RM Class

3-year Fund Volatility
21.0
Very High
Lipper Analytics
10 Oct 21

Manulife Investment Management

November 2021
Factsheet

Manulife Flexi Growth & Income Fund

Fund category
Mixed Assets

Fund objective
The Fund aims to provide income* and capital appreciation over a long term period.
*Note: Income distribution (if any) may be made in the form of cash or additional Units reinvested into the Fund.

Investor profile
This Fund would be suitable for investors who are willing to accept a moderate to high level of risk, seek capital appreciation, seek steady income stream and have a long-term investment horizon.

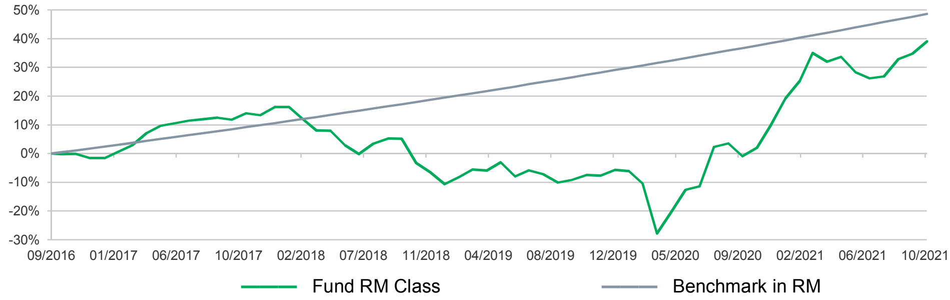
Fund manager
Manulife Investment Management (M) Berhad
200801033087 (834424-U)

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

Fund information (as at 31 Oct 2021)

NAV/unit	RM 0.1265
Fund size	RM 2.62 mil
Units in circulation	20.75 mil
Fund launch date	18 Aug 2016
Fund inception date	08 Sep 2016
Financial year	31 May
Currency	RM
Management fee	Up to 1.55% of NAV p.a.
Trustee fee	0.06% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 5.50% of NAV per unit
Redemption charge	1.00% of NAV per unit of the fund if redeemed within 6 months from subscription.
Distribution frequency	Semi-annually, if any.
Benchmark^	Total return of 8% per annum

Fund performance
Since inception 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	Since inception
Fund RM Class (%)	3.10	4.03	16.59	36.31	43.69	39.19	39.05
Benchmark in RM (%)	0.66	3.96	6.62	8.00	26.00	46.96	48.68

Calendar year returns*

	2016	2017	2018	2019	2020
Fund RM Class (%)	-1.50	17.96	-23.08	5.54	26.46
Benchmark in RM (%)	2.48	8.00	8.00	8.00	8.02

*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	Telekom Malaysia Bhd.	5.4
2	Malaysian Pacific Industries Bhd.	5.1
3	Press Metal Aluminium Holdings Berhad	4.9
4	Carlsberg Brewery Malaysia Bhd.	4.8
5	SKP Resources Bhd.	4.7

Highest & lowest NAV

	2018	2019	2020
High	0.1135	0.0892	0.1091
Low	0.0801	0.0803	0.0567

Distribution by financial year

	2018	2019	2020**
Distribution (Sen)	0.66	0.29	-
Distribution Yield (%)	6.1	3.0	-

**Interim distribution (semi-annual)

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Ind prod & serv	24.8
2	Technology	20.7
3	Consumer prod & serv	15.9
4	Telecomm & media	8.4
5	Transp & logistics	6.6
6	Property	5.4
7	Foreign	3.7
8	Healthcare	3.3
9	Others	7.5
10	Cash & Cash Equivalents	3.7

Geographical allocation

No.	Geographical name	% NAV
1	Malaysia	92.6
2	Taiwan	3.3
3	Singapore	0.3
4	South Korea	0.0
5	Cash & Cash Equivalents	3.7

^ This is not a guaranteed return but a performance benchmark against which the Fund's performance may be measured. The Fund may or may not achieve the target return of 8% p.a. in any particular financial year but targets to achieve this growth over the long-term.

