



Annual Report

Manulife Strength-Equity Value Fund

For the accounting period of August 7, 2007 – July 31, 2008

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Message from Acting Chief Executive Officer

Dear Unit Holders

Manulife Asset Management (Thailand) Company Limited (“The Company”) commenced operations on May 10, 2007. We have an asset value under management of the company totaling THB 4,379,921,163.61 as of July 31, 2008.

Assets under management in the mutual fund business as of July 31, 2008 are THB 2,495,058,809.00 from a total of 7 funds launched as follows:

3 Foreign Investment Funds:

1. Manulife Strength-China Value Foreign Investment Fund (MS-CHINA VALUE)
2. Manulife Strength-Emerging Eastern Europe FIF (MS-EE EURO)
3. Manulife Strength-Global Resources FIF (MS-GLB RES)

2 Domestic Equity funds:

1. Manulife Strength-Core Equity Fund (MS-CORE EQ)
2. Manulife Strength-Equity Value Fund (MS-EQ VALUE)

1 Domestic Fixed Income Fund:

1. Manulife Strength- Income Fund (MS-INCOME)

1 Long-term Equity Fund:

1. Manulife Strength- Core Long-Term Equity Fund (MS-CORE LTF)

For private fund business, we have assets under management of THB 1,884,862,354.61 as of July 31, 2008.

On behalf of the company, I would like to express my sincere thanks to you for allowing us to manage your investments. Please be assured that we will apply rigorous investment discipline, exercise the utmost care in our investment process, and make every effort to improve our sales and service quality for all of our clients.

We look forward to building a solid relationship with all our clients for years to come.

Sincerely Yours,



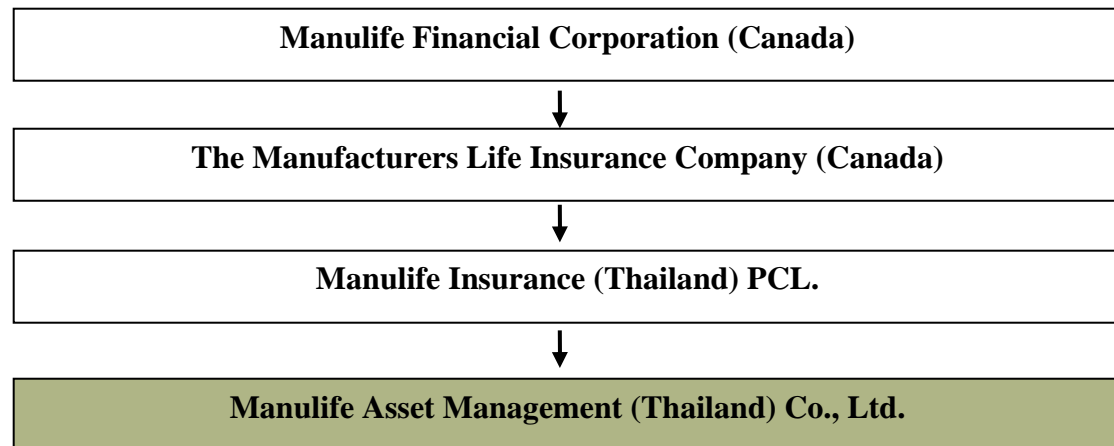
Sukkawat Prasurtying
Acting Chief Executive Officer
Manulife Asset Management (Thailand) Company Limited

Bangkok
October 2008

Company Profile

Manulife Asset Management (Thailand) Company Limited was established on October 20, 2006 with a registered capital of Baht 100 million and was granted a license to undertake mutual fund and private fund management business by the Ministry of Finance under the supervision of the Office of the Securities and Exchange Commission.

Shareholders



Manulife Financial Corporation (MFC) is a Canadian-based life insurance company with more than 115 years of experience. Currently, MFC is the largest, the 2nd largest, and the 6 largest life insurer in Canada, North America, and the world, respectively, in terms of market capitalization. As of June 30, 2008, assets under management of the company stood at US\$ 393 billion.

Board of Directors

- | | |
|---------------------------------|----------|
| 1. Mr. Philip Hampden-Smith | Chairman |
| 2. Mr. Michael Floyd Dommermuth | Director |
| 3. Mr. Bruce Murray Hodges | Director |
| 4. Mr. John Michael Flanders | Director |
| 5. Mr. Sa-Ngiem Garnjanawigai | Director |

Management

- | | |
|--------------------------------|---|
| 1. Mr. Sukkawat Prasurtying | Chief Investment Officer |
| 2. Mr. Sa-Ngiem Garnjanawigai | Chief Operation Officer |
| 3. Mr. Panukorn Chantaraprapab | Director, Equity Fund Management Division |
| 4. Mr. Suwirat Phongsaowapark | Head of Compliance |

2008 Economic Situation and 2009 Market Outlook

Our Manulife Strength Equity Value Fund managed to return at -13.97% and outperformed the SET index which returned -15.83% during 7 August 2007 – 31 July 2008. Thai equity market was hit hard along with other markets in the region from the worsening US financial crisis and rising political risk..

