

November 2021
Factsheet

Manulife Investment Value Fund

Fund category

Equity

Fund objective

To target growth through capital appreciation by investing in high quality and high growth companies in Malaysia.

Investor profile

The Fund is suitable for investors who have a higher risk tolerance and low income requirements. The Fund is suitable for investors who seek capital appreciation from their investment and have a medium- to long-term investment horizon.

Fund manager

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

Trustee

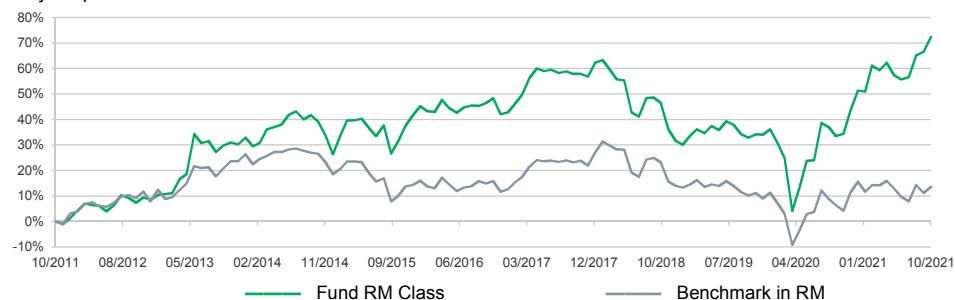
Maybank Trustees Berhad
196301000109 (5004-P)

Fund information (as at 31 Oct 2021)

| | |
|------------------------|--------------------------------|
| NAV/unit | RM 0.6012 |
| Fund size | RM 47.64 mil |
| Units in circulation | 79.23 mil |
| Fund launch date | 28 Jun 1995 |
| Fund inception date | 28 Jul 1995 |
| Financial year | 31 Jul |
| Currency | RM |
| Management fee | Up to 1.50% of NAV p.a. |
| Trustee fee | Up to 0.08% of NAV p.a. |
| Sales charge | Up to 6.50% of NAV per unit |
| Redemption charge | Nil |
| Distribution frequency | Incidental, if any |
| Benchmark | FTSE Bursa Malaysia EMAS 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 (%) | 3.44 | 6.21 | 13.85 | 28.25 | 26.52 | 16.17 | 72.37 |
| Benchmark in RM (%) | 2.19 | -2.03 | -1.73 | 8.91 | -1.79 | -1.92 | 13.67 |

Calendar year returns*

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-------|-------|--------|-------|-------|
| Fund RM Class (%) | -1.70 | 13.75 | -19.87 | 4.62 | 11.16 |
| Benchmark in RM (%) | -2.77 | 12.87 | -10.93 | -1.77 | 3.87 |

*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 Holdings Bhd | 6.0 |
| 2 | Hong Leong Bank Bhd. | 5.3 |
| 3 | Telekom Malaysia Bhd. | 4.8 |
| 4 | Dufu Technology Corp. Bhd. | 4.4 |
| 5 | Press Metal Aluminium Holdings Berhad | 4.0 |

Asset/sector allocation

| No. | Asset/sector name | % NAV |
|-----|-------------------------|-------|
| 1 | Technology | 20.0 |
| 2 | Financial Services | 18.9 |
| 3 | Ind prod & serv | 18.7 |
| 4 | Consumer prod & serv | 14.6 |
| 5 | Telecomm & media | 6.6 |
| 6 | Property | 4.7 |
| 7 | Transp & logistics | 4.7 |
| 8 | Healthcare | 3.3 |
| 9 | Others | 5.8 |
| 10 | Cash & Cash Equivalents | 2.7 |

Highest & lowest NAV

| | 2018 | 2019 | 2020 |
|------|--------|--------|--------|
| High | 0.7352 | 0.6064 | 0.5881 |
| Low | 0.5447 | 0.5266 | 0.3694 |

Distribution by financial year

| | 2019 | 2020 | 2021 |
|------------------------|------|------|------|
| Distribution (Sen) | 3.85 | 2.80 | 5.10 |
| Distribution Yield (%) | 6.5 | 5.5 | 8.9 |

Geographical allocation

| No. | Geographical name | % NAV |
|-----|-------------------------|-------|
| 1 | Malaysia | 97.3 |
| 2 | Cash & Cash Equivalents | 2.7 |

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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 the benchmark in October 2021 mainly attributed to positions in the technology, health care and property sectors, while positions in the plantation, energy and transportation sectors offset some of the gains.

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.

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.