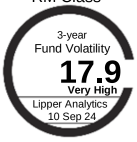
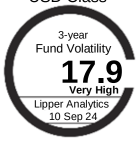
RM Class

USD Class





Manulife Investment Management

October 2024
Factsheet

Manulife Shariah Global REIT Fund

Fund category

Fund-of-Funds (Islamic)

Fund objective

The Fund aims to provide regular income* and capital appreciation by investing in islamic real estate investment trusts (REITs).
*Note: Income distribution (if any) may be made in the form of cash or additional Units reinvested into the Fund. Any material change of the Fund's investment objective would require Unit Holders' approval.

Investor profile

The Fund is suitable for Investors who wish to have investment exposure through a diversified portfolio of Islamic REITs globally, seek regular income and potential capital appreciation over medium to long-term and prefer Shariah-Compliant investments.

Fund manager

Manulife Investment Management (US) Limited

Trustee

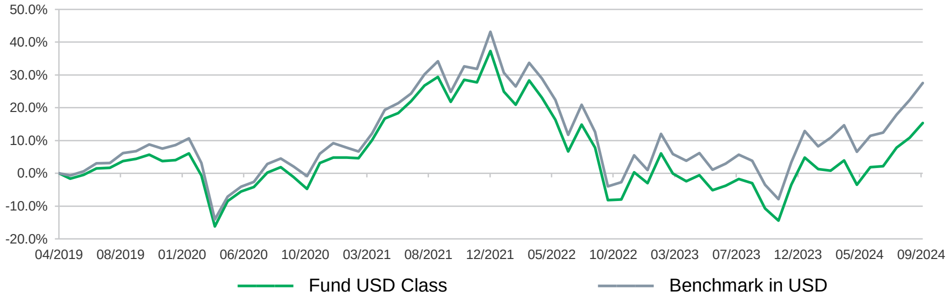
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 30 Sep 2024)

NAV/unit (USD Class)	USD 0.4617
NAV/unit (RM Class)	RM 0.4723
Fund size	USD 67.32 mil
Units in circulation	555.00 mil
Fund launch date	12 Mar 2019
Fund inception date	04 Apr 2019
Financial year	30 Nov
Currency	USD
Management fee	Up to 1.80% of NAV p.a.
Trustee fee	Up to 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^	IdealRatings® Global REITs Islamic Select Malaysia Index

Fund performance

Since inception performance as at 30 September 2024*



Total return over the following periods ended 30 September 2024*

	1 month	6 month	YTD	1 year	3 year	5 year	Since inception
Fund USD Class (%)	4.08	10.99	10.09	29.25	-5.25	10.52	15.38
Benchmark in USD (%)	4.27	11.27	13.04	32.15	2.19	19.53	27.59
Fund RM Class (%)	-0.69	-3.25	-1.15	13.52	-6.63	8.92	16.70
Benchmark in RM (%)	-0.53	-3.06	1.44	16.06	0.66	17.72	29.47

Calendar year returns*

	2019	2020	2021	2022	2023
Fund USD Class (%)	4.00	0.82	30.97	-29.34	8.02
Benchmark in USD (%)	8.64	0.49	31.14	-29.43	10.12
Fund RM Class (%)	4.28	-0.91	35.65	-25.26	12.68
Benchmark in RM (%)	9.35	-1.18	35.82	-25.38	14.87

*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	Goodman Group	15.1
2	Prologis, Inc.	9.2
3	SEGRO plc	5.7
4	American Tower Corporation	5.2
5	Crown Castle Inc.	5.2

Highest & lowest NAV

	2021	2022	2023
High	0.6281	0.6223	0.4754
Low	0.4819	0.3839	0.3563

Distribution by financial year

	2022	2023	2024**
Distribution (Sen)	2.50	2.16	1.14
Distribution Yield (%)	4.9	5.3	2.8

**Interim distribution (semi-annual)

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Industrial Reits	47.6
2	Telecom Tower REITs	13.6
3	Multi-Family Residential Reits	8.9
4	Retail Reits	8.4
5	Health Care Reits	6.0
6	Data Center Reits	5.3
7	Diversified Reits	5.2
8	Office Reits	2.8
9	Cash & Cash Equivalents	2.2

Geographical allocation

No.	Geographical name	% NAV
1	United States	49.0
2	Australia	24.5
3	United Kingdom	9.7
4	Others	14.6
5	Cash & Cash Equivalents	2.2

^ The benchmark above is only used as a reference for investment performance comparison purpose. The risk profile of the Fund is not the same as the risk profile of this benchmark. The benchmark information and disclaimer of IdealRatings are availabe in www.manulifeinvestment.com.my/disclaimer-for-idealratings.html

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Manulife Shariah Global REIT Fund

Market review

The world equity markets moved higher in September, helping the major, broad-based stock indexes close at or near-all time highs. Two factors contributed to the rally. First, the U.S. Federal Reserve (Fed) enacted a half-point interest rate cut at its meeting on September 19. Since the markets were undecided as to whether the Fed would cut by a quarter or half point, the move represented a positive surprise. Additionally, it was seen as an indication that the central bank may be poised to make several more cuts in the year ahead. Second, China's government announced a significant economic stimulus package consisting of both fiscal and monetary measures. This news propelled China's equity market sharply higher, and it was viewed as a meaningful tailwind for both the larger Asia region and global commodity producers.