We are cautiously on the Thai market in 2H08. Volatility is expected to remain extremely high. We might see further downside from likely global and domestic economic growth slowdown. The political and economy situations are expected to be deteriorated as global financial crisis escalates, which might cause the earnings downgrade on the Thai market.

The financial and liquidity crisis were extremely serious as foreigners seemed to sell stocks at any price. Starting with the collapse of many US financial institutions, the liquidity crunch spread into European financials. The present financial crisis is officially global. We believe that the ongoing financial crisis will expedite the global recession and negatively affect the Thai export and also its economy.

In the near-term, we believe that the Thai market will be highly volatile and move closely with the global equity market. Downside risk for the Thai market is largely depending on how deep and how long the financial crisis and global recession will be. We remain cautious on the market despite having attractive valuations. We believe this is just the beginning of the global financial crisis and it will not be ending any time soon. A prolonged recession and delayed recovery suggests more headwinds for the market going forward.

Manulife Strength-Equity Value (MS-EQ VALUE)

Investment Policy

To invest in the medium- to long-term in the listed companies on the Stock Exchange of Thailand (SET) by taking into consideration appropriate price and value, strong fundamentals, favorable growth prospects, track record of dividend payment and future dividend policy. In order to diversify investment risks, the Fund shall invest on average of no less than 65% of the net asset value in any accounting period in equity instruments. The remaining funds will be invested directly or indirectly in other securities or assets or other means to seek investment returns as stipulated or approved by the Securities and Exchange Commission (the SEC) or the Office of the SEC. The investment ratios will be adjusted to maximize interest of the Fund and the Unitholders.

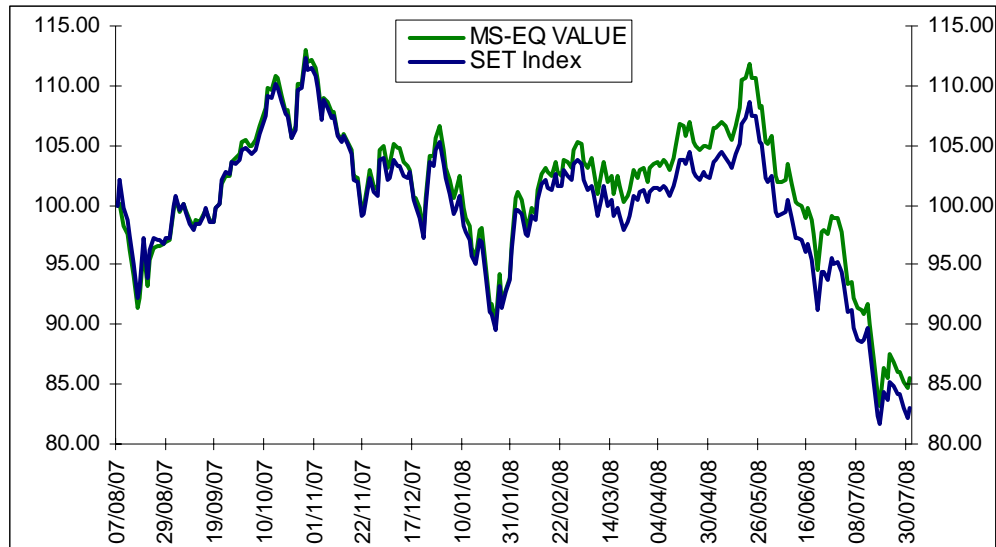
Dividend Policy: No dividend payout, income reinvested.

Custodian: Citibank, N.A. – Bangkok

Registrar: Thailand Securities Depository Company Limited

Fund Performance

Performance Chart *



Remark: * Data as of 31/07/2008

Fund Performance as of July 25, 2008

Net Asset Value 160,890,381.00 Baht

NAV per unit 8.6025 Baht

Period	Performance (%)	Benchmark* (%)
3 Months	-17.70	-17.63
6 Months	-8.68	-9.77
9 Months	-21.93	-23.37
Year to Date	-19.29	-20.12
Since Inception	-13.97	-15.83

Source: Lipper, Manulife Asset Management (Thailand) Co., Ltd.

Remark: *SET Index

The fund performance document is prepared in accordance with AIMC standards.

Investment contains risk. Investors should study prospectuses before making a decision to invest. Past performance is not a guarantee of future results.

