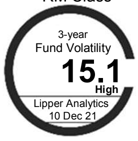
RM Class



Manulife Investment Management

January 2022
Factsheet

Manulife Investment Asia-Pacific Ex Japan Fund

Fund category

Equity

Fund objective

To provide long-term capital appreciation through investment mainly in equities and equity-related securities of companies in the Asia-Pacific ex Japan region.

Investor profile

The Fund is designed for investors who are willing to accept a higher level of risk, seeking to diversify their investments across the APxJ region and have a long-term investment horizon.

Fund manager

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

Trustee

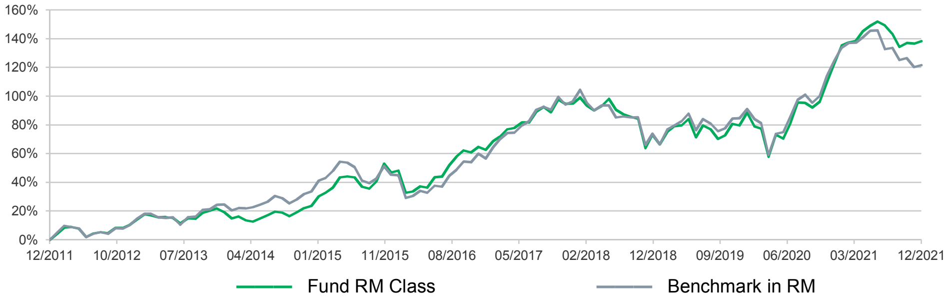
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Dec 2021)

NAV/unit	RM 0.3879
Fund size	RM 265.11 mil
Units in circulation	683.43 mil
Fund launch date	23 Jun 2005
Fund inception date	14 Jul 2005
Financial year	30 Sep
Currency	RM
Management fee	Up to 1.50% of NAV p.a.
Trustee fee	0.06% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 6.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	MSCI AC Asia Pacific 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 (%)	0.75	-5.39	6.92	6.92	43.22	46.53	138.40
Benchmark in RM (%)	0.64	-9.81	-1.48	-1.48	33.09	41.49	121.64

Calendar year returns*

	2017	2018	2019	2020	2021
Fund RM Class (%)	19.83	-14.62	13.31	18.21	6.92
Benchmark in RM (%)	25.42	-15.24	14.67	17.81	-1.48

*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	Taiwan Semiconductor Manufacturing Co., Ltd.	7.5
2	Samsung Electronics Co., Ltd.	4.9
3	Tencent Holdings Ltd.	2.9
4	Alibaba Group Holding Ltd.	2.2
5	Haier Smart Home Co., Ltd. Class A	2.2

Highest & lowest NAV

	2019	2020	2021
High	0.3151	0.3631	0.4181
Low	0.2724	0.2311	0.3675

Distribution by financial year

	2018	2019	2020
Distribution (Sen)	1.00	0.87	-
Distribution Yield (%)	3.0	3.0	-

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Information Technology	30.9
2	Consumer Discretionary	16.1
3	Financials	11.3
4	Industrials	10.5
5	Materials	10.2
6	Communication Services	6.3
7	Consumer Staples	4.1
8	Healthcare	3.4
9	Others	2.4
10	Cash & Cash Equivalents	4.8

Geographical allocation

No.	Geographical name	% NAV
1	China	26.5
2	Taiwan	19.1
3	South Korea	12.3
4	Others	37.3
5	Cash & Cash Equivalents	4.8

Manulife Investment Management

January 2022
Factsheet

Manulife Investment Asia-Pacific Ex Japan Fund

Market review

Asia Pacific ex- Japan equities posted gains for the month driven by the trajectory of the COVID-19 pandemic, Federal Reserve ('The Fed') policy, and the Chinese government's policy response to economic challenges. While COVID-19 cases surged during the month with the discovery of the Omicron variant, initial evidence suggests milder symptoms and potentially fewer serious hospitalizations, which moderated the reaction among equity markets. Meanwhile, the Fed made a hawkish turn in December after its meeting, speeding up bond tapering and forecasting at least three 25 basis point (bps) rate hikes in 2022. This policy pivot, along with the Bank of England raising interest rates by 25 bps, stood in stark contrast to China. The People's Bank of China loosened monetary policy through cutting the banks' reserve requirement ratio by 50 bps and slashing the one-year prime loan rate by 5 bps.

