,981,188	(1,563,960)

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 8 STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2024

	Note	<u>31.07.2024</u>	<u>31.07.2023</u>
		RM	RM
<b>ASSETS</b>			
Cash and cash equivalents	7	21,324,381	16,577,675
Financial assets at fair value through profit or loss	6	184,619,729	112,483,340
Amount due from Manager		1,264,959	26,048
Amount due from stockbrokers		819,855	3,007,905
Dividends receivable		-	12,780
<b>TOTAL ASSETS</b>		<u>208,028,924</u>	<u>132,107,748</u>
<b>LIABILITIES</b>			
Amount due to Manager			
- Manager's fee		248,944	164,523
- Cancellation of units		-	147,365
Amount due to Trustee		9,958	6,581
Amount due to stockbrokers		4,091,989	-
Other payables	8	22,558	18,123
<b>TOTAL LIABILITIES</b>		<u>4,373,449</u>	<u>336,592</u>
<b>NET ASSET VALUE ("NAV") OF THE FUND</b>		<u>203,655,475</u>	<u>131,771,156</u>
<b>EQUITY</b>			
Unit holders' capital		140,580,373	112,290,478
Retained earnings		63,075,102	19,480,678
		<u>203,655,475</u>	<u>131,771,156</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>	2	<u>203,655,475</u>	<u>131,771,156</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	10	<u>507,334,822</u>	<u>438,065,411</u>
<b>NAV PER UNIT</b>		<u>0.4014</u>	<u>0.3008</u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.



# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 9 STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

	Unit holders' capital	Retained earnings	Total
	RM	RM	RM
<b>BALANCE AS AT 1 FEBRUARY 2024</b>	110,141,136	32,093,914	142,235,050
Movement in unit holders' contribution:			
Creation of units arising from applications	39,027,628	-	39,027,628
Cancellation of units	(8,588,391)	-	(8,588,391)
Total comprehensive income	-	30,981,188	30,981,188
<b>BALANCE AS AT 31 JULY 2024</b>	140,580,373	63,075,102	203,655,475
	RM	RM	RM
<b>BALANCE AS AT 1 FEBRUARY 2023</b>	120,129,016	21,044,638	141,173,654
Movement in unit holders' contribution:			
Creation of units arising from applications	1,415,457	-	1,415,457
Cancellation of units	(9,253,995)	-	(9,253,995)
Total comprehensive loss	-	(1,563,960)	(1,563,960)
<b>BALANCE AS AT 31 JULY 2023</b>	112,290,478	19,480,678	131,771,156

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 10 STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

	Note	<u>2024</u>	<u>2023</u>
		RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Purchase of Shariah-compliant investments		(41,055,023)	(36,368,740)
Sale of Shariah-compliant investments		22,468,202	38,086,503
Dividends received		2,386,395	2,652,188
Profit income received		143,907	287,862
Manager's fee paid		(1,154,643)	(996,638)
Trustee's fee paid		(46,186)	(39,865)
Audit fee paid		(7,500)	(7,500)
Tax agent's fee paid		(3,000)	-
Payment for other fees and expenses		(10,776)	(12,591)
Net cash (used in)/generated from operating activities		<u>(17,278,624)</u>	<u>3,601,219</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from creation of units		38,007,535	1,507,312
Payments for cancellation of units		(8,848,233)	(9,109,821)
Net cash generated from/(used in) financing activities		<u>29,159,302</u>	<u>(7,602,509)</u>
Net increase/(decrease) in cash and cash equivalents		11,880,678	(4,001,290)
Cash and cash equivalents at beginning of the financial period		<u>9,443,703</u>	<u>20,578,965</u>
Cash and cash equivalents at end of the financial period	7	<u><u>21,324,381</u></u>	<u><u>16,577,675</u></u>
Cash and cash equivalents comprise:			
Islamic deposits with licensed financial institutions		21,216,567	16,540,696
Bank balance in a licensed bank		107,814	36,979
	7	<u><u>21,324,381</u></u>	<u><u>16,577,675</u></u>

The accompanying material accounting policy information and notes to the financial statements form an integral part of these financial statements.

## **11 MATERIAL ACCOUNTING POLICY INFORMATION**

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

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 periods presented, unless otherwise stated.