Notably, the upswing in global equities brought a broadening of leadership. While mega-cap U.S. technology stocks continued to perform well, the month was also characterized by strength in the emerging markets and value-oriented sectors such as industrials, utilities, and materials.

In this environment, Shariah Global REITs posted positive returns outperforming overall global equity markets. From a nation perspective, the Shariah REIT markets in Australia, Hong Kong, India, Singapore, South Africa, and Thailand outperformed while Japan, Mexico, New Zealand, Saudi Arabia, the U.K., and the U.S. Shariah REIT markets underperformed. The best performing sub-sectors were Data Center, Industrial, Self-storage, and Telecom Tower REITs, while Diversified, Residential, and Office REITs underperformed.

Market outlook

Our long-term outlook on the Shariah Global REIT sector remains positive, despite its underperformance relative to global equities in recent years. The shift in the interest rate cycle has broadened, with the U.S. reducing its interest rates joining other major central banks that have already begun to lower rates. The global softening of inflation and economic data has enabled rates to move lower, and we expect additional interest rate reductions in the future, which would be supportive of the Shariah Global REIT sector. Over the past few months, the Shariah Global REIT sector has experienced a strong rally, allowing it to outperform broader global equity markets. We believe the sector's near-term performance will continue to be driven by the macro environment, particularly interest rate movements and expectations around U.S. interest rate policy. Global economic data continues to show a stable but moderating global economy. Although inflation levels remain above central bank targets, the trend has been moving toward levels that may prompt further rate reductions. This outlook was reinforced by the Fed's commentary, which emphasized that the timing and pace of potential rate cuts will be dependent upon incoming data. Consensus expectations suggest interest rate cuts will continue through the end of 2024 and into 2025, providing a positive backdrop for Shariah Global REITs. As a result, we believe an environment of lower interest rates, stable real estate fundamentals, attractive relative valuations, and favorable distribution yields supports our positive outlook on the Shariah Global REIT sector.

Real estate fundamentals, aside from the Office sub-sector, remain stable to improving in most regions and should be supportive of earnings growth. An easing cycle should alleviate financing costs, which have been a headwind for dividend growth. With relatively high distribution yields and potential for dividend growth, Shariah Global REITs are an attractive alternative for income-seeking investors, especially as bond yields and cash rates decline as central banks cut rates. We have observed dividend growth for Shariah Global REITs in many regions and sub-sectors and expect this trend to continue in-line with earnings growth. Additionally, REIT valuations continue to trade near or below their respective net asset values, which is supportive of merger-and-acquisition (M&A) activity. While the current financing market may have paused M&A activity, a shift in interest rates along with a significant amount of institutional capital designated for real estate investments could lead to an increase in transactions. This further bolsters our conviction in the potential for M&A activity.

We continue to focus on our disciplined investment process, while considering the relative reward-to-risk of each investment, and we have positioned the Fund accordingly. From a regional perspective, we favour the U.S., Australia, and Singapore markets, owing to a combination of attractive valuations and distribution yields. Within these geographies, and from a global perspective, we see investment opportunities within Industrial and technology-related REITs. We have minimized our exposure to the U.K. and Hong Kong REIT market and the Self-storage and Residential sub-sectors based on their relative valuations and weaker real estate fundamentals.

Overall, we believe the long-term outlook for Shariah Global REITs remains positive given the strength in real estate fundamentals. Distribution yields within the REIT market remain favourable compared to other yield-oriented investments and the prospects for dividend growth within the sector present an attractive alternative for investors seeking income. We are also finding compelling opportunities within the REIT market that trade at significant discounts to what we view as their intrinsic net asset values.

Fund review and strategy

In September, the Fund posted positive returns and performed in-line with its benchmark. The Fund benefitted from an overweight to Australia and Singapore along with an underweight to New Zealand and Saudia Arabia. The Fund also benefitted from an underweight to Residential and overweight to Telecom Tower REITs. This was offset by an underweight to Japan and Thailand as well as security selection within the U.S. In the U.S., an underweight to Self-storage REITs detracted from performance.