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Market review

For the month of October, global equity markets were mostly positive. US stock were helped by a strong start to the third quarter reporting season, with many companies beating earnings expectation, which boosted the S&P500 to a new high. Although US GDP growth of 2% for the third quarter was disappointing amid the resurgence of Covid cases and persistent supply-side disruptions, the recovery still seems on track and the economy continues to create jobs. The combination of robust demand, supply chain bottlenecks and booming energy prices drove concerns around longer lasting inflationary pressure. The 10-year US treasury yield rose to a high of 1.7% during the month.

Given the progress in economic recovery, the US Federal Reserve announced that it will begin tapering its bond purchase programme in November, and the stimulus is expected to be withdrawn entirely by mid-2022. The market is also forecasting the start of a gradual rate hike cycle in the second half of 2022.

In Asia, Chinese indices also rebounded due to easing investors' concern over the troubled property sector after property giant China Evergrande made interest payments that had previously been missed in September. Nevertheless, sentiment was partly dented by coal shortages which led to widespread power crunch, and the government stepping in to improve coal production. Meanwhile, many ASEAN countries have moved towards the post-pandemic process of normalisation as the rising vaccination rates allowed the economies to gradually reopen, and mobility has started to pick up.

For Malaysia, the FBM KLCI Index rose by 1.6% m/m to close at 1,562.31 points. The gain was driven by foreign fund inflows on optimism that Malaysia's GDP growth would rebound following the reopening of economy. Foreign investors net bought about RM1.6bn in the market in October, which was the third consecutive month of net buying. The government announced the lifting of interstate and overseas travel ban, after more than 90% of the adult population had been fully vaccinated. The best performing sectors on Bursa Malaysia in the month were property (+8.7%), energy (+7.9%) and plantation (+7.3%), while the worst performing sectors were healthcare (-4.1%) and utilities (+0.3%). The FBM KLCI Index underperformed both the FBM100 Index (+1.7%) and FBM Small Cap Index (+7.0%) in the month.

Relative to the region, the FBM KLCI Index outperformed the MSCI Asia ex-Japan Index, which rose by 1.3% in October. The top performers were Vietnam (7.6%), Indonesia (4.8%) and Singapore (3.6%) while the worst performers were Korea (-3.2%), China-HSCCI Index (-2.3%) and China-Shanghai Composite Index (-0.6%).

Market outlook

The rising US inflation has continued to hog the headlines, with some measures showing it is running at the highest rate since the early 1990s. The US Federal Reserve has maintained its view that the elevated inflation rate is transitory due to supply chain bottlenecks, and the central bank's reassurance that it is pursuing a patient approach towards raising interest rate has helped to ease investors' concern that a rate hike cycle is coming soon. Meanwhile, the US economy is showing signs of re-accelerating following a slowdown in the third quarter. As daily new Covid cases eased from their recent highs, non-farm payroll employment for October showed a strong pick-up following several months of lacklustre gains, while data on flight and restaurant bookings have seen a recovery. The strength of the third quarter reporting season despite supply chain issues should also provide support to the markets.

For Malaysia, the market reacted badly to the government's Budget 2022 measure of a one-off 33% corporate tax for profits above RM100m for assessment year 2022. Nevertheless, we believe the impact is a short-term knee-jerk reaction as the tax is only for one year and the government has stressed that it is intended as a one-off tax to help support increased requirements of Covid-19 health crisis. Meanwhile, the high adult vaccination rate and stabilisation of daily new Covid cases have provided confidence for companies to start their return-to-office plans. Economic activities are expected to pick up as people gradually return to a more normal life. On fund flows, foreign fund inflow has remained strong in October, though it remains to be seen whether the momentum can continue in the next few months.

Fund review and strategy

The Fund outperformed its benchmark in the month of October, contributed by positions in the technology, telecommunications and industrial products sectors. In terms of strategy, we believe portfolio diversification will be key to navigate the current uncertain market. The main investment themes that we like, such as deglobalisation, digitalisation, clean energy and economic reopening, remain intact and will continue to anchor the basis of our stocks selection. On the longer term, we stay positive on the prospects of the market driven by anticipation of earnings recovery from the Covid pandemic.