

Manulife Investment Asia-Pacific REIT Fund

Fund category

Fund-of-Funds

Fund objective

To provide long-term capital appreciation and sustainable income through a combined investment in other collective investment schemes, namely REITs and infrastructure funds/trusts.

Investor profile

The Fund is suitable for investors who wish to have investment exposure through a diversified portfolio of REITs and infrastructure funds/trusts within the Asia-Pacific region. The Fund may also appeal to investors who are seeking a sustainable distribution of income and long-term capital growth with a long-term investment horizon of 5 years or more.

Fund manager

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

Trustee

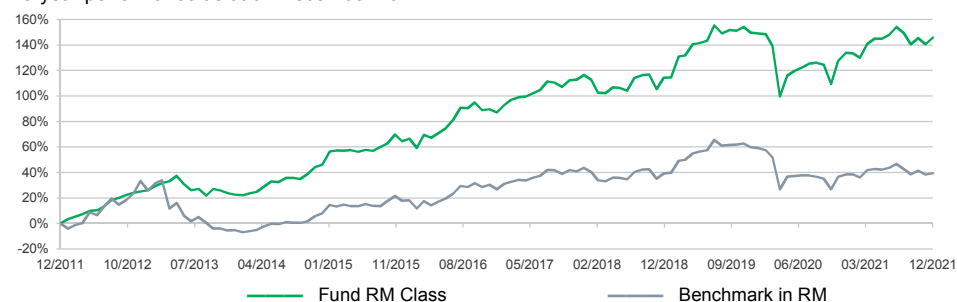
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Dec 2021)

NAV/unit	RM 0.4291
Fund size	RM 619.32 mil
Units in circulation	1,443.22 mil
Fund launch date	07 Jun 2007
Fund inception date	28 Jun 2007
Financial year	31 Aug
Currency	RM
Management fee	Up to 1.75% of NAV p.a.
Trustee fee	0.06% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 5.00% of NAV per unit
Redemption charge	Nil
Distribution frequency	Semi-annually, if any.
Benchmark [^]	Manulife Investment Asia REIT Ex Japan Index

Fund performance

10-year performance as at 31 December 2021*



Total return over the following periods ended 31 December 2021*

	1 month	6 month	YTD	1 year	3 year	5 year	10 year
Fund RM Class (%)	2.19	-0.75	5.14	5.14	14.65	31.35	146.00
Benchmark in RM (%)	0.72	-2.96	0.73	0.73	-0.21	9.90	39.51

Calendar year returns*

	2017	2018	2019	2020	2021
Fund RM Class (%)	15.60	-0.89	15.99	-5.99	5.14
Benchmark in RM (%)	13.25	-2.75	13.75	-12.91	0.73

*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	Link Real Estate Investment Trust	12.7
2	CapitaLand Integrated Commercial Trust	8.3
3	Ascendas Real Estate Investment Trust	7.4
4	Mapletree Logistics Trust	5.5
5	Frasers Logistics & Commercial Trust	5.0

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Retail Reits	34.4
2	Industrial Reits	27.8
3	Diversified Reits	16.3
4	Office Reits	10.3
5	Specialized REITs	3.4
6	Hotel & Resort Reits	3.3
7	Real Estate Operating Companies	1.8
8	Cash & Cash Equivalents	2.6

Highest & lowest NAV

	2019	2020	2021
High	0.5422	0.5050	0.4665
Low	0.4570	0.3402	0.4130

Distribution by financial year

	2019	2020	2021
Distribution (Sen)	3.60	2.58	3.13
Distribution Yield (%)	7.5	5.6	7.2

Geographical allocation

No.	Geographical name	% NAV
1	Singapore	60.0
2	Hong Kong	22.6
3	Australia	12.5
4	Others	2.3
5	Cash & Cash Equivalents	2.6

[^] Manulife Investment Asia REIT Ex Japan Index is a customised index consists of REIT funds universe within Asia ex Japan markets, which include China, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Taiwan and Thailand. The index is a market capitalisation weighted index of REIT funds with market capitalisation of USD5 million or more. The performance of the benchmark is available at the Manager's website. The risk profile of the Fund is different from the risk profile of the benchmark.

Manulife Investment Asia-Pacific REIT Fund

Market review

Major Asia ex Japan REITs markets delivered mixed performance for December to end a turbulent 2021. Buying sentiment recovered from the Omicron-led sell-off in late November as more data revealed that the new variant causes less severe symptoms and vaccine boosters provide adequate protection against hospitalizations. During the month, the US Federal Reserve signaled a more aggressive unwinding of its monthly bond buying, as expected by the market, and brought forward multiple rate hikes in 2022.

Australia REITs market maintained its lead performance over Singapore and Hong Kong markets, wrapping up 2021 with the index close to the year's high. Sentiment for the market was bullish with healthy broad-based December revaluation gains reported. Industrial assets enjoyed the strongest revaluation gains with further cap rates compression as demand for the asset class remains buoyant. During the month, fund manager Charter Hall Group lifted earnings guidance (again) on the back of robust FUM growth driven by asset revaluations and recent acquisitions.

Hong Kong REITS market fell in December and closed the year in red territory. Sentiment across Hong Kong and Chinese equity markets was cautious on the back of heightened regulatory scrutiny by the PRC government across several industries including real estate. The planned limited December reopening with mainland China was delayed on the back of new outbreaks in China and global spread of the highly transmissible Omicron.

Singapore REITs market recovered in December to close 2021 almost flat YoY. In December, SREITs remained very active on the merger and acquisitions front. Notable deals include Capitaland Integrated Commercial Trust making maiden inroads into Australia market with 3 assets purchased in North Sydney. The market saw the listing of specialized data centre REIT, Digital Core REIT which was heavily subscribed and performed well on expectations of strong inorganic growth backed by sponsor, Digital Realty.

Market outlook

While Asia economies made strides towards recovery and borders re-opening, Asia REITs performance has been interrupted by new virus outbreaks and scares. The outbreak of Omicron variant towards end of the year has further complicated forward growth and inflation projections. That said, we continue to believe that a synchronized global re-opening is intact with broad population immunity and new therapeutics expected to be broadly available in 2022.

Fund review and strategy

The Fund outperformed during the month on the back of stock selection at the geographical and sector levels and asset allocation decisions at the geographical level. Stock selection in Singapore and the overweight to Australia were the primary contributors to performance from the geographical level. Stock selection in office, diversified and industrial REITs helped drive performance. However, the Fund's outperformance was partially offset by negative impact of stock selection in Hong Kong and Thailand. While the US Federal Reserve hikes in 2022 could be potential headwind for Asia REITs in general, we stay focus on REITs which are dividend growers with core cashflow resilience, strong capital management, and quality real estate to command better rental rates in times of economic recovery.

Based on the Fund's portfolio returns as at 30 Nov 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 10 August 2020 and its First Supplemental Master Prospectus dated 10 August 2020 and its Second Supplemental Master Prospectus dated 27 January 2021 and its Third Supplemental Master Prospectus dated 5 April 2021 and its Fourth 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.