

November 2021
Factsheet

Manulife Investment As-Saad

Fund category

Sukuk

Fund objective

To provide Unit Holders with higher than average returns compared to fixed deposits in medium- to long-term periods by investing in bonds* and other fixed income securities* which are Shariah-compliant.

* Refer to sukuk and other Islamic fixed income securities.

Investor profile

The Fund is suitable for investors who prefer to invest in sukuk with a lower level of risk. The Fund is suitable for investors who are less concerned on capital appreciation but seek consistent, reasonable and stable income distribution from their investments that comply with Shariah requirements and have a medium- to long-term investment horizon.

Fund manager

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

Trustee

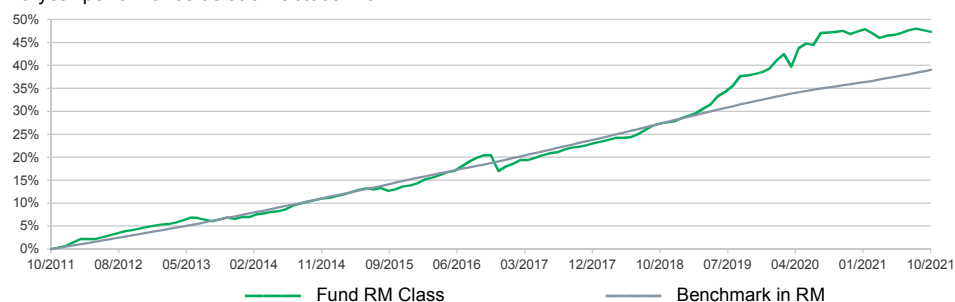
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Oct 2021)

NAV/unit	RM 1.1199
Fund size	RM 138.64 mil
Units in circulation	123.79 mil
Fund launch date	30 Jun 2003
Fund inception date	22 Jul 2003
Financial year	31 Oct
Currency	RM
Management fee	Up to 0.75% of NAV p.a.
Trustee fee	Up to 0.06% of NAV p.a.
Sales charge	Up to 0.25% of NAV per unit
Redemption charge	Nil
Distribution frequency	Annually, if any
Benchmark	5-year MGS Bond 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 (%)	-0.27	0.62	-0.07	-0.16	15.46	22.32	47.33
Benchmark in RM (%)	0.26	1.35	2.13	2.49	8.93	17.10	39.08

Calendar year returns*

	2016	2017	2018	2019	2020
Fund RM Class (%)	3.17	4.32	4.40	8.44	5.80
Benchmark in RM (%)	3.43	3.66	3.73	3.44	2.46

*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	Malaysia Government Investment Issue 3.655 10/15/24	22.3
2	Malaysia Government Investment Issue 3.151 05/15/23	6.7
3	Country Garden Real Estate Sdn Bhd 5.25 03/27/25	6.6
4	Bumitama Agri Ltd 4.1 07/22/24	4.8
5	Malaysia Government Investment Issue 3.726 03/31/26	4.1

Asset/sector allocation[~]

No.	Asset/sector name	% NAV
1	AAA	7.8
2	AA	42.2
3	A	6.8
4	Quasi Government	1.5
5	Government	33.0
6	Cash & Cash Equivalents	8.7

Geographical allocation

No.	Geographical name	% NAV
1	Malaysia	91.3
2	Cash & Cash Equivalents	8.7

Highest & lowest NAV

	2018	2019	2020
High	1.1485	1.1929	1.2143
Low	1.1011	1.1100	1.1406

Distribution by financial year

	2019	2020	2021
Distribution (Sen)	5.65	4.80	4.40
Distribution Yield (%)	4.9	4.1	3.8

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Market review

US Treasury (UST) yields bear flattened October September 2021 as market players brought forward interest rate expectations; 2-year, 5-year and 10-year UST yields changed +22 bps, +22 bps and +6 bps, respectively. The weakness in bonds was due to more hawkish Fed as well as concerns over inflationary pressures.