### **A BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

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

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial period. It also requires the Manager to exercise judgement in the process of applying the Fund's accounting policies. Although these estimates and judgement are based on the Manager's best knowledge of current events and actions, actual results may differ. There are no significant areas of judgement or complexity that have significant effect on the amounts recognised in the financial statements. There are no critical accounting estimates and assumptions used in the preparation of the financial statements of the Fund for the six months financial period ended 31 July 2024.

#### (i) Standards and amendments to existing standards effective 1 January 2023

There are no standards, amendments to standards or interpretations that are effective for financial periods beginning on 1 August 2023 that have a material effect on the financial statements of the Fund.

#### (ii) New standards and amendments to existing standards effective 1 January 2023 and have not been early adopted.

A number of new standards, amendments to standards or interpretations are effective for annual periods beginning after 1 August 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

### **B FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

#### (i) Classification

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

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

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate quoted Shariah-compliant equity securities as fair value through other comprehensive income. The contractual cash flows of the Fund's sukuk are solely principal and profit. However, these Shariah-compliant securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale.

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

## MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

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

The Fund classifies amount due to Manager, amount due to Trustee, amount due to stockbrokers 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. Shariah-compliant investments are initially recognised at fair value. Transaction cost are recognised as expenses in the statement of comprehensive income.

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

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

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

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

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

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

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

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

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

### (iii) Impairment

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

### (iv) Significant increase in credit risk

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

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

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

## (vi) Write-off

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

## C INCOME RECOGNITION

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

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

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

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

## D EXPENSES

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

## E AMOUNTS DUE FROM/TO STOCKBROKERS

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

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amount due from the stockbroker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Significant financial difficulties of the stockbroker, probability that the stockbroker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

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

## F CASH AND CASH EQUIVALENTS

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## G DISTRIBUTION

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

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

## H FUNCTIONAL AND PRESENTATION CURRENCY

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

## I FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

### (a) Short-term Islamic deposits with licensed financial institutions

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

### (b) Quoted Shariah-compliant investments

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

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

Other short-term Islamic financial instruments comprise amount due from/to Manager, amount due from/to stockbrokers, dividends receivable, 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 period.

## J TAXATION

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

## K TRANSACTION COSTS

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 12 NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS FINANCIAL PERIOD ENDED 31 JULY 2024

### 1 INFORMATION ON THE FUND

Manulife Investment-HW Shariah Flexi Fund ("the Fund") was established pursuant to a Master Deed dated 8 August 2008, as amended and supplemented by subsequent Supplemental Deeds (hereinafter referred to as the "Deeds") between Manulife Investment Management (M) Berhad ("the Manager") and RHB Trustees Berhad (the "the previous Trustee") as Trustee for the financial period from 1 February 2021 to 4 April 2021, HSBC (Malaysia) Trustee Berhad ("the new Trustee") as the new Trustee with effect from 5 April 2021.

The principal activity of the Fund is to invest in "Investments of the fund" as defined under Clause 1 of the Deeds, which includes Shariah-compliant stocks and securities of companies listed on Bursa Malaysia Berhad, unlisted sukuk and short-term Islamic money market instruments. The Fund commenced operations on 18 October 2012 and will continue its operations until terminated as provided under Clause 12 of the Deed.

The main objective of the Fund is to provide unit holders with long-term capital appreciation.

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

The financial statements were authorised for issue by the Manager in accordance on 25 September 2024.

### 2 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

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

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

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

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

### 3 MANAGER'S FEE

In accordance with the Deed, the Manager is entitled to Manager's fee at a rate of not exceeding 2.50% 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 period, the Manager is entitled to Manager's fee at a rate of 1.50% per annum (2023: 1.50% 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.

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 4 TRUSTEE'S FEE

In accordance with the Deed, the Trustee is entitled to a fee of not exceeding 0.25% 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 RM18,000 per annum.

For the financial period, the Trustee is entitled to a fee of 0.06% per annum (2023: 0.06% per annum) of the net asset value of the Fund before deducting Trustee's fee and Manager's fee for the day, calculated on a daily basis.

