

**SUPERVISORY REPORT
MANULIFE BALANCED FUND (“MAFBAL”)
YEAR 2022**

To:

- General Meeting of Investors of Manulife Balanced Fund
- Fund Board of Representative
- Manulife Investment Fund Management (Vietnam) Company Limited

HSBC Bank (Vietnam) Ltd. (“HSBC”) would like to report to the General Meeting of Investors of Manulife Balanced Fund (“MAFBAL” or “the Fund”) in terms of our provision of custody and supervisory bank services to the Fund as follows:

1. General information of the Fund:

Fund name : Manulife Balanced Fund
Fund license : 28/GCN-UBCK issued by State Securities Commission on 22/11/2017
Address : 4th floor, Manulife Plaza, 75 Hoang Van Thai, Tan Phu Ward,
District 7, Ho Chi Minh City

- Details of issuing fund units

▪ Total fund units as of 31/12/2021	:	20,490,709.23 fund units
▪ Total subscription of fund units during the year	:	4,225,581.99 fund units
▪ Total redemption of fund units during the year	:	3,604,926.41 fund units
▪ Total fund units as of 31/12/2022	:	21,111,364.81 fund units

- Net asset value (“NAV”) as of 31/12/2022 : VND 268,947,114,804
- NAV/fund unit as of 31/12/2022 : VND 12,739/ fund unit
- At the record date on 15 March 2023 for the purpose of the 2022 Annual General Meeting, MAFBAL has total of 2,069 investors holding fund units, including of 2,067 domestic individual investors, 01 domestic institutional investor and 01 foreign institutional investor.
- Details of financial information of the Fund are represented in the 2022 audited financial statements.

2. Supervision report on Manulife Investment Fund Management (Vietnam) Company Limited (“the Fund Management Company” or “MIMV”) in operation of MAFBAL:

- For the management of MAFBAL in 2022, MIMV has fulfilled all responsibilities in preparation of periodic reports to State Securities Commission, provide sufficient supporting documents to Supervisory Bank related to the Fund's transactions.
- Acting as a Supervisory Bank of MAFBAL in 2022, we have recognized some matters as follows:

2.1) Board of Representative ("BOR") meeting:

In year 2022, MIMV fully held quarterly BOR meetings in accordance with the Fund's Charter with the following details:

- On 23 February 2022, MIMV held BOR meeting of Quarter 1/2022 for MAFBAL. At this meeting, BOR members discussed and agreed the following contents: (i) economy outlook update and financial performance of MAFBAL until 31 January 2022; (ii) market prospect and fund's investment strategy; (iii) fund's operating expense report of Quarter 4/2021; (iv) update on the list of banks to place the term deposit for MAFBAL, (v) purchasing transaction of corporate bonds during expected period from 01 March 2022 to 31 March 2022 and (vi) agenda and plan for MAFBAL Annual General Meeting of financial year 2021.
- On 24 May 2022, MIMV held BOR meeting of Quarter 02/2022 for MAFBAL. At this meeting, BOR members discussed and agreed the following contents: (i) economy outlook update and financial performance of MAFBAL until 30 April 2022; (ii) market prospect and fund's investment strategy; (iii) fund's operating expense report of Quarter 1/2022, (iv) update on the Valuation Manual of MAFEQI to apply the average price based on quotations of two (02) securities companies for listed bonds, delisted bonds due to maturity or being fully redeemed by the issuer before the maturity date, bonds approved for listing but have not been traded yet, unlisted bonds, bonds have not been listed or registered for trading on Stock Exchange in case there are not enough quotations from three (03) securities companies and (v) appoint E&Y as the auditor of MAFBAL for the financial statements of year 2022.
- On 23 August 2022, MIMV held BOR meeting of Quarter 3/2022 for MAFBAL. At this meeting, BOR members discussed and agreed the following contents: (i) economy outlook update and financial performance of MAFBAL until 31 July 2022; (ii) market prospect and fund's investment strategy, (iii) update on Valuation Manual of MAFBAL and (iv) fund's operating expense report of Quarter 2/2022.

