RM Class

3-year Fund Volatility
16.9
High
Lipper Analytics 10 Oct 21

Manulife Investment Management

November 2021
Factsheet

Manulife Investment Asia-Pacific Ex Japan Fund

Fund category
Equity

Fund objective
To provide long-term capital appreciation through investment mainly in equities and equity-related securities of companies in the Asia-Pacific ex Japan region.

Investor profile
The Fund is designed for investors who are willing to accept a higher level of risk, seeking to diversify their investments across the APxJ region and have a long-term investment horizon.

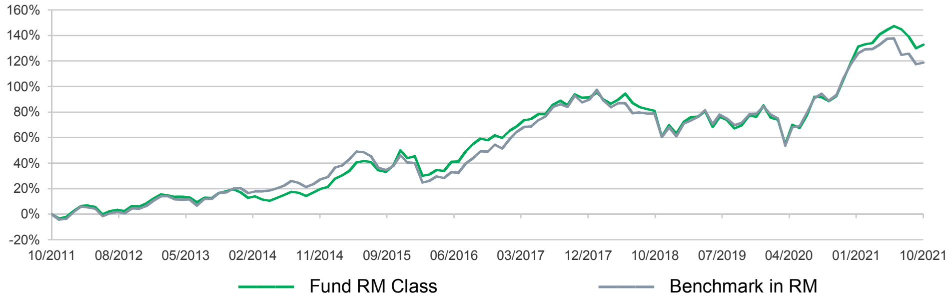
Fund manager
Manulife Investment Management (M) Berhad
200801033087 (834424-U)

Trustee
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Oct 2021)

NAV/unit	RM 0.3858
Fund size	RM 255.03 mil
Units in circulation	661.06 mil
Fund launch date	23 Jun 2005
Fund inception date	14 Jul 2005
Financial year	30 Sep
Currency	RM
Management fee	Up to 1.50% of NAV p.a.
Trustee fee	0.06% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 6.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	MSCI AC Asia Pacific ex-Japan Index

Fund performance
10-year performance as at 31 October 2021*



Total return over the following periods ended 31 October 2021*

	1 month	6 month	YTD	1 year	3 year	5 year	10 year
Fund RM Class (%)	1.15	-3.36	6.34	20.83	44.78	47.26	132.82
Benchmark in RM (%)	0.60	-6.01	0.66	13.12	36.37	47.00	118.94

Calendar year returns*

	2016	2017	2018	2019	2020
Fund RM Class (%)	9.79	19.83	-14.62	13.31	18.21
Benchmark in RM (%)	8.16	25.42	-15.24	14.67	17.81

*Source: Lipper; Past performance is not necessarily indicative of future performance. The performance is calculated on NAV-to-NAV basis.

Top 5 holdings

No.	Security name	% NAV
1	Taiwan Semiconductor Manufacturing Co., Ltd.	7.4
2	Samsung Electronics Co., Ltd.	4.6
3	Tencent Holdings Ltd.	3.5
4	Alibaba Group Holding Ltd.	3.2
5	Contemporary Amperex Technology Co., Ltd. Class A	2.7

Highest & lowest NAV

	2018	2019	2020
High	0.3541	0.3151	0.3631
Low	0.2700	0.2724	0.2311

Distribution by financial year

	2018	2019	2020
Distribution (Sen)	1.00	0.87	-
Distribution Yield (%)	3.0	3.0	-

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Information Technology	28.0
2	Consumer Discretionary	15.7
3	Financials	11.8
4	Industrials	11.2
5	Materials	10.5
6	Communication Services	6.6
7	Consumer Staples	4.5
8	Healthcare	3.7
9	Others	2.8
10	Cash & Cash Equivalents	5.2

Geographical allocation

No.	Geographical name	% NAV
1	China	26.1
2	Taiwan	17.5
3	South Korea	12.6
4	Others	38.6
5	Cash & Cash Equivalents	5.2

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Market review

Asia-Pacific (ex- Japan) equities moved higher in October on the back of stronger earnings and optimism over reopening of borders. Singapore and Australia announced easing travel restrictions and Thailand declared foreign visitors who were vaccinated could enter without quarantine. Later in the month, concerns over lower economic growth and higher inflation resurfaced, as US and China third-quarter GDP data both failed to meet diminished expectations, while price levels remained elevated. Overall, a majority of regional equity markets moved higher for the month, and all regional currencies appreciated against a weakening US dollar except for the Indian rupee, which depreciated partially on concerns of rising oil prices and a surging trade deficit in September.

Chinese equities posted gains for the month. Concerns over the trajectory of the country's real estate sector generally, and the financial viability of a prominent property developer specifically, weighed on market sentiment even with payments made on US dollar bonds at the end of the month to avoid default. On the economic front, equity markets reacted negatively to data showing decelerated economic growth and higher producer prices: third-quarter GDP came in below expectations at 4.9% (year-on-year), while PPI grew at the fastest monthly rate since June 1995.