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

## 5 TAXATION

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Current taxation	-	-

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

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Profit/(loss) before taxation	30,981,188	(1,563,960)
Tax calculated at Malaysian tax rate of 24% (2023: 24%)	7,435,485	(375,350)
Tax effect in respect of:		
- Expenses not deductible for tax purposes	74,514	78,793
- Restriction on tax deductible expenses for unit trust funds	296,584	238,273
- (Investment income not subject to tax)/ Investment loss not deductible for tax purposes	(7,806,583)	58,284
Tax expenses	-	-

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

	<b>31.07.2024</b>	<b>31.07.2023</b>
	<b>RM</b>	<b>RM</b>
Financial assets designated at fair value through profit or loss		
- Quoted Shariah-compliant investments	184,619,729	112,483,340
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Net gain/(loss) on financial assets at fair value through profit or loss		
- Realised	249,956	(5,065,781)
- Unrealised	29,802,345	1,923,647
	30,052,301	(3,142,134)



# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

<u>QUOTED SHARIAH- COMPLIANT INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of shares</u> RM	<u>Fair value as at 31.07.2024</u> RM	<u>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund</u> %
<b>31.07.2024</b>				
<b><u>ACE MARKET</u></b>				
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
Sunview Group Berhad	3,107,500	2,657,302	2,066,488	1.01
<b><u>MAIN MARKET</u></b>				
<b>CONSTRUCTION</b>				
AME Elite Consortium Berhad	2,550,960	2,889,569	3,749,911	1.84
Gamuda Berhad	1,263,544	5,931,656	9,931,456	4.88
IJM Corporation Berhad	1,700,000	5,674,626	5,950,000	2.92
Kumpulan Kitacon Berhad	6,100,000	4,139,072	4,331,000	2.13
	<u>11,614,504</u>	<u>18,634,923</u>	<u>23,962,367</u>	<u>11.77</u>
<b>CONSUMER PRODUCTS &amp; SERVICES</b>				
Sime Darby Berhad	1,117,200	2,819,707	2,904,720	1.43
<b>ENERGY</b>				
Dialog Group Berhad	2,532,700	5,360,982	6,433,058	3.16
Velesto Energy Berhad	16,786,200	3,917,794	3,609,033	1.77
	<u>19,318,900</u>	<u>9,278,776</u>	<u>10,042,091</u>	<u>4.93</u>
<b>HEALTHCARE</b>				
IHH Healthcare	305,600	1,916,112	1,925,280	0.94
Kossan Rubber Industries Berhad	1,187,500	1,642,842	2,517,500	1.24
KPJ Healthcare Berhad	5,494,100	6,744,739	10,219,026	5.02
	<u>6,987,200</u>	<u>10,303,693</u>	<u>14,661,806</u>	<u>7.20</u>
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
Press Metal Aluminium Holdings Berhad	1,158,400	6,399,201	6,209,024	3.05
Samaiden Group Berhad	2,727,900	3,002,644	3,328,038	1.63
Scientex Berhad	1,487,100	3,686,274	6,305,304	3.09
Sunway Berhad	3,700,475	6,695,318	15,875,038	7.80
V.S. Industry Berhad	3,403,300	3,893,197	4,117,993	2.02
	<u>12,477,175</u>	<u>23,676,634</u>	<u>35,835,397</u>	<u>17.59</u>
<b>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs)</b>				
AME Real Estate Investment Trust	2,773,800	4,032,565	4,909,626	2.41
Axis Real Estate Investment Trust	3,708,214	5,929,302	6,711,867	3.30
	<u>6,482,014</u>	<u>9,961,867</u>	<u>11,621,493</u>	<u>5.71</u>

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

<b>QUOTED SHARIAH- COMPLIANT INVESTMENTS</b>	<b>Quantity Units</b>	<b>Cost of shares RM</b>	<b>Fair value as at 31.07.2024 RM</b>	<b>Fair value as at 31.07.2024 expressed as percentage of net asset value of Fund %</b>
<b>PROPERTY</b>				
Eco World Development Group Berhad	8,224,100	8,020,308	14,556,657	7.15
Mah Sing Group Berhad	6,019,100	4,964,923	11,315,908	5.55
S P Setia Berhad	3,484,300	4,972,065	5,574,880	2.74
UOA Development Berhad	2,577,700	5,282,154	4,871,853	2.39
	<u>20,305,200</u>	<u>23,239,450</u>	<u>36,319,298</u>	<u>17.83</u>
<b>TECHNOLOGY</b>				
Frontken Corporation Berhad	1,501,350	3,444,580	6,455,805	3.17
Inari Amertron Berhad	2,198,300	6,540,125	8,309,574	4.08
Vitrox Corporation	244,400	989,433	975,156	0.48
	<u>3,944,050</u>	<u>10,974,138</u>	<u>15,740,535</u>	<u>7.73</u>
<b>TELECOMMUNICATIONS &amp; MEDIA</b>				
Axiata Group Berhad	2,448,000	6,014,994	5,875,200	2.89
Telekom Malaysia Berhad	1,353,602	8,632,838	9,434,606	4.63
TIME dotCom Berhad	1,194,400	4,580,682	6,139,216	3.01
	<u>4,996,002</u>	<u>19,228,514</u>	<u>21,449,022</u>	<u>10.53</u>
<b>UTILITIES</b>				
Tenaga Nasional Berhad	711,400	6,924,374	10,016,512	4.92
<b>TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS</b>	<u>91,061,145</u>	<u>137,699,378</u>	<u>184,619,729</u>	<u>90.65</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>46,920,351</u>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>184,619,729</u>		

