

ManuRetire Secure

(for Manulife Octave SGD Tracking Fund)

Report and Financial Statements 1 January 2017 to 31 December 2017

Welcome Message

29 March 2018

Dear Customer

This booklet contains the Annual Report for our Investment-Linked Policy Sub-Funds, which includes an overview of each fund's investment objectives and performance.

To ensure that you are best positioned to meet your financial goals, we encourage you to review your investments regularly and maintain a well-diversified portfolio. We will continue to be vigilant in our choice of investments by looking out for the best opportunities available to help you grow your wealth.

If you have any questions about your policy or investments, please speak to your Manulife Representative or contact our Client Services Executives at 6833-8188. Thank you for trusting Manulife with your investment needs, and we look forward to continue supporting you in the years ahead.

Yours faithfully



Dr Khoo Kah Siang
President & Chief Executive Officer
Manulife Singapore

Register of Representatives - You may logon to the Monetary Authority of Singapore ("MAS") website (www.mas.gov.sg) to conduct a background check of your Manulife Financial Consultant.

The information relating to the Investment-Linked Policy ("ILP") sub-fund is compiled by Manulife (Singapore) Pte. Ltd., solely for general information purposes. It does not constitute an offer, invitation, solicitation or recommendation by or on behalf of Manulife (Singapore) Pte. Ltd. to any person to buy or sell any ILP sub-fund.

All overviews and commentaries, if provided, are intended to be general in nature and for current interest. While helpful, these overviews and commentaries are no substitute for professional tax, investment or legal advice. Investors are advised to seek professional advice for their particular situation. The information provided herein does not take into account the suitability, investment objectives, financial situation or particular needs of any specific person. Investors should consider the suitability of any ILP sub-fund based on his or her investment objectives, financial situation and particular needs before making a commitment to subscribe for units, shares or any other interests in any ILP sub-fund.

Investments in ILP sub-funds are not deposits in, guaranteed or insured by Manulife (Singapore) Pte. Ltd., its partners or distributors. The value of units in any ILP sub-fund and any income accruing to it may rise as well as fall, which may result in the possible loss of principal amount invested. Past performance of any ILP sub-funds or fund managers and any prediction, projection or forecast on the economy or markets are not necessarily indicative of the future or likely performance of the ILP sub-funds or the fund managers. Investors should read the relevant Product Summary and Product Highlights Sheet before deciding whether to subscribe for or purchase units in any ILP sub-funds.

Contents

ManuRetire Secure - for Manulife Octave SGD Tracking Fund	4
Financial Statements	10

ManuRetire Secure (for Manulife Octave SGD Tracking Fund)

Fund Facts

Launch Date / Price	: October 2012 / S\$1.00 (Offer)
Unit Price*	: S\$0.9947
Guaranteed Price*	: S\$0.8531
Net Asset Value (NAV)	: S\$ 12,793,729.22
Manager	: Manulife (Singapore) Pte. Ltd.
CPFIS Risk Classification	: Not Applicable
Subscription	: Cheque (SGD) / Bank Draft (SGD) / TT

*Based on NAV as at 31 December 2017

Fund Objective

The Manulife Octave SGD Tracking Fund tracks the performance of the Citi Octave SGD Index (the "Index") by entering into a swap agreement with CGML (Citigroup Global Markets Limited).

The Index is a proprietary Index developed and maintained by CGML to offer exposure to international equity markets and to provide volatility and drawdown control mechanisms that limit the maximum decline of the Index to 20% of the highest value ever achieved by the Index since its inception. The Index has the following objectives:

- offers exposure across various international equity markets by measuring a diversified basket of country and regional components;
- aims to capture market momentum by observing historical trends in the country and regional indices;
- aims to provide stability with volatility control mechanism and minimize extreme market loss with drawdown control mechanism;
- embeds a drawdown control where the Index Level is floored at 80% of highest level ever achieved by the Index (i.e. the maximum loss, from the highest ever level to the lowest level, is capped at 20% from the highest level).