- On 14 December 2022, MIMV held BOR meeting of Quarter 4/2022 for MAFBAL. At this meeting, BOR members discussed and agreed the following contents: (i) economy outlook update and financial performance of MAFBAL until 30 November 2022; (ii) market prospect and fund's investment strategy, (iii) fund's operating expense report of Quarter 3/2022 and (iv) organizing MAFBAL Annual General Meeting of financial year 2022 via online and e-voting and (v) choosing FPT as the solution provider for the Annual General Meeting with the cost of VND 52,614,000 each time.

2.2) Compliance with investment restrictions of MAFBAL:

At some Net Asset Value ("NAV") reporting cycles, due to the movement of securities price in the market, MAFBAL has deviations on investment restriction with details as follows. The investment ratio of MAFBAL into one issuer was exceeded the maximum limit of 20% of the Fund's total asset that stated in item 1.c of the clause 9 of the Fund Charter and item 4.c of clause 35 of Circular No. 98/2020/TT-BTC ("Circular 98"): "The Fund is not allowed to invest more than 20% its total asset in outstanding securities, term deposits and other valued paper of an issuing organization, except for government bonds". At the reporting cycles that the deviation occurred, we notified MIMV and requested them rectifying the investment deviation to comply with the Fund Charter and Circular 98.

As per our record, the deviations on investment restriction of MAFBAL occurred in October and November 2022 were rectified within the deadline as stated in the Fund Charter and Circular 98 with details as following. For the deviation on investment restriction of the Fund that occurred in December 2022, MIMV has three (03) months since the date the deviation firstly occurred (NAV reporting cycle as of 15 December 2022 and valuation date as of 16 December 2022) to rectify in accordance with the Fund Charter and Circular 98. We will update the rectification of the deviation of the Fund in the next supervisory bank report.

Deviation on investment restriction occurred at the NAV reporting cycle as of	Investment ratio into an issuer	Deviation was rectified at the NAV reporting cycle as of	Deviation was rectified at the valuation date as of	Investment ratio into an issuer, after deviation was rectified	Remarks

25-Oct-2022	20.13%	27-Oct-2022	28-Oct-2022	19.60%	Due to the movement of securities price in the market
08-Nov-2022	20.25%	24-Nov-2022	25-Nov-2022	19.73%	Due to the movement of securities price in the market
10-Nov-2022	20.43%				
15-Nov-2022	21.17%				
17-Nov-2022	20.97%				
22-Nov-2022	20.82%				
15-Dec-2022	20.25%				Due to the movement of securities price in the market
20-Dec-2022	20.49%				
22-Dec-2022	20.58%				
27-Dec-2022	20.30%				
29-Dec-2022	20.47%				
31-Dec-2022	20.54%				

3. Implementation of rights and obligations of Supervisory Bank

As a Supervisory bank of the Fund, HSBC has fulfilled our responsibilities in relation to custody and supervisory bank services, with details as following:

- Hold and custody for Fund assets safely, simultaneously maintain records showing that the Fund Assets belong to the Fund and segregated from any other assets;
- Handled duly instructions of the Fund Management Company regarding Fund's transactions in a timely manner;
- Checked and verified reports in relation to the Fund assets prepared by the Fund Management Company with accuracy and professionalism, simultaneously fulfilled reporting obligations to Regulators in accordance with applicable laws and regulations;

- Supervised the compliance on fund's operation carried out by the Fund Management Company for ensuring the compliance with the Fund Charter and applicable laws with due care and diligence;
- Attended all meetings of the BOR and Annual General Meeting of the Fund.

Yours truly,

Ho Chi Minh City, 16th March 2023



Head of Securities Services

The supervisory bank report on the operations of Fund Management Company is based on the information, document and data (hereby referred to as "Information") provided by the Fund Management Company to the Supervisory Bank. This report does not include the issues and affairs which is not in the knowledge of the Supervisory Bank due to the unfaithful information or concealment/deceit of the Fund Management Company.



