

October 2024
Factsheet

Manulife Dragon Growth Fund

Fund category

Feeder Fund

Fund objective

The Fund seeks to achieve capital appreciation over the medium- to long-term period.

Investor profile

The Fund is suitable for investors who seek capital appreciation, are willing to accept a higher level of risk and have a medium-to long-term investment horizon.

Fund manager

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

Trustee