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

<u>QUOTED SHARIAH- COMPLIANT INVESTMENTS</u>	<u>Quantity</u> Units	<u>Cost of</u> <u>shares</u> RM	<u>Fair value</u> <u>as at</u> <u>31.07.2023</u> RM	<u>Fair value as</u> <u>at 31.07.2023</u> <u>expressed as</u> <u>percentage</u> <u>of net asset</u> <u>value of Fund</u> %
<b><u>31.07.2023</u></b>				
<b><u>ACE MARKET</u></b>				
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
Sunview Group Berhad	3,107,500	2,657,302	2,610,300	1.98
<b>TECHNOLOGY</b>				
Genetec Technology Berhad	1,223,300	3,238,359	2,984,852	2.27
<b><u>MAIN MARKET</u></b>				
<b>CONSTRUCTION</b>				
Ame Elite Consortium Berhad	1,973,800	2,851,306	2,684,368	2.04
Kumpulan Kitacon Berhad	6,100,000	4,139,072	4,087,000	3.10
	<u>8,073,800</u>	<u>6,990,378</u>	<u>6,771,368</u>	<u>5.14</u>
<b>CONSUMER PRODUCTS &amp; SERVICES</b>				
Aeon Co. (M) Bhd	2,603,700	3,956,478	3,176,514	2.41
AirAsia X Berhad	30,500	47,275	72,590	0.06
	<u>2,634,200</u>	<u>4,003,753</u>	<u>3,249,104</u>	<u>2.47</u>
<b>FINANCIAL SERVICES</b>				
Bank Islam Malaysia Berhad	734,400	2,096,241	1,615,680	1.23
<b>HEALTHCARE</b>				
Hartalega Holdings Berhad	346,400	773,596	762,080	0.58
Kossan Rubber Industries Berhad	1,856,500	2,568,368	2,654,795	2.01
KPJ Healthcare Berhad	4,714,100	5,298,541	5,421,215	4.11
	<u>6,917,000</u>	<u>8,640,505</u>	<u>8,838,090</u>	<u>6.70</u>
<b>INDUSTRIAL PRODUCTS &amp; SERVICES</b>				
P.A. Resources Berhad	11,075,200	4,754,892	3,045,680	2.31
Press Metal Aluminium Holdings Berhad	848,400	4,778,769	4,275,936	3.25
Samaiden Group Berhad	1,727,900	1,792,620	2,298,107	1.74
Scientex Berhad	1,487,100	3,686,274	5,294,076	4.02
Sunway Berhad	3,871,075	6,197,573	6,929,224	5.26
V.S. Industry Berhad	3,403,300	3,893,197	3,045,954	2.31
	<u>22,412,975</u>	<u>25,103,325</u>	<u>24,888,977</u>	<u>18.89</u>
<b>ISLAMIC REAL ESTATE INVESTMENT TRUSTS (i-REITs)</b>				
Ame Real Estate Investment Trust	2,550,960	2,889,569	3,112,171	2.36
Axis Real Estate Investment Trust	3,688,686	5,896,105	6,713,409	5.09
	<u>6,239,646</u>	<u>8,785,674</u>	<u>9,825,580</u>	<u>7.45</u>

