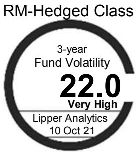
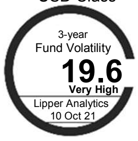




Manulife Investment Management

November 2021
Factsheet

Manulife Dragon Growth Fund

Fund category
Feeder Fund

Fund objective
The Fund seeks to achieve capital appreciation over the medium- to long-term period.

Investor profile
The Fund is suitable for Sophisticated Investors who seek capital appreciation, are willing to accept a higher level of risk and have a medium-to long-term investment horizon.

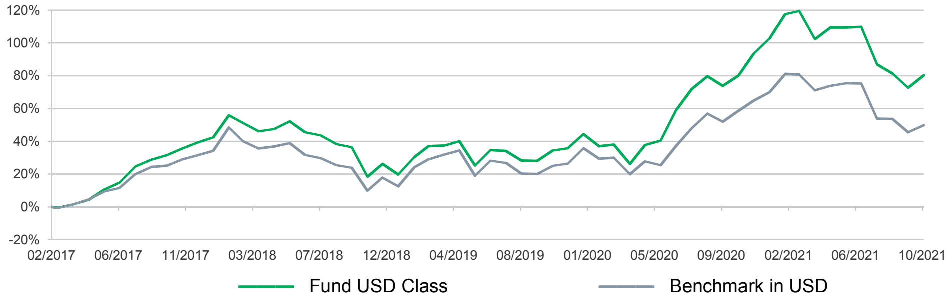
Fund manager
Manulife Investment Management (M) Berhad
200801033087 (834424-U)

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

Fund information (as at 31 Oct 2021)

NAV/unit (USD Class)	USD 1.5099
NAV/unit (RM-Hedged Class)	RM 1.5587
Fund size	USD 127.62 mil
Units in circulation	309.93 mil
Fund launch date	03 Nov 2016
Fund inception date	16 Feb 2017
Financial year	31 Dec
Currency	USD
Management fee	Up to 1.80% of NAV p.a.
Trustee fee	0.04% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 5.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	MSCI Zhong Hua Index

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 USD Class (%)	4.37	-13.97	-11.11	0.02	52.27	-	80.28
Benchmark in USD (%)	2.87	-13.86	-11.84	-5.54	36.37	-	49.87
Fund RM-Hedged Class (%)	4.44	-13.49	-10.41	0.71	53.30	-	86.54
Benchmark in USD (%)	2.87	-13.86	-11.84	-5.54	36.37	-	60.46

Calendar year returns*

	2016	2017	2018	2019	2020
Fund USD Class (%)	-	42.40	-15.89	20.59	40.41
Benchmark in USD (%)	-	34.39	-16.25	20.71	25.13
Fund RM-Hedged Class (%)	-3.40	50.62	-15.50	20.66	40.34
Benchmark in USD (%)	-3.67	49.35	-16.25	20.71	25.13

* 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	Tencent Holdings Ltd.	7.3
2	Alibaba Group Holding Ltd.	5.8
3	AIA Group Limited	4.5
4	Meituan	4.3
5	Hong Kong Exchanges & Clearing Ltd.	3.3

Highest & lowest NAV

	2018	2019	2020
High	1.5936	1.4483	2.0280
Low	1.1574	1.1493	1.1550

Distribution by financial year

	2019	2020	2021
Distribution (Sen)	-	-	36.50
Distribution Yield (%)	-	-	16.4

Asset/sector allocation#

No.	Asset/sector name	% NAV
1	Consumer Discretionary	28.1
2	Financials	14.5
3	Communication Services	13.7
4	Industrials	11.3
5	Materials	9.3
6	Healthcare	7.2
7	Real Estate	4.7
8	Information Technology	4.3
9	Others	5.5
10	Cash & Cash Equivalents	1.4

Geographical allocation#

No.	Geographical name	% NAV
1	China	86.5
2	Hong Kong	12.1
3	Cash & Cash Equivalents	1.4