Eurozone inflation surged to 4.1% year-on-year (yoy) in October amid persistent energy crunch. This was the highest reading since the Great Recession and almost doubled the 2.2% estimation provided by the European Central Bank (ECB) despite its chief Christine Lagarde had earlier insisted the inflation spike is largely transitory, bringing into question whether the ECB is behind the curve in containing the higher-than-expected inflation.

Malaysia Government Securities (MGS) sold off as well, in line with global bond movements. The 3-year, 5-year and 10-year MGS yields changed +25 bps, +27bps and +21 bps, respectively.

The Malaysia Government Securities (MGS) yield curve faced sell down as well during the month. 3-year, 5-year and 10-year MGS yields changed +25 bps, +27 bps and +21 bps respectively to close at 2.68%, 3.19% and 3.58%, reacting to higher inflation expectation as well.

Market outlook

Concerns over inflationary pressures, tapering and rate hikes are expected to continue dominating headlines over the next couple of months. The worst of Covid-19 pandemic appears to be behind us, and many countries have made valiant efforts to step out of the pandemic and return to normalcy.

Within Malaysia, we expect economy reopening in 4Q 2021 to raise growth prospects meaningfully, which in turn increase prospects of OPR hikes in 2022. The expected economic improvement should also bode well for the country's credit market in general. There is a general improvement in the supply-demand dynamics for local bonds given that demand from pension funds have returned as withdrawal schemes come to a tail end.

Demand for bonds is also supported by the significantly cheaper bond prices after the recent bond selloff. Having said that, it remains difficult to turn bullish on the local bond market given that the macro backdrop is one of rising rates environment and tapering-induced receding global liquidity. Concerns over cost-push inflationary pressures also pressure bond yields upwards. In confluence, these factors tempered our outlook for local bonds despite cheaper valuation and more constructive demand. In the near-term, yield movements are likely to be influenced by regional and global factors, more so than local ones.

Fund review and strategy

During the month, the fund return underperformed its benchmark, due to mark to market loss of Sukuk holding during Sukuk market sell-down. The fund will adopt active tactical strategies for its government bond investments while maintaining fund liquidity. Besides, short duration will be preferred in view of rate normalization expectation. The main driver of performance shall come from income return.

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.

The above information has not been reviewed by the SC and is subject to the relevant warning, disclaimer, qualification or terms and conditions stated herein. Investors are advised to read and understand the contents of the Master Prospectus dated 7 February 2020 and its First Supplemental Master Prospectus dated 13 November 2020 and its Second Supplemental Master Prospectus dated 5 April 2021 and its Third Supplemental Master Prospectus dated 13 September 2021 and all the respective Product Highlights Sheet(s) (collectively, the "Offering Documents"), obtainable at our offices or website, before investing. The Offering Documents have been registered with the Securities Commission Malaysia (SC), however the registration with the SC does not amount to nor indicate that the SC has recommended or endorsed the product. Where a unit split/distribution is declared, investors are advised that following the issue of additional units/distribution, the NAV per unit will be reduced from the pre-unit split NAV/cum-distribution NAV to post-unit split NAV/ex-distribution NAV; and where a unit split is declared, the value of your investment in the Fund's denominated currency will remain unchanged after the distribution of the additional units. Past performances are not an indication of future performances. There are risks involved with investing in unit trust funds; wholesale funds and/or Private Retirement Schemes. Some of these risks associated with investments in unit trust funds; wholesale funds and/or Private Retirement Schemes are interest rate fluctuation risk, foreign exchange or currency risk, country risk, political risk, credit risk, non-compliance risk, counterparty risk, target fund manager risk, liquidity risk and interest rate risk. For further details on the risk profile of all the funds, please refer to the Risk Factors section in the Offering Documents. The price of units and income distribution may go down as well as up. Investors should compare and consider the fees, charges and costs involved. Investors are advised to conduct own risk assessment and consult the professional advisers if in doubt on the action to be taken.