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

<b>QUOTED SHARIAH- COMPLIANT INVESTMENTS</b> (Continued)	<b>Quantity</b> Units	<b>Cost of</b> shares RM	<b>Fair value</b> as at 31.07.2023 RM	<b>Fair value as</b> at 31.07.2023 expressed as percentage of net asset value of Fund %
<b>PLANTATION</b>				
Kuala Lumpur Kepong Berhad	63,900	1,448,924	1,490,148	1.13
Sime Darby Plantation Berhad	430,000	1,975,721	1,956,500	1.48
	<u>493,900</u>	<u>3,424,645</u>	<u>3,446,648</u>	<u>2.61</u>
<b>PROPERTY</b>				
Eco World Development Group Berhad	7,590,400	5,115,912	7,134,976	5.41
UOA Development Berhad	2,127,600	4,613,315	3,978,612	3.02
	<u>9,718,000</u>	<u>9,729,227</u>	<u>11,113,588</u>	<u>8.43</u>
<b>TECHNOLOGY</b>				
Frontken Corporation Berhad	1,159,350	2,278,362	3,756,294	2.85
GHL Systems Berhad	2,243,700	2,330,556	1,828,616	1.39
Inari Amertron Berhad	1,355,300	3,910,297	4,093,006	3.11
Malaysian Pacific Industries	91,000	2,909,486	2,664,480	2.02
MY E.G. Services Berhad	6,242,875	5,910,014	4,775,799	3.62
	<u>11,092,225</u>	<u>17,338,715</u>	<u>17,118,195</u>	<u>12.99</u>
<b>TELECOMMUNICATIONS &amp; MEDIA</b>				
Telekom Malaysia Berhad	1,140,802	6,787,663	5,806,682	4.41
TIME dotCom Berhad	1,142,800	4,307,718	6,136,836	4.66
	<u>2,283,602</u>	<u>11,095,381</u>	<u>11,943,518</u>	<u>9.07</u>
<b>UTILITIES</b>				
Tenaga Nasional Berhad	841,400	7,787,050	8,077,440	6.13
<b>TOTAL QUOTED SHARIAH- COMPLIANT INVESTMENTS</b>	<u>75,771,948</u>	<u>110,890,555</u>	<u>112,483,340</u>	<u>85.36</u>
<b>ACCUMULATED UNREALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>1,592,785</u>		
<b>TOTAL FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
		<u>112,483,340</u>		

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 7 CASH AND CASH EQUIVALENTS

	<u>31.07.2024</u>	<u>31.07.2023</u>
	RM	RM
Islamic deposits with licensed financial institutions	21,216,567	16,540,696
Bank balance in a licensed bank	107,814	36,979
	<u>21,324,381</u>	<u>16,577,675</u>

Weighted average rates of returns are as follow:

	<u>31.07.2024</u>	<u>31.07.2023</u>
	%	%
Short-term Islamic deposits with licensed financial institutions	<u>2.92</u>	<u>2.92</u>

The Islamic deposits have an average maturity of 1 day (31.07.2023: 1 day).

## 8 OTHER PAYABLES

	<u>31.07.2024</u>	<u>31.07.2023</u>
	RM	RM
Auditors' remuneration	3,232	3,223
Tax agent's fee	4,343	4,043
Sundry payables and accruals	14,983	10,857
	<u>22,558</u>	<u>18,123</u>

## 9 SHARIAH INFORMATION OF THE FUND

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

- (a) Equity securities listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by the Shariah Advisory Council ("SAC") of the Securities Commission Malaysia or SAC of Bank Negara Malaysia for the financial period under review; and
- (b) Liquid assets in the local market which are placed in Shariah-compliant investments and/or instruments.

## 10 UNITS IN CIRCULATION

	<u>31.07.2024</u>	<u>31.07.2023</u>
	No. of units	No. of units
At beginning of the financial period	430,770,078	464,987,279
Add: Creation of units arising from applications	101,022,992	4,849,338
Less: Cancellation of units	(24,458,248)	(31,771,206)
At end of the financial period	<u>507,334,822</u>	<u>438,065,411</u>

