RM-Hedged Class	RM Class	SGD Class
3-year Fund Volatility 5.3 Low Lipper Analytics 10 Oct 21	3-year Fund Volatility 3.5 Very Low Lipper Analytics 10 Oct 21	3-year Fund Volatility 5.7 Low Lipper Analytics 10 Oct 21

GBP-Hedged Class	EUR-Hedged Class	CNH-Hedged Class
3-year Fund Volatility 10.7 Low Lipper Analytics 10 Oct 21	3-year Fund Volatility 7.1 Low Lipper Analytics 10 Oct 21	3-year Fund Volatility 5.7 Low Lipper Analytics 10 Oct 21

Manulife Investment Management

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Manulife SGD Income Fund

Fund category

Wholesale Fund (Feeder Fund)

Fund objective

The Fund seeks to provide income and capital appreciation by investing in one collective investment scheme, which invests primarily in fixed income or debt securities.

Investor profile

This Fund is suitable for Sophisticated Investors who seek regular income and capital appreciation, have a long-term investment horizon and seek investment exposure to SGD-denominated assets.

Fund manager

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

Trustee

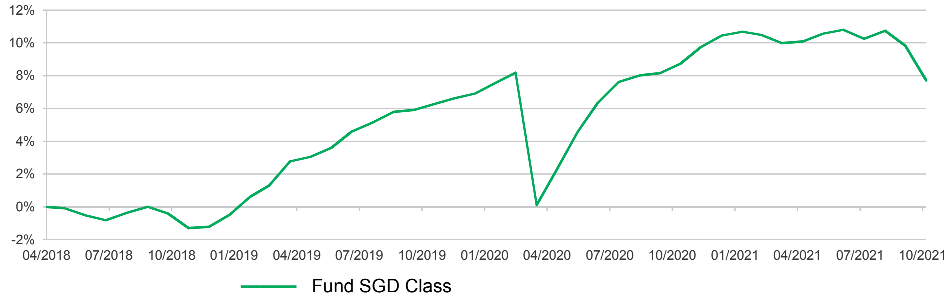
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Oct 2021)

NAV/unit (SGD Class)	SGD 0.9655
NAV/unit (RM Class)	RM 1.0260
NAV/unit (RM-Hedged Class)	RM 1.0011
NAV/unit (CNH-Hedged Class)	CNH 1.0167
NAV/unit (EUR-Hedged Class)	EUR 0.8865
NAV/unit (GBP-Hedged Class)	GBP 1.0180
Fund size	SGD 5.59 mil
Units in circulation	15.30 mil
Fund launch date	13 Mar 2018
Fund inception date	03 Apr 2018
Financial year	31 Jan
Currency	SGD
Management fee	Up to 1.00% of NAV p.a.
Trustee fee	0.04% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 3.00% of NAV per unit
Redemption charge	Nil
Distribution frequency	Quarterly, if any
Benchmark	There is no benchmark which the performance of the Target Fund is measured as there is no suitable benchmark that reflects the investment strategies of the Target Fund.

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 SGD Class (%)	-1.93	-2.14	-2.47	-0.94	9.15	-	7.73
Fund RM Class (%)	-2.34	-2.37	-1.51	0.05	14.42	-	13.98
Fund RM-Hedged Class (%)	-1.86	-1.54	-1.58	0.12	12.23	-	10.96
Fund CNH-Hedged Class (%)	-1.74	-1.00	-0.66	1.23	14.11	-	14.22
Fund EUR-Hedged Class (%)	-2.03	-2.53	-3.14	-2.20	3.44	-	0.23
Fund GBP-Hedged Class (%)	-1.96	-2.36	5.94	7.41	16.29	-	13.83

Calendar year returns*

	2016	2017	2018	2019	2020
Fund SGD Class (%)	-	-	-0.47	7.44	3.29
Fund RM Class (%)	-	-	0.83	7.64	6.64
Fund RM-Hedged Class (%)	-	-	-0.07	8.30	4.17
Fund CNH-Hedged Class (%)	-	-	1.31	8.41	4.69
Fund EUR-Hedged Class (%)	-	-	-2.66	4.92	1.33
Fund GBP-Hedged Class (%)	-	-	-1.49	6.01	2.89

*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	Mapletree Commercial Trust Treasury Co Pte Ltd 3.11% 08/24/2026	2.1
2	NTUC Income Insurance Co-Operative Ltd 3.1% 07/20/2050	2.1
3	AIA Group Ltd 2.9% Perpetual	2.0
4	Singapore Post Ltd 4.25% Perpetual	2.0
5	Oversea-Chinese Banking Corp Ltd 4% Perpetual	1.9

Asset/sector allocation#

No.	Asset/sector name	% NAV
1	Reits	20.5
2	Real Estate	18.9
3	Banks	15.7
4	Energy	7.2
5	Industrials	6.1
6	Communications	5.7
7	Utilities	5.2
8	Insurance	4.4
9	Others	14.9
10	Cash & Cash Equivalents	1.4

Highest & lowest NAV

	2018	2019	2020
High	1.0057	1.0377	1.0402
Low	0.9829	0.9906	0.9473

Geographical allocation#

No.	Geographical name	% NAV
1	Singapore	39.0
2	China	28.1
3	India	7.0
4	Others	24.5
5	Cash & Cash Equivalents	1.4

Distribution by financial year

	2020	2021	2022**
Distribution (Sen)	3.42	3.78	2.94
Distribution Yield (%)	3.4	3.8	3.0

**Cumulative quarterly distribution for the month of Feb'21 - Oct'21

MANULIFE FUND - MANULIFE SGD INCOME FUND

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Manulife SGD Income Fund

Market review

A global supply chain disruption, as well as an energy crunch, dampened the global growth complex in October amidst signs of increasing COVID-19 cases especially in Europe, fuelled by the contagious COVID-19 delta variant. Challenges for the global economy remain with the emergence of more transmissible subvariants of the COVID-19 virus. Against such a backdrop, U.S. Treasury and Singapore sovereign yields ended the month broadly higher across a flatter curve, driven by an anticipation of monetary policy normalisation.