Korea's equity markets were lower on the month and were weighed down over Federal Reserve tapering plans, as well as heightened inflation risks and worries over supply chain bottlenecks affecting tech product sales. Third-quarter earnings thus far have shown some positive outlines; however, the results failed to serve as a positive catalyst.

Taiwan's equity markets edged higher for the month. Tech moved higher on strong third-quarter revenues and guidance by blue-chip tech producers, as well as a bolstered outlook for logic semiconductors. PC producers also gained on a more positive demand outlook for the second half of 2021. In contrast, suppliers for smart phones were muted due to bottlenecks in supply chains and concerns over lower demand.

Indian equities consolidated for the month due to numerous negative factors including mixed third-quarter earnings reports and recent strong increases in oil prices that led to the highest trade deficit in history in September. In addition, foreign institutional investors turned to net sellers (US $1.5 billion) for the month, while domestic institutional investors continued to be net buyers (US $597 million). Finally, Moody's upgraded the outlook for the country to "stable" from "negative" due to a continued economic recovery and better-than-expected fiscal position.

All ASAEAN markets posted gains during the month over optimism over an economic reopening. Indonesian equities moved higher on the back of significant vaccination progress leading to an acceleration of economic reopening. Investor attention on the pipeline of IPOs continued, as a state-owned telecommunication tower operator announced plans to launch the largest IPO in Indonesian history. In Malaysia, economic reopening continued, including allowing interstate travel, as well as surging commodity prices for oil and palm oil. Singapore equities were boosted by the removal of travel restrictions, allowing some foreign visitors to enter the territory quarantine-free with proof of vaccination. Thailand equities moved higher on optimism over economic reopening. The government announced that, starting in November, visitors from over 60 countries could enter the country without quarantine if they presented valid vaccination papers. On the policy front, the central bank scraped loan-to-value limits on mortgages to boost investment in the real estate sector. In the Philippines, equities moved higher on the theme of reopening, led by gains in banks and property companies.

Australian markets posted gains for the month due to two main catalysts: the anticipated opening of its international borders on 1 November for the first time since the outbreak of the pandemic, and the strong performance of some base commodities for the month- nickel, coal, and iron ore moved higher for the month. The Reserve Bank of Australia held interest rates steady, while remaining committed to a gradual tapering of bond purchases.

Market outlook

Having under-performed global developed markets this year, Asian equity markets are trading at attractive valuation multiples compared with global markets. Asian equities have experienced a strong recovery in earnings compared to last year and are still expected to post high single digit earnings growth again next year.

While global equity markets look expensive relative to history, Asian markets are trading at multiples in line with historical averages. While the interest rate outlook looks higher going into 2022 on the back of higher than expected inflation, we still view much of this inflation as being transitory and still anticipate supportive monetary conditions.

Vaccination rates across the region have been steadily increasing while many nations are opening up their economies with the exception of Hong Kong/China who are still targeting a Covid zero approach, and it remains to be seen as to when this will be eased next year.

Fund review and strategy

The Fund outperformed the benchmark during the month on the back of stock selection at the country and sector level and asset allocation decisions at the sector level. Stock selection in China, Korea and Taiwan were the primary drivers of positive relative performance. Partially offsetting the outperformance was stock selection in India and the overweight to Korea. Within China, our positioning is mostly focused on the green economy and sectors that face less regulatory pressure. These include exposures within power grid machinery, solar equipment and new energy vehicles. Recent balance sheet constraints on the property sector may mean we will see less property related construction activity in the coming quarters. From a regional standpoint our preferred country allocation is focused on India, Korea and Taiwan. Our preference in ASEAN remains Indonesia.

Based on the Fund's portfolio returns as at 30 Sep 2021 the Volatility Factor (VF) for the Fund is as indicated in the table above and are classified as in the table (source: Lipper). "Very High" includes Funds with VF that are above 17.285, "High" includes Funds with VF that are above 14.240 but not more than 17.285, "Moderate" includes Funds with VF that are above 10.840 but not more than 14.240, "Low" includes Funds with VF that are above 4.265 but not more than 10.840 and "Very Low" includes Funds with VF that are above 0.000 but not more than 4.265 (source:FiMM). The VF means there is a possibility for the Funds in generating an upside return or downside return around this VF. The Volatility Class (VC) is assigned by Lipper based on quintile ranks of VF for qualified Funds. VF and VC are subject to monthly revision or at any interval which may be prescribed by FIMM from time to time. The Fund's portfolio may have changed since this date and there is no guarantee that the Funds will continue to have the same VF or VC in the future. Presently, only Funds launched in the market for at least 36 months will display the VF and its VC.