Chinese equities were lower for the month. The divergence between onshore and offshore equities continued, with onshore equities consolidating and the delisting of a Chinese ride hailing company and the possibility of other overseas delisting negatively affecting the offshore segment. Equities initially reacted positively to the Central Economic Work Conference but lost momentum without concrete policy options as a significant COVID-19 outbreak in Xi'an and a spate of downgrades in the property sector dented sentiment. In response to the challenges, the People's Bank of China slashed the banks' reserve requirement ratio by 50 bps and reduced the one-year prime loan rate by 5bps.

Taiwan equities moved higher for the month. In tech, semiconductor names moved higher as the Semiconductor Index (SOX) recorded a fresh high in December. IC design, display and PC/server names were also top tech performers. In contrast, logic semiconductors lagged on the back of supply tightness easing and the broader risk reward level turning negative. On the economic front, exports increased by 13.4% (year-on-year) in November, marking the 21st straight month of increases.

Korean equities moved higher on positive news flow including a Korean firm's approved acquisition of a foreign NAND business and greater certainty over the trajectory of the Fed's monetary policy direction despite continued domestic COVID-19 cases. Tech emerged as a large beneficiary, as foreign investors were net buyers (KRW 3 trillion) of the market, particularly larger tech names. On the economic front, exports soared by 32.1% YoY in November on the back of strong demand for semiconductors, petrochemicals, and vessels.

Indian equities continued to post gains in December particularly on the back of strength in the information technology sector. Domestic institutional investors continued to be a key pillar of support with robust inflows of US $4.1 billion in December, the tenth consecutive month of equity buying. On the economic front, India's current account slipped into a deficit (1.3% of GDP) in the third quarter due to a widening trade deficit.

Nearly all ASEAN markets were higher on the possibility that the Omicron variant would be less severe than the Delta variant. In Indonesia, the Ministry of Finance lowered budget deficit estimates for 2021 on the back of record revenue due to surging commodity prices. Malaysian equity markets were higher as palm oil and oil producers, ended higher on stronger monthly performance. In Thailand, foreign investors were net buyers ($820 million) for the month. The government also approved fresh stimulus packages including a tax deduction for individual taxpayers of up to THB 30,000 baht when purchasing goods or services, as well as announcing it may impose a levy of 0.1% on each equity transaction to help boost government revenue used for COVID-19 recovery packages. In the Philippines, equity markets moved lower on the reimposition of mobility restrictions. The government reimposed restrictions in the capital Manila region after a significant uptick in cases due to the Omicron variant, which dented investor hopes of a recovery.

Australian markets moved higher for the month on positive domestic news, which saw significant employment gains and a rebound in economic activity despite concerns over rising virus cases. Some key exports, such as iron ore, also saw price rebounds on the back of Chinese firms' restocking. The Reserve Bank of Australia stated that a taper of bond buying in the first meeting of 2022, and ending purchases in May of 2022, was consistent with current economic forecasts, but could be delayed depending on the trajectory of COVID-19 cases.

Market outlook

Having under-performed global developed markets this year, Asian equity markets are trading at attractive valuation multiples compared with global markets. Asian equities have experienced a strong recovery in earnings compared to last year and are still expected to post high single digit earnings growth again next year.

While global equity markets look expensive relative to history, Asian markets are trading at multiples in line with historical averages. While the interest rate outlook looks higher going into 2022 on the back of higher than expected inflation, we still view much of this inflation as being transitory and still anticipate supportive monetary conditions.

Vaccination rates across the region have been steadily increasing while many nations are opening up their economies with the exception of HK/China which are still targeting a COVID zero approach, and it remains to be seen as to when this will be eased next year. While we will monitor the situation with regards to Omicron, early indications are that this mutation is far less lethal albeit with higher transmissibility.

Fund review and strategy

The Fund outperformed the benchmark during the month on the back of stock selection at the geographical level and good sector allocation. China was the primary driver of positive relative performance partially offset by the underperformance in Korea and Indonesia. Within China, our positioning is mostly focused on the green economy and sectors that face less regulatory pressure ie renewable energy and new energy vehicles. Within the technology space, we continue to like battery suppliers in Korea that will benefit from the global shift to electric vehicles. From a regional standpoint our preferred geographical allocation is focused on India, Korea and Taiwan. Our preference in ASEAN remains Indonesia.

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.