MANULIFE GLOBAL FUND - DRAGON GROWTH FUND

Manulife Investment Management

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Manulife Dragon Growth Fund

Market review

China and Hong Kong equities posted gains for the month. Offshore listed technology and internet stocks surged in the first half of the month, as investors saw the rate of new regulations decreasing. The conclusion on antitrust fines on some major platforms was also seen as potential relief of sector overhang. In the October study session of the Politburo, the central government called for co-existence of regulations and development for internet platforms and stated the digital economy is crucial to enhancing productivity and international competitiveness. On the real estate side, while potential credit events continued to make news headlines, the Chinese government has signalled the debt crisis for an individual leading developer is manageable and that spill over risks are contained. The People’s Bank of China also affirmed in the month that reasonable funding needs are being met for the sector, indicating selective relaxation in housing loans at the local provincial levels are possible in the near-term.

On the economic front, third quarter gross domestic product came in below expectations at 4.9% year-on-year, while the producer price index continued to move higher due to input costs pressure. Fiscal stimulus, especially green infrastructure initiatives and targeted monetary easing measures against the softening economic backdrop were the main focus of investor expectations.

Market outlook

We believe the year-to-date correction led by the regulatory clampdown has allowed value to emerge in Chinese equities from a fundamental standpoint. While it may still be too early to say the current episode of regulatory tightening is over, we believe most severe measures have been released and digested. Swift rectification of business and operation models by relevant platforms and industries were also observed and therefore allowing growth expectations to be reset. Chinese equities are now trading at a healthier level and we believe further downside on the affected sectors is limited.

Looking ahead, we see solid investment opportunities in the renewable energy sector which is a strategic priority for government funding support. Construction of wind and photovoltaic bases have already accelerated thanks to the elevated pace in governmental bond issuances totalling one trillion renminbi in 2021. Longer-term, we expect the release of a roadmap for peak carbon emissions by 2030 will mean decarbonisation efforts under a more institutionalised framework. Recent campaign-style power cuts should be rectified as the central government vowed to strike a balance between its decarbonisation initiatives and economic activities for the country’s sustainable development.

Strategy-wise, our strategy currently has an overweight on the photovoltaic and EV battery supply chain. We will continue to look for ideas in both onshore and offshore wind operators and their respective equipment manufacturing supply chain. We also suggest that investors not overlook policy tailwinds in certain favourable sectors that are supported by government policies. Manufacturing upgrades and semiconductor supply chain self-sufficiency are some examples that are on the top of the Chinese government’s agenda. We believe active management focusing on bottom-up stock selection will be crucial to identify emerging winners under the current environment for investing in Chinese equities.

Feeder fund review

In October, the Feeder Fund posted a) 4.37% versus the benchmark return of 2.87% for its USD class; and b) 4.44% versus the benchmark return of 2.87% for its RM-Hedged class.

The Fund rebounded in the month and outperformed. Stock selection in industrials and communication services contributed the most to performance. The overweight in materials marginally offset some gains. The portfolio remained an overweight in China A-shares as a result of our bottom-up stock selection and the Fund’s China A-shares holdings contributed positively to performance in the month.

Regarding individual holdings, a key contributor was a leading manufacturer for relays that are used in smart appliances, electric vehicles (EVs) and other industrial automation controls. The company reported a set of robust third quarter results with revenue and net profit growth at 31% and 25% year-on-year, thanks to a surge in demand for high power relay for EV uses and further penetration into domestic auto brands. Another contributor was a manufacturer for battery packs used in EVs and consumer electronics. The company announced its third quarter 2021 results with 16% net profit growth while the EV segment grew by 350% quarter-on-quarter, accounting for 10% of the company’s revenue. Management also guided good order visibility in 2021 and the stock reacted positively post results.

On the detractor side, the Fund’s position in a biopharmaceutical company focused on oncology treatment paused its year-to-date rally. We remain confident in the company’s research pipeline and execution ability of its licensing-out activities. Another detractor was the Fund’s position in a construction machinery supplier. The stock retreated on weaker-than-expected third quarter results, and concerns of a slowdown in domestic construction machinery demand driven by the property down cycle.

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.