The U.S. Federal Reserve (Fed) made no changes to its benchmark policy rate in October, currently anchored near zero. Given the continued persistent inflationary pressures and improvements in the labour market, the Fed is likely to begin pulling back support for the economy by reducing its bond purchases in November. The committee currently maintains their asset purchases at US$120 billion a month. Closer to home in China, manufacturing Purchasing Managers' Index (PMI) continues to decline, printing 49.2 in October, as manufacturers struggle with rising electricity costs while consumer spending remains weak with the Chinese government's tightening of COVID-19 restrictions. Similarly, non-manufacturing PMI in October contracted with a 52.4 print against 53.2 in the prior month.

In Singapore, advanced figures showed the economy remaining resilient with third quarter gross domestic product (GDP) printing 6.5% on a year-on-year basis. Non-oil domestic exports (NODX) ameliorated weakness in the previous two months by printing stronger growth numbers of 12.3% on a year-on-year basis in September, against expectations of 8.7% and 2.7% in the prior month. Headline inflation printed 2.5% on a year-on-year basis in September, with core inflation printing 1.2%. The Monetary Authority of Singapore (MAS) pre-emptively moved to tighten its policy in its October meeting, by appreciating the slope of the Singapore dollar nominal effective exchange rate (S$NEER) slightly while leaving the midpoint and width unchanged. The MAS noted that growth is likely to remain above trend and cited an accumulation in both external and domestic cost pressures, while seeing core inflation close to 2% in the medium term. This suggests that the MAS expects cost pressures to persist for some time amidst a recovering economy. Domestic short term interest rates have increased slightly but remain low by historical standards, tracking the global interest rate environment.

Market outlook

Global COVID-19 cases continue to decline in aggregate, but October has seen a resurgence in cases in pockets of the world, particularly in Europe as mobility restrictions continue to be eased. Uncertainties remain due to potentially more transmissible variants of the COVID-19 virus and ongoing geopolitical risks in the backdrop especially between the U.S. and China. The final months of the year remain key in determining the global economy's recovery path into 2022 amidst signs of slowing growth trajectories in countries like China and an ever-evolving COVID-19 situation, with developed economies starting booster shot campaigns. Countries with high vaccination rates are still seeing continued transmission of the COVID-19 delta variant, posing an ongoing test to the efficacy rates of current vaccine regimens. Although tapering of asset purchases and gradual policy normalisation steps are likely in the next few months, risk assets in Asia should continue to be supported by monetary policies that are still accommodative by historical standards, amidst rising global yields.

Singapore continues to see elevated daily case counts of COVID-19, with the healthcare system coming under some pressure in October. Despite the elevated case numbers, a high vaccination rate of 84% locally is helping to cap the resulting number of seriously ill patients with close to 99% of infected persons over the past month having had mild or no symptoms. The ongoing recovery of Singapore's economy will partly hinge on relaxation of border measures with more countries being drafted in for quarantine-free travel in October under the Vaccinated Travel Lane (VTL) scheme, with the existing agreements with Germany and Brunei implemented last month doing well so far. A potential relaxation in domestic restrictions should also provide tailwinds for the economy once the COVID-19 situation locally stabilises and the healthcare sector is able to operate without strain. Growth for this year should come in the range of 6.0% to 7.0% as indicated by the government.

Generic credit spreads ended the month wider with spreads on higher yielding corporate bonds driving most of the weakness in the Asia credit markets. Investment grade spreads continue to trade at relatively richer levels with value residing in primary issues. Investors continued their scepticism of the higher yielding China property space with concerns over some developers' liquidity situation lingering as contagion fear drives further weakness in a sector with no shortage of idiosyncratic headlines. We continue to manage downside risks prudently, focusing on bottom-up fundamentals and with an emphasis on risk management in such an environment. The recent spate of market volatility will bring out some value opportunities in stronger issuers which have been hit, and further generation of returns will hinge on avoiding potential landmines particularly in the higher yielding credit markets.

Feeder fund review

In October, the Feeder Fund posted a) -1.93% for its SGD class; b) -2.34% for its RM class; c) -1.86% for its RM-Hedged class; d) -1.96% for its GBP-Hedged class; e) -2.03% for its EUR-Hedged class; and f) -1.74% for its CNH-Hedged class.

The Fund posted negative return in October driven by wider credit spreads in USD corporate bonds and amidst a rising interest rate environment. This was partially offset by the Fund's holdings in SGD-denominated bonds as those bonds outperformed, and by the Fund's net short U.S. Treasury futures position and bond carry. Over the month, the Fund added exposures to shorter-dated, higher quality Chinese property names with stronger fundamentals at attractive levels. The Fund also kept its net short U.S. Treasury futures position to mitigate further upward pressure in the global interest rate environment.

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.