Mutual Fund Supervisor Report

To: Unit holders of the Manulife Strength-Equity Value Fund

Whereas Citibank, N.A. Bangkok, the Mutual Fund Supervisor of the Manulife Strength-Equity Value Fund which is managed by Manulife Asset Management (Thailand) Company Limited, has performed duties as the Mutual Fund Supervisor for the period beginning 7 August 2007 to 31 July 2008.

In our opinion, Manulife Asset Management (Thailand) Company Limited has performed its duties in managing the Fund correctly and appropriately according to the objectives specified in the Fund management project, which was approved by the Office of the Securities and Exchange Commission and under the Securities Exchange Act B.E. 2535.

Citibank, N.A. – Bangkok



Mutual Fund Supervisor
Vunvipa Kusakul
Vice President

Citibank, N.A. – Bangkok.
August 8, 2008

Manulife Strength Equity Value Fund
Investment Portfolio
As at July 31, 2008

Securities Name	Face & Holding (,000)	Market Value (,000)	% of Total Investment
Common Stocks			
Automotive			
Somboon Advance Technology Public Company Limited	387.70	4,691.17	2.93
Banking			
Bank of Ayudhya Public Company Limited	390.50	7,692.85	4.81
Bangkok Bank Public Company Limited	46.20	5,035.80	3.15
Kasikornbank Public Company Limited	152.20	10,121.30	6.33
Krung Thai Bank Public Company Limited	866.50	6,238.80	3.90
TISCO Bank Public Company Limited	176.00	3,115.20	1.95
Commerce			
Big C Supercenter Public Company Limited	16.40	852.80	0.53
CP All Public Company Limited	484.30	4,746.14	2.97
Siam Makro Public Company Limited	38.80	3,220.40	2.01
Construction Materials			
The siam Cement Public Company Limited	57.00	9,747.00	6.10
Finance & Securities			
Bualuang Securities Public Company Limited	36.20	514.04	0.32
Information & Communication Teachnology			
Advanced Info Service Public Company Limited	162.20	13,949.20	8.73
Total Access Communication Public Company Limited	170.70	7,510.80	4.70
Energy & Utilities			
Banpu Public Company Limited	19.20	7,987.20	5.00
Electricity Generating Public Company Limited	61.00	4,971.50	3.11
PTT Public Company Limited	59.00	14,750.00	9.23
PTT Exploration and Production Public Company	98.00	14,700.00	9.20
Ratchaburi Electricity Generating Holding Public Co., Ltd.	90.80	3,586.60	2.24
Thai Oil Public Company Limited	106.70	5,228.30	3.27
Health Care Services			
Bangkok Chain Hospital Public Company Limited	534.60	4,009.50	2.51
Petrochemicals & Chemicals			
PTT Chemical Public Company Limited	35.70	2,481.15	1.55
Property Development			
Preuksa Estate Public Company Limited	429.00	3,346.20	2.09
Quality Houses Public Company Limited	3,585.60	6,418.22	4.01
Sino-Thai Engineering and Construction Public Co., Ltd.	692.60	2,562.62	1.60
Transportation & Logistics			
Bangkok Expressway Public Company Limited	302.90	5,179.59	3.24
Medium-Sized Enterprise			
Unimit Engineering Public Company Limited	459.90	1,876.39	1.17
Cash deposit at bank			
Savings account			
Citibank N.A Bangkok		1,918.93	1.20
Other Assets and Other Liabilites			
Other Assets		3,709.48	2.33
Other Liabilites		295.32	0.18
Net Assets Value	9,459.70	159,865.86	100.00

Fund's Direct Expenses

For the accounting period from August 7, 2007 to July 31, 2008

Fund's direct expenses *	Amount (,000 Baht)	% of Net Asset Value
Management Fee	3,488.44	1.72
Trustee Fee	99.67	0.05
Registrar Fee	139.54	0.07
Advisory Fee	N/A	N/A
Other Expenses	492.35	0.24
Total	4,220.00	2.08

* Exclusive of value-added tax, brokerage fee and other fees for trading of securities.

