

November 2021
Factsheet

Manulife Investment-CM Flexi Fund

Fund category

Mixed Assets

Fund objective

To provide Unit Holders with long-term capital appreciation.

Investor profile

The Fund is designed for investors who seek capital appreciation and are willing to accept higher level of risk. The Fund is also suitable for investors who do not seek regular income stream and have a long-term investment horizon.

Fund manager

Principal Asset Management Berhad 199401018399 (304078-K)

Trustee

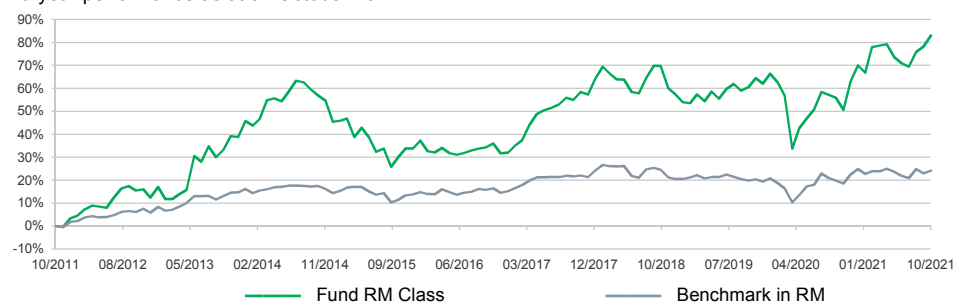
Maybank Trustees Berhad
196301000109 (5004-P)

Fund information (as at 31 Oct 2021)

NAV/unit	RM 0.2082
Fund size	RM 27.51 mil
Units in circulation	132.13 mil
Fund launch date	23 Jan 2007
Fund inception date	13 Feb 2007
Financial year	31 Mar
Currency	RM
Management fee	Up to 1.50% of NAV p.a.
Trustee fee	Up to 0.08% of NAV p.a. or a minimum of RM18,000 p.a.
Sales charge	Up to 6.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	50% FTSE Bursa Malaysia Top 100 Index + 50% CIMB 12-month FD rate

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 (%)	2.66	2.11	7.66	21.50	14.37	34.51	83.07
Benchmark in RM (%)	0.95	-0.64	-0.52	4.68	2.47	6.61	24.18

Calendar year returns*

	2016	2017	2018	2019	2020
Fund RM Class (%)	-3.95	24.55	-6.26	8.05	2.16
Benchmark in RM (%)	0.40	7.86	-3.00	0.16	3.36

*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	CIMB Group Hldgs Bhd	9.2
2	Malayan Banking Bhd	7.0
3	Press Metal Aluminium Hldg Bhd	5.6
4	Inari Amertron Bhd	4.9
5	Petronas Chemicals Group Bhd	4.1

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Financials	34.9
2	Industrials	23.9
3	Basic Materials	13.1
4	Technology	7.3
5	Consumer Services	6.2
6	Oil & Gas	4.4
7	Healthcare	3.6
8	Consumer Products	1.3
9	Telecommunications	0.9
10	Cash & Cash Equivalents	4.5

Highest & lowest NAV

	2018	2019	2020
High	0.2625	0.2305	0.2310
Low	0.2162	0.2075	0.1665

Distribution by financial year

	2019	2020	2021
Distribution (Sen)	0.92	1.33	2.40
Distribution Yield (%)	4.0	6.1	11.8

Geographical allocation

No.	Geographical name	% NAV
1	Malaysia	95.5
2	Cash & Cash Equivalents	4.5

November 2021
Factsheet

Manulife Investment-CM Flexi Fund

Market review

FBMKLCI rebounded 25pts or 1.6% to 1,562pts in October. Investors heaved a sigh of relief as policy risks abated, with earlier plans to impose windfall tax on companies that profited during pandemic scrapped. Further relaxation of movement controls spurred reopening plays further. In contrast, Glove stocks were hit by fresh bans by the US CBP.

Market outlook

Malaysia's manufacturing PMI rose further to 52.2pts in October from 48.1pts in the previous month, the strongest expansion since April. Production and new order volumes also recorded its first increase in six months, aided by lifting of movement restrictions. That said, manufacturers complained of sustained supply-chain constraints and delivery delays which inhibited the recovery, while material shortage and logistics have fueled cost inflation. Purchasing activity also remained relatively subdued at the start of 4Q21. IHS Markit indicated that, "Manufacturers expressed optimism regarding the year-ahead outlook for the fourth month running, citing hopes of a domestic and external recovery in demand should the pandemic continue to dissipate".

We expect Bank Negara to maintain OPR at 1.75% during the upcoming MPC meeting on 3 November, with 25bps hikes in 2022 and 2023 each respectively, and maintain an accommodative monetary policy. Inflation is expected to moderate from the projected 2.4% in 2021 to 2.1% in 2022. The government estimates GDP growth of 3.0-4.0% for 2021, accelerating to 5.5-6.5% in 2022, based on the anticipated reopening of all economic and social sectors in 4Q21 due to the advanced vaccination progress (74% of Malaysians are fully vaccinated).

Corporate earnings remain poised for a strong recovery. We project 52% earnings growth for 2021 for our coverage universe followed by a further 5% growth for 2022 (46% and 4% growth respectively FBMKLCI), excluding the one-off impact from the Prosperity Tax. Excluding the Glove sector, which could see earnings falling over 70% in 2022, growth for 2021 and 2022 would be 49% and 20% respectively (44% and 16% respectively for FBMKLCI), which we consider very commendable.

Fund review and strategy

The one-off broad-based Prosperity Tax hurts corporate earnings in 2022 and dents investor sentiment in the near-term but it does not derail the recovery. In our opinion, the recent sell-off presents an opportunity to reposition into reopening plays, laggards, as well as sectors with structural or secular growth stories. Thus, we continue to remain constructive on Financial, cyclical themes such as Consumer Discretionary. We continue to overweight selective Technology companies and to underweight Glove given their earnings prospects. We are turning neutral on Plantation as valuations may have partially reflected ESG concerns. We slash our 2021 year-end FBMKLCI target by 5% from 1,670 to 1,580 mainly to account for the one-off earnings impact in 2022 and the near-term overhang.

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.