The Manulife Octave SGD Tracking Fund is suitable for investors who:

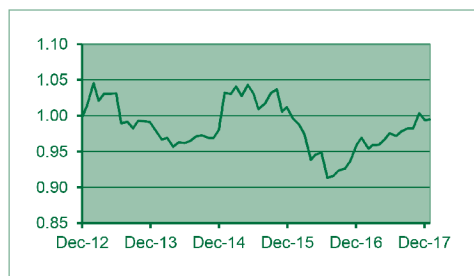
- seek capital appreciation in the medium- to long-term;

- seek exposure to the performance of international equity markets through a diversified basket of indices;
- understand that it does not offer 100% capital protection. Even in the worst case scenario where there is no or negative performance delivered by the Index, the minimum Unit Price is equal to 80% of the highest Unit Price achieved by the Manulife Octave SGD Tracking Fund;
- can accept potential exposure to 100% cash over an extended period of time;
- can accept that the list of equity indices may change if the regulatory environment makes continued use of the indices impractical; and
- fully understand and can accept the volatility and risk associated with the Manulife Octave SGD Tracking Fund and the Citi Octave SGD Index, and that such risks can have a compounding effect.

The Index may comprise allocations to nine international equity indices and two cash-like instruments.

Exposure	Region	Index Name
North America	Canada	S&P/ TSX 60 Index
Europe	Eurozone	EuroStoxx 50 Index
	U.K.	FTSE 100 Index
Asia Pacific	Japan	MSCI Japan Index
	Australia	S&P/ASX 200 Index
	China	iShares FTSE A50 China Index ETF
	Hong Kong	Hang Seng Index
	Singapore	MSCI Singapore Free Index
	South Korea	MSCI Korea Index
Cash-like Instruments	U.S.	U.S. Federal Funds Effective Rate
	Singapore	SGD Domestic Interbank Overnight Rate

Fund Performance



Fund Performance	Manulife Octave SGD Tracking Fund
3 months	+1.21%
6 months	+2.35%
1 year	+2.84%
3 years	-1.23%
5 years	-0.39%
10 years	Not Applicable
Since Inception	-0.10%

Inception Date: 22 November 2012

Source: Manulife (Singapore) Pte. Ltd.

- Performance is in SGD as at 31 December 2017 on a Net Asset Value-to-Net Asset Value basis with income reinvested.
- Performance figures for 3 months till 1 year show the % change, those exceeding 1 year show the average annual compounded return.

Schedule of Investments

A) Distribution of Investments as at 31 December 2017

The Manulife Octave SGD Tracking Fund tracks the performance of the Citi Octave SGD Index (the "Index") by entering into a swap agreement with CGML (Citigroup Global Markets Limited). The Index allocation as at 31 December 2017 is as follows:

Underlying Constituents	Percentage of Allocation
Federal Funds Effective Rate US	19.81%
SGD Overnight Prime Interest Rate	27.16%
iShares FTSE A50 China Index ETF	11.18%
Hang Seng Index	11.09%
MSCI Singapore Free Local Daily Net Total Return Index	11.04%
S&P/ASX 200 Index	8.76%
MSCI Japan Daily Net Total Return Index	10.96%

Note: Any differences in the percentage of allocation are the result of rounding.

B) Exposure to Derivatives

- Market value of derivative contracts
Not Applicable
- Net gains/losses on derivative contracts realised
Not Applicable
- Net gains/losses on outstanding derivative contracts
Not Applicable

C) Amount and percentage of debt to NAV

Not Applicable

ManuRetire Secure (for Manulife Octave SGD Tracking Fund)

D) Total amount of Subscriptions and Redemptions

Total Subscriptions	S\$-
Total Redemptions	S\$1,540,992.71

E) Amount and terms of related-party transactions
Not Applicable

F) Expense Ratio

31 December 2017 : 2.00%

31 December 2016 : 2.00%

Note: The expense ratio is calculated in accordance with the Investment Management Association of Singapore's guidelines on the disclosure of expense ratios. The expense ratio does not include (where applicable) charges for insurance coverage, brokerage and other transaction costs, performance fee, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of collective investment schemes and tax deducted at source or arising out of income received.