Brokerage Fee

For the accounting period from August 7, 2007 to July 31, 2008

Item	Broker	Amount (,000)	% of Total Brokerage Fee
1.	Tisco Securities Company Limited	434.12	22.48%
2.	SCB Securities Company Limited	390.75	20.23%
3.	Capital Nomura Securities Public Company Limited	304.87	15.78%
4.	Phatra Securities Public Company Limited	300.62	15.57%
5.	Asia Plus Securities Public Company Limited	195.35	10.11%
6.	JP Morgan Securities (Thailand) Limited	124.26	6.43%
7.	Citicorp Securities (Thailand) Limited	121.79	6.31%
8.	KGI Securities (Thailand) Public Company Limited	59.63	3.09%
Total		1,931.39	100.00%

List of Connected Person

1. List of connected person with the fund

No.	Name-Surname
1.	Mr. Sukkawat Prasurtying, CFA
2.	Mr. Sa-Ngiem Garnjanawiga
3.	Ms. Chananthima Pinngoen
4.	Ms. Chutchada Ekahitanonda
5.	Mr. Panukorn Chantaraprab, CFA, FRM
6.	Mr. Suwirat Phongsaowapark
7.	Ms. Nattika Suknarong
8.	Mr. Prated Dhanatrakul
9.	Mr. Pardung Songatigamas, CFA, FRM

2. Connected transaction with the fund

None

For more information, investors can find out the list of connected person with transaction directly with Manulife Asset Management (Thailand) Company Limited or through company's website at http://www.manulife-asset.co.th/thai/thai_resources_sec.php or website of Securities and Exchange Commission, Thailand at <http://www.sec.or.th/th/infocenter/stat/asset/mutual /connected/conncted.shtml>

List of Soft Commission

The company uses the following research papers from brokerage houses to help with the investment decisions.

1. Asia Plus Securities Public Company Limited
2. Capital Nomura Securities Public Company Limited
3. Citibank N.A.
4. Citicorp Securities (Thailand) Limited
5. JP Morgan Securities (Thailand) Company Limited
6. Kasikorn Securities Public Company Limited
7. KGI Securities (Thailand) Public Company Limited
8. Phatra Securities Public Company Limited
9. SCB Securities Company Limited
10. Tisco Securities Public Company Limited

Inconsistent with Investment Policy

From August 7, 2007 to July 31, 2008, there was no investment, which was inconsistent with investment policy.

Voting Right and Voting Right Exercising

Company Name	Ticker	Number of Meeting (time)	Number of Attend (time)	Number of Voting Right Exercising ¹		
				Approve	Disapprove	Abstain
ADVANCED INFO SERVICE PUBLIC COMPANY LIMITED	ADVANC	1	1	7	0	0
THE AROMATICS (THAILAND) PUBLIC COMPANY LIMITED	ATC	2	1	3	0	0
BANK OF AYUDHYA PUBLIC COMPANY LIMITED	BAY	2	2	12	1	1
BANGKOK BANK PUBLIC COMPANY LIMITED	BBL	1	1	8	0	1
BANGKOK EXPRESSWAY PUBLIC COMPANY LIMITED	BECL	1	1	7	0	1
BUALUANG SECURITIES PUBLIC COMPANY LIMITED	BLS	1	1	8	0	1
CP ALL PUBLIC COMPANY LIMITED	CPALL	1	1	7	0	1
CENTRAL PATTANA PUBLIC COMPANY LIMITED	CPN	1	1	7	0	1
TOTAL ACCESS COMMUNICATION PUBLIC COMPANY LIMITED	DTAC	1	1	9	0	0
ELECTRICITY GENERATING PUBLIC COMPANY LIMITED	EGCO	1	0	0	0	0
KASIKORNBANK PUBLIC COMPANY LIMITED	KBANK	1	1	9	0	0
BANGKOK CHAIN HOSPITAL PUBLIC COMPANY LIMITED	KH	1	1	8	0	1
LALIN PROPERTY PUBLIC COMPANY LIMITED	LALIN	1	1	7	0	1
MCOT PUBLIC COMPANY LIMITED	MCOT	2	2	12	0	2
PREUKSA REAL ESTATE PUBLIC COMPANY LIMITED	PS	1	1	10	0	1
PTT PUBLIC COMPANY LIMITED	PTT	1	1	7	0	1
PTT AROMATICS AND REFINING PUBLIC COMPANY LIMITED	PTTAR	1	1	7	0	1
PTT CHEMICAL PUBLIC COMPANY LIMITED	PTTCH	1	1	7	0	1

Voting Right and Voting Right Exercising (continued)

Company Name	Ticker	Number of Meeting (time)	Number of Attend (time)	Number of Voting Right Exercising ¹		
				Approve	Disapprove	Abstain
PTT EXPLORATION AND PRODUCTION PUBLIC COMPANY LIMITED	PTTEP	1	1	8	0	0
SOMBOON ADVANCE TECHNOLOGY PUBLIC COMPANY LIMITED	SAT	1	1	8	0	1
THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED	SCB	1	1	8	0	1
THE SIAM CEMENT PUBLIC COMPANY LIMITED	SCC	1	1	8	0	1
SINO-THAI ENGINEERING AND CONSTRUCTION PUBLIC COMPANY LIMITED	STEC	1	1	8	0	1
THAI OIL PUBLIC COMPANY LIMITED	TOP	1	1	7	0	1
THORESEN THAI AGENCIES PUBLIC COMPANY LIMITED	TTA	1	1	9	0	1
UNIMIT ENGINEERING PUBLIC COMPANY LIMITED	UEC	1	1	7	0	1

Remark:

¹ The number of voting decisions is counted per agenda.