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 11 BROKERS' TRANSACTIONS

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

<u>Name of brokers</u>	<u>Value of trades</u>	<u>Percentage of total trades</u>	<u>Brokerage fees</u>	<u>Percentage of total brokerage fees</u>
	RM	%	RM	%
<b>2024</b>				
Public Investment Bank Berhad	11,740,898	17.60	29,302	17.58
CLSA Securities Malaysia Sdn Bhd	10,316,185	15.46	25,726	15.44
UOB Kay Hian Securities (M) Sdn Bhd	9,044,395	13.56	22,609	13.57
Maybank Investment Bank Berhad	7,754,301	11.62	19,357	11.62
UBS Securities Malaysia Sdn. Bhd	4,597,207	6.89	11,507	6.91
HLG Securities Sdn Bhd	3,718,237	5.57	9,274	5.56
Affin Hwang Investment Bank Berhad Limited	3,512,059	5.27	8,749	5.25
Kenanga Investment Bank Berhad	3,455,991	5.18	8,643	5.19
AmlInvestment Bank Berhad	3,301,140	4.95	8,225	4.94
RHB Investment Bank Berhad	3,100,845	4.65	7,764	4.66
Others	6,172,408	9.25	15,465	9.28
	<u>66,713,668</u>	<u>100.00</u>	<u>166,621</u>	<u>100.00</u>

### **2023**

UBS Securities Malaysia Sdn. Bhd.	13,918,554	18.65	34,848	20.47
Public Investment Bank Berhad	10,458,495	14.01	26,203	15.39
Affin Hwang Investment Bank Berhad Limited	8,199,583	10.99	18,419	10.82
Kenanga Investment Bank Berhad	6,205,561	8.32	15,506	9.11
Jupiter Securities Sdn Bhd	5,884,900	7.89	14,711	8.64
CLSA Securities Malaysia Sdn Bhd	5,697,349	7.63	6,874	4.04
HLG Securities Sdn Bhd.	4,224,758	5.66	10,557	6.20
UOB Kay Hian Securities (Malaysia) Sdn Bhd	3,797,480	5.09	8,000	4.70
RHB Investment Bank Berhad	3,271,241	4.38	8,197	4.81
JPMorgan Securities (M) Sdn Bhd	2,631,628	3.53	6,586	3.87
Others	10,335,381	13.85	20,356	11.95
	<u>74,624,930</u>	<u>100.00</u>	<u>170,257</u>	<u>100.00</u>

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

## 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
Directors of Manulife Investment Management (M) Berhad	Directors of the Manager
Subsidiaries and associates of Manulife as disclosed in its financial statements	Subsidiaries and associate companies of the ultimate holding company of the Manager

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

There were no units held by the Manager or parties related to the Manager as at each of the six months financial periods ended 31 July 2024 and 31 July 2023 respectively.

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

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

## 13 TOTAL EXPENSE RATIO ("TER")

	<u>2024</u>	<u>2023</u>
	%	%
TER	<u>0.79</u>	<u>0.79</u>

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")

	<u>2024</u>	<u>2023</u>
PTR (times)	<u>0.20</u>	<u>0.28</u>

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

## 15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Market risk

#### (a) Price risk

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

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

	<u>31.07.2024</u>	<u>31.07.2023</u>
	RM	RM
Financial assets at fair value through profit or loss		
- Quoted Shariah-compliant investments	<u>184,619,729</u>	<u>112,483,340</u>

## MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

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

<b>As at:</b>	<b>Changes in price</b>	<b>Impact on profit or loss after taxation</b>	<b>Impact on net asset value</b>
	%	RM	RM
<b><u>31.07.2024</u></b>			
Financial assets at fair value through profit or loss			
- Quoted Shariah-compliant investments	5	9,230,986	9,230,986
<b><u>31.07.2023</u></b>			
Financial assets at fair value through profit or loss			
- Quoted Shariah-compliant investments	5	5,624,167	5,624,167

### (b) Interest rate risk

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

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

The above interest rate is a general economic indicator that will have an impact on the management of the Fund regardless whether it is a Shariah-compliant unit trust fund or otherwise. It does not in any way suggest that the Fund will invest in conventional financial instruments. All the investments carried out for the Fund are in accordance with Shariah requirements.

### **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 Islamic deposits in licensed financial institutions is managed by ensuring that the Fund will only place Islamic deposits in reputable licensed financial institutions.

For amount due from stockbrokers, the settlement terms are governed by the relevant rules and regulations as prescribed by Bursa Malaysia Berhad.