G) Turnover Ratio

31 December 2017 : 2658.79%

31 December 2016 : 2307.09%

H) Any material information that will adversely impact the valuation of the Fund
Not Applicable

I) Soft dollar commissions/ arrangements
Not Applicable

Financial Statements

for the Period 1 January to 31 December 2017

- Statement of Assets and Liabilities
- Capital Account
- Notes to the Accounts
- Independent Auditor's Report

Statement Of Assets And Liabilities

As At 31 December 2017

Manulife Octave SGD
Tracking Fund
\$

INVESTMENTS

Cash and Cash Equivalents	-
Value of Investment	12,793,719
	12,793,719

OTHER ASSETS

Due from Brokers for investment sales	10
Other assets	-
Total Assets	12,793,729

LIABILITIES

Due to Brokers for investment purchases	-
Other liabilities	-
Value of Fund as at 31 December 2017	12,793,729

Capital Account For The Period 1 January 2017 To 31 December 2017

	Manulife Octave SGD Tracking Fund \$
Value of Fund as at 1 January 2017	13,948,360
Amount paid (by)/to the fund for (liquidation)/ creation of units	(1,540,993)
Investment income	-
Net realised gain/(loss) on sale of investments	-
Unrealised appreciation/(loss) in value of investment during the period	386,362
Exchange gain/(loss)	-
Fund income/(expenses)	-
Value of Fund as at 31 December 2017	12,793,729

Notes To The Accounts

1. Significant Accounting Policies

- (a) **Basis of Accounting**
The accounts of the Manulife Investment-Linked Policy sub-fund, expressed in Singapore dollars, are prepared under the historical cost convention except for the investments which are stated at market value.
- (b) **Cash and Cash equivalents**
Cash and cash equivalents comprise cash deposited with financial institutions that are subject to an insignificant risk of changes in value.
- (c) **Investments**
Investments are valued at the market prices on 31 December 2017.
- (d) **Investment Income**
Dividend income is taken up in the financial statements when it is declared payable.

Interest income is recognised using the effective interest method.
- (e) **Foreign Currencies**
Transactions arising in foreign currencies during the period are converted at rates closely approximating those ruling on the transaction dates. Foreign currencies denominated monetary assets and liabilities are translated into local currency at exchange rates ruling on the financial statement date. All exchange differences arising from conversion are included in the capital account.
- (f) **Realised Gain/(Loss) on Sale of Investments**
Gain/(loss) on sale of investments is determined at average cost and includes realised foreign exchange gains and losses.

2. Units

The number of units issued as of valuation date 31 December 2017:

Manulife Octave SGD Tracking Fund	12,863,190.44222
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3. Expense ratio

The audited expense ratio as of valuation date 31 December 2017:

Manulife Octave SGD Tracking Fund	2.00%
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Expense ratio is calculated in accordance with Investment Management Association of Singapore ("IMAS") Guidelines for the Disclosure of Expense Ratios.

Independent Auditor's Report For The Year Ended 31 December 2017

REPORT TO THE BOARD OF DIRECTORS
OF MANULIFE (SINGAPORE) PTE. LTD.

Report On The Audit Of The Financial Statements

Opinion

We have audited the accompanying financial statements of the investment-linked sub-fund ("Fund") of Manulife (Singapore) Pte. Ltd. (the "Company"), which comprise the statement of assets and liabilities as at 31 December 2017, the Capital Account for the financial year then ended, and notes to the accounts, including a summary of significant accounting policies set out in Note 1 to the accounts.

In our opinion, the accompanying financial statements of the Fund of the Company for the financial year ended 31 December 2017, are properly drawn up in accordance with the stated accounting policies set out in Note 1 to the accounts.

Basis For Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements of the Funds section of our report. We are independent of the Company and the Funds in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for other information. The other information comprises the Message from the President and Chief Executive Officer, and fund reports included in pages 1 to 7, but does not include the financial statements and our auditor's report thereon.

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

Independent Auditor's Report For The Year Ended 31 December 2017

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the accounts, which describes the basis of accounting. The financial statements are prepared to assist the Company to comply with the requirements of the Monetary Authority of Singapore (“MAS”) Notice 307 Investment-Linked Life Insurance Policies. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the use of the Company. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the stated accounting policies, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

We communicate with the directors 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.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

29 March 2018

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