Investors should examine guidance on voting right and voting right exercising via Asset Management Website http://www.manulife-asset.co.th/thai/thai_resources_sec.php

List of Fund Manager

No.	Name-Surname	Fund Name under management
1.	Mr. Panukorn Chantaraprab, CFA, FRM Director-Equities	• Manulife Strength-Equity Value Fund

Manulife Strength-Equity Value Fund
Report and financial statements
For the period as from 7 August 2007 to 31 July 2008

Report of Independent Auditor

To the Unitholders of Manulife Strength-Equity Value Fund

I have audited the accompanying balance sheet and details of investments of Manulife Strength-Equity Value Fund as at 31 July 2008, the related statements of income, changes in net assets and cash flows and significant financial information for the period as from 7 August 2007 (Date of inception) to 31 July 2008. These financial statements and financial information are the responsibility of the Fund's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Manulife Strength-Equity Value Fund as at 31 July 2008, the results of its operations, changes in its net assets, cash flows and significant financial information for the period as from 7 August 2007 to 31 July 2008, in accordance with generally accepted accounting principles.



Rungnapa Lertsuwankul

Certified Public Accountant (Thailand) No. 3516

Ernst & Young Office Limited

Bangkok: 1 October 2008

Manulife Strength-Equity Value Fund

Balance sheet

As at 31 July 2008

	<u>Note</u>	(Unit: Baht)
Assets		
Investments at fair value (at cost: Baht 186,189,102)		154,532,776
Cash at bank	6	1,918,930
Account receivable from sales of investments		3,707,955
Account receivable from interest		1,521
Total assets		<u>160,161,182</u>
Liabilities		
Accrued expenses	7	283,966
Other liabilities		11,357
Total liabilities		<u>295,323</u>
Net assets		<u>159,865,859</u>
Net assets:		
Capital received from the unitholders		187,027,349
Deficit		(26,779,705)
Equalization account		(381,785)
Net assets		<u>159,865,859</u>
Net asset value per unit		8.5477
Investment units sold (units)		18,702,734.9547

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund

Details of investments

As at 31 July 2008

Details of investments classified by asset classes and sectors

<u>Securities name</u>	<u>Quantity</u> (shares)	<u>Fair value</u> (Baht)	Percentage of <u>investment</u> (%)
Listed securities			
Automotive		4,691,170	3.04
Somboon Advance Technology Public Company limited	387,700	4,691,170	3.04
Banking		32,203,950	20.85
Bangkok Bank Public Company Limited	46,200	5,035,800	3.26
Bank of Ayudhya Public Company Limited	390,500	7,692,850	4.98
KASIKORNBANK Public Company Limited	152,200	10,121,300	6.55
Krung Thai Bank Public Company Limited	866,500	6,238,800	4.04
TISCO Bank Public Company Limited	176,000	3,115,200	2.02
Commerce		8,819,340	5.70
Big C Supercenter Public Company Limited	16,400	852,800	0.55
CP All Public Company Limited	484,300	4,746,140	3.07
Siam Makro Public Company Limited	38,800	3,220,400	2.08
Construction Materials		9,747,000	6.31
The Siam Cement Public Company Limited	57,000	9,747,000	6.31
Energy & Utilities		51,223,600	33.14
Banpu Public Company Limited	19,200	7,987,200	5.17
Electricity Generating Public Company Limited	61,000	4,971,500	3.22
PTT Exploration and Production Public Company Limited	98,000	14,700,000	9.51
PTT Public Company Limited	59,000	14,750,000	9.54
Ratchaburi Electricity Generating Holding Public Company Limited	90,800	3,586,600	2.32
Thai Oil Public Company Limited	106,700	5,228,300	3.38
Finance & Securities		514,040	0.33
Bualuang Securities Public Company Limited	36,200	514,040	0.33

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Details of investments (continued)
As at 31 July 2008