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 INVESTMENT -HW SHARIAH FLEXI FUND

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

<u>As at</u>	<u>Neither Past Due Nor Impaired</u>				<u>Total</u>
	<u>Cash and cash equivalents</u>	<u>Amount due from Manager</u>	<u>Amount due from stock-brokers</u>	<u>Dividends receivable</u>	
	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b>31.07.2024</b>					
AAA	21,324,381	-	-	-	21,324,381
Not rated	-	1,264,959	819,855	-	2,084,814
	<u>21,324,381</u>	<u>1,264,959</u>	<u>819,855</u>	<u>-</u>	<u>23,409,195</u>

## **31.07.2023**

AAA	16,577,675	-	-	-	16,577,675
Not rated	-	26,048	3,007,905	12,780	3,046,733
	<u>16,577,675</u>	<u>26,048</u>	<u>3,007,905</u>	<u>12,780</u>	<u>19,624,408</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 Islamic liquid assets to meet anticipated payments and cancellations of units by unit holders. The Islamic liquid assets comprise cash at bank, Islamic deposits with licensed financial institutions and other Shariah-compliant instruments which are capable of being converted into cash within 7 days.

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

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b>31.07.2024</b>			
<b>Financial assets</b>			
Cash and cash equivalents	21,216,567	107,814	21,324,381
Financial assets at fair value through profit or loss	-	184,619,729	184,619,729
Amount due from Manager	1,264,959	-	1,264,959
Amount due from stockbrokers	819,855	-	819,855
	<u>23,301,381</u>	<u>184,727,543</u>	<u>208,028,924</u>

## **Financial liabilities**

Amount due to Manager			
- Manager's fee	248,944	-	248,944
Amount due to Trustee	9,958	-	9,958
Amount due to stockbrokers	4,091,989	-	4,091,989
Other payables	22,558	-	22,558
	<u>4,373,449</u>	<u>-</u>	<u>4,373,449</u>

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

<u>As at</u>	<u>Within one year</u>	<u>No maturity date</u>	<u>Total</u>
	<u>RM</u>	<u>RM</u>	<u>RM</u>
<b><u>31.07.2023</u></b>			
<b><u>Financial assets</u></b>			
Cash and cash equivalents	16,540,696	36,979	16,577,675
Financial assets at fair value through profit or loss	-	112,483,340	112,483,340
Amount due from Manager	26,048	-	26,048
Amount due from stockbrokers	3,007,905	-	3,007,905
Dividends receivable	12,780	-	12,780
	<u>19,587,429</u>	<u>112,520,319</u>	<u>132,107,748</u>
<b><u>Financial liabilities</u></b>			
Amount due to Manager			
- Manager's fee	164,523	-	164,523
- Cancellation of units	147,365	-	147,365
Amount due to Trustee	6,581	-	6,581
Other payables	18,123	-	18,123
	<u>336,592</u>	<u>-</u>	<u>336,592</u>

## **Reclassification of Shariah status risk**

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

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

## **Capital risk**

The capital of the Fund is represented by equity consisting of unit holders' capital of RM140,580,373 (31.07.2023: RM112,290,478) and retained earnings of RM63,075,102 (31.07.2023: RM19,480,678). The amount of equity can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unit holders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unit holders and benefits for other stakeholders, and to maintain a strong capital base to support the development of the investment activities of the Fund.

## **Fair value estimation**

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

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

Financial assets at fair value through profit or loss consisting of RM184,619,729 (31.07.2023: RM112,483,340) is classified within level 1 of the fair value hierarchy.

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## 13 CORPORATE INFORMATION

### MANAGER

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

### BOARD OF DIRECTORS

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

### INVESTMENT MANAGER

AHAM Asset Management Berhad  
Registration No: 199701014290 (429786-T)  
Suite 11-01, 11th Floor, Menara Keck Seng  
203, Jalan Bukit Bintang  
55100 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

### SHARIAH ADVISER

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## HEAD OFFICE

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

## BRANCH OFFICES

### Kota Bharu

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

### Sungai Petani

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

### Penang

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

### Ipoh

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

### Dataran Sunway

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

### Shah Alam

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI FUND

## **Klang**

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

## **Kuala Lumpur**

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

## **Seremban**

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

## **Melaka**

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

## **Johor Bahru**

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

## **Kuching**

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

## **Miri**

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

## **Bintulu**

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

# MANULIFE INVESTMENT -HW SHARIAH FLEXI 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 33, 1st Floor, Phase 7A,  
Jalan Lintas Utara,  
90000 Sandakan, Sabah  
Tel : (089) 220 220  
Fax : (089) 226 868

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**Manulife**

Investment Management

**Manulife Investment Management (M) Berhad**

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