Details of investments classified by asset classes and sectors

<u>Securities name</u>	<u>Quantity</u> (shares)	<u>Fair value</u> (Baht)	<u>Percentage of</u> <u>investment</u> (%)
Health Care Services		4,009,500	2.59
Bangkok Chain Hospital Public Company Limited	534,600	4,009,500	2.59
Information & Communication Technology		21,460,000	13.89
Advanced Info Service Public Company Limited	162,200	13,949,200	9.03
Total Access Communication Public Company Limited	170,700	7,510,800	4.86
Medium-Sized Enterprise		1,876,392	1.21
Unimit Engineering Public Company Limited	459,900	1,876,392	1.21
Petrochemicals & Chemicals		2,481,150	1.61
PTT Chemical Public Company Limited	35,700	2,481,150	1.61
Property Development		12,327,044	7.98
Preuksa Real Estate Public Company Limited	429,000	3,346,200	2.17
Quality Houses Public Company Limited	3,585,600	6,418,224	4.15
Sino-Thai Engineering and Construction Public Company Limited	692,600	2,562,620	1.66
Transportation & Logistics		5,179,590	3.35
Bangkok Expressway Public Company Limited	302,900	5,179,590	3.35
Total listed securities		154,532,776	100.00
Total investments		154,532,776	100.00

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Income statement
For the period as from 7 August 2007 to 31 July 2008

	<u>Note</u>	(Unit: Baht)
Investment income		
Dividend income		6,522,942
Interest income		29,507
Other income		5
Total income		6,552,454
Expenses		
Management fee	5, 7	3,488,440
Trustee fee	5	99,670
Registrar fee	5	139,537
Operating expenses	5	492,353
Total expenses		4,220,000
Net investment income		2,332,454
Realised and unrealised gains (losses) on investments		
Net realised gains on investments		2,544,167
Net unrealised losses on investments		(31,656,326)
Total net realised and unrealised losses on investments		(29,112,159)
Decrease in net assets resulting from operations		(26,779,705)

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Statement of changes in net assets
For the period as from 7 August 2007 to 31 July 2008

(Unit: Baht)

Increase (decrease) in net assets resulting from operations during period	
Net investment income	2,332,454
Net realised gains on investments	2,544,167
Net unrealised losses on investments	(31,656,326)
Decrease in net assets resulting from operations	<u>(26,779,705)</u>
Increase (decrease) in capital from unitholders	
Investment units sold during period 19,159,756.1252 units	191,597,561
Less: Investment units redeemed during period 457,021.1705 units	(4,570,212)
Less: Decrease in equalization account	(381,785)
Net increase in capital from unitholders	<u>186,645,564</u>
Increase in net assets during period	159,865,859
Net assets - beginning of period	-
Net assets - end of period	<u><u>159,865,859</u></u>

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Cash flow statement
For the period as from 7 August 2007 to 31 July 2008

(Unit: Baht)

Cash flows from operating activities

Decrease in net assets resulting from operations	(26,779,705)
Adjustments to reconcile the decrease in net assets resulting from operations to net cash provided by (paid from) operating activities	
Purchases of investments	(454,041,185)
Sales of investments	270,396,250
Net purchases and sales of investments	(183,644,935)
Increase in account receivable from interest	(1,521)
Increase in account receivable from sales of investments	(3,707,955)
Increase in accrued expenses	283,966
Increase in other liabilities	11,357
Net realised gains on investments	(2,544,167)
Net unrealised losses on investments	31,656,326
Net cash used in operating activities	(184,726,634)

Cash flows from financing activities

Sales of investment units	191,449,400
Redemption of investment units	(4,803,836)
Net cash from financing activities	186,645,564
Net increase in cash and cash equivalents	1,918,930
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period (Note 6)	1,918,930

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Significant financial information
For the period as from 7 August 2007 to 31 July 2008

(Unit: Baht)

Operating performance (per unit)

Net asset value - beginning of period	-
Income (losses) from investment operations	
Net investment income	0.12
Net realised gains on investments	0.14
Net unrealised losses on investments	(1.69)
Total losses from investment operations	(1.43)
IPO - par value	10.00
Less: Change in equalization account	(0.02)
Net asset value - end of period	8.55

**Ratio of the decrease in net assets resulting from operations
to average net assets during the period (%)**

(14.14)

Significant financial ratios and additional information

Net assets - end of period (Baht)	159,865,859
Ratios of total expenses to average net assets during the period (%)	2.23
Ratios of total investment income to average net assets during the period (%)	3.46
Ratios of weighted average investment turnover to average net assets during the period (%)*	381.25
Average net assets during the period (Baht)	189,347,257

Supplemental information

* Investment trading transactions are computed based on the weighted average value of the investments in each category outstanding at the end of the period, excluding cash at banks and investments in promissory notes, and must be real purchases or sales of investments. Purchases of investments under resale agreements or sales of investments under repurchase agreements are therefore excluded from computation.

The accompanying notes are an integral part of the financial statements.

Manulife Strength-Equity Value Fund
Notes to financial statements
For the period as from 7 August 2007 to 31 July 2008

1. General information

Manulife Strength-Equity Value Fund (“the Fund”) is an open-ended fund with a policy to diversify its investment less than the standard as specified by the Office of the Securities and Exchange Commission (“SEC”) for general funds. The Fund is established and managed by Manulife Asset Management (Thailand) Company Limited (“the Management Company”) with no stipulated termination date and no policy to pay dividend to unitholders. The Fund was registered with the Office of the SEC on 7 August 2007 with the registered capital of Baht 5,000 million. Citibank N.A. Bangkok is the trustee of the Fund and Thailand Securities Depository Company Limited is the registrar of the Fund.

The main objectives of the Fund are to attract investment from individual investors and local and overseas institutional investors, with medium and long-term investment in ordinary shares of companies listed on the Stock Exchange of Thailand comprising no less than 65% of the net asset value. The remaining funds will be invested in other securities or assets or other means to seek investment returns as stipulated or approved by the SEC or the Office of the SEC. The Fund does not invest in or hold any derivatives and structure notes.

2. Basis of preparation

The financial statements have been prepared in accordance with accounting standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with the regulations and format specified in TAS 42 “Accounting for Investment Business”.

3. Adoption of new accounting standards

The Federation of Accounting Professions (FAP) has issued notifications No. 9/2550, 38/2550 and 62/2550 regarding accounting standards. The notifications mandate the use of the following new accounting standards.

a) The accounting standards which are effective in the current year

TAS 44 (revised 2007)	Consolidated and Separate Financial Statements
TAS 45 (revised 2007)	Investments in Associates
TAS 46 (revised 2007)	Interests in Joint Ventures

These accounting standards become effective for the financial statements for fiscal years beginning on or after 1 January 2007. However, these revised accounting standards are not relevant to the business of the Fund.

b) The accounting standards which are not effective in the current year

TAS 25 (revised 2007)	Cash Flow Statements
TAS 29 (revised 2007)	Leases
TAS 31 (revised 2007)	Inventories
TAS 33 (revised 2007)	Borrowing Costs
TAS 35 (revised 2007)	Presentation of Financial Statements
TAS 39 (revised 2007)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 41 (revised 2007)	Interim Financial Reporting
TAS 43 (revised 2007)	Business Combination
TAS 49 (revised 2007)	Construction Contracts
TAS 51	Intangible Assets

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2008. The Fund's management has assessed the effect of these accounting standards and believes that TAS 29 (revised 2007), TAS 31 (revised 2007), TAS 33 (revised 2007), TAS 43 (revised 2007) and TAS 49 (revised 2007) are not relevant to the business of the Fund, whereas TAS 25 (revised 2007), TAS 35 (revised 2007), TAS 39 (revised 2007), TAS 41 (revised 2007) and TAS 51 will not have any significant impact on the financial statements for the year in which they are initially applied.

4. Significant accounting policies

4.1 Revenue and expense recognition

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends are recognised as income when Fund is entitled to receive such dividends.

Gains or losses on sales of investments are recognised as income or expenses on the transaction dates.

Expenses are recognised on an accrual basis.

4.2 Measurement of investment value

Investments are recognised as assets with the cost of investments at the date on which the Fund has the right on investments. The costs of investments are comprised with the purchase price and all direct expenses which the Fund paid to get these investments.

Investments in marketable equity securities which can be freely traded on an open market are presented at their fair values, using the latest closing prices as of the date on which the investments are valued. If there is no such price, the Management Company estimates the price based on the stipulated method for determining the fair value of investments for use in calculating the net asset value of the Fund as issued by the Association of Investment Management Companies.

The fair value of bank deposits is the sum of the principal and interest accrued up to the date on which the investment is valued. The accrued interest is separately presented in the balance sheet as “Account receivable from interest”.

Gains or losses on valuation of investments are presented as net unrealised gains or losses in the income statement.

The weighted average method is used for computation of the cost of investments.

4.3 Related party transactions

Related parties of the Fund comprise enterprises and individual which directly or indirectly own a voting interest of at least 10% in the Fund or individual management personnel who are responsible for the management of the Fund, determining its policies or making decisions as to how to achieve the Fund’s objectives.

In addition, related parties include enterprises and individual that control or are controlled by the Fund or have the significant influence over the Fund or the Fund has significant influence over them.

4.4 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions in certain circumstances, affecting the amounts reported in these financial statements and related notes. Actual results could differ from these estimates.

4.5 Equalization account

A portion of the proceeds from sales and costs of redemption of investment units, equivalent on a per unit basis to the amount of undistributed retained earnings on the date of transactions, is recorded in “Equalization account”.

5. Expenses

5.1 Details of management fee, trustee fee and registrar fee are as follows:

<u>Expenses</u>	<u>Percent of the Fund’s net asset value</u>
Management fee	Not exceeding 1.75% per annum
Trustee fee	Not exceeding 0.06% per annum
Registrar fee	Not exceeding 0.10% per annum

The Management Company calculates such fees every day that there is a calculation of the net asset value, using the day's net asset value as the basis of calculation. The fees are collected from the Fund on a monthly basis.

5.2 Operating expenses represent:

(1) Expenses of the initial public offering are to be charged to the Fund as actually paid, and the Fund will amortise the expenses equally on a daily basis, over the period for which benefit will be derived from such expenses. The expenses comprise costs of arranging advertising and public relations, media expenses, training expenses, marketing expenses and sales promotion expenses, inclusive of the cost of seminars to introduce the Fund, which in total are not to exceed 1.0% of project capital, or Baht 1 million, and expenses incurred in the establishment and operation of the Fund.

(2) Operating expenses, which are to be charged to the Fund as actually paid, when incurred, are amortised by the Fund on an average daily basis over the period for which benefit will be derived, or in the accounting period in which the expenses are incurred. Such expenses include advertising and public relations expenses, newspaper expenses and postal expenses, among others.

6. Cash at bank

Bank	Type of deposit	Principal (Baht)	Interest rate (% per annum)
Citibank N.A., Bangkok	Saving account	1,918,930	0.35
Citibank N.A., Bangkok	Current account	-	-
Total		<u>1,918,930</u>	

7. Related party transactions

During the period, the Fund had significant business transactions with its related party as follows:

(Unit: Baht)		
	For the period as from 7 August 2007 to 31 July 2008	Transfer pricing policy
Manulife Asset Management (Thailand) Co., Ltd.		
Management fee	3,488,440	The basis stated in the prospectus

As at 31 July 2008, the Fund has the following significant outstanding balances with its related party.

(Unit: Baht)	
	<u>31 July 2008</u>
Manulife Asset Management (Thailand) Co., Ltd.	
Accrued management fee	<u>262,878</u>

8. Investment trading information

The Fund's investment trading transactions during the period, excluding investments in cash at bank and non-transferable promissory notes, amounted to Baht 721,893,268 which is 381.25% of average net assets during the period.

9. Financial instruments

9.1 Financial risk management

The Fund's financial instruments, as defined under TAS 48 "Financial Instruments: Disclosure and Presentations", principally comprise cash at bank, investments and accounts receivable. The Fund is exposed to financial risk in relation to these financial instruments, and its overall risk management policy is to diversify investment and analyse the financial position of investee companies. The risk management policy for each financial risk is described below.

Credit risk

The Fund's exposure to credit risk primarily relates to the risk that counterparties will be unable to meet their obligations under financial instruments, since the Fund has receivables. However, such financial assets are short-term and the Fund therefore expects no loss to arise from collection.

Interest rate risk

The Fund's exposure to interest rate risk relates primarily to its cash at bank. However, since most of the Fund's financial assets bear floating interest rates, the interest rate risk is expected to be minimal.

Significant financial assets as at 31 July 2008 classified by type of interest rates are summarised in the table below.

	Floating interest rate	Non-interest bearing	Total	(Unit: Baht) Interest rate (% p.a.)
Financial assets				
Cash at bank	1,918,930	-	1,918,930	0.35

Liquidity risk

Liquidity risk is the risk that the fund will suffer losses as a result of an inability to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner.

The Fund is able to manage this risk to some degree since it takes account of the liquidity of securities. Securities selected for investment invested must have sufficient liquidity, determined on the basis of average trading volume per day and the holding of the minority shareholders.

The remaining periods to maturity, counting from 31 July 2008 of financial instruments are as follows:

(Unit: Baht)

	Maturity date			Total
	No maturity	At call	Within 1 year	
Financial assets				
Investments	154,532,776	-	-	154,532,776
Cash at bank	-	1,918,930	-	1,918,930
Account receivable from				
sales of investments	-	-	3,707,955	3,707,955
Account receivable from interest	-	-	1,521	1,521
	154,532,776	1,918,930	3,709,476	160,161,182

Foreign currency risk

The Fund has no financial assets and liabilities in foreign currency and therefore is not exposed to foreign exchange risk.

9.2 Fair values of financial instruments

Since the majority of the Fund's financial assets and liabilities are short-term in nature or bear floating interest rates, and most financial assets are listed securities which are presented at fair value based on their quoted market prices, the Fund therefore believes that the carrying values of financial assets and liabilities are not materially different from their fair values.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the latest market price of the financial instruments or by using an appropriate valuation technique, depending on the nature of the instruments.

10. Approval of financial statements

These financial statements were authorised for issue by the Chief Executive Officer of the Management Company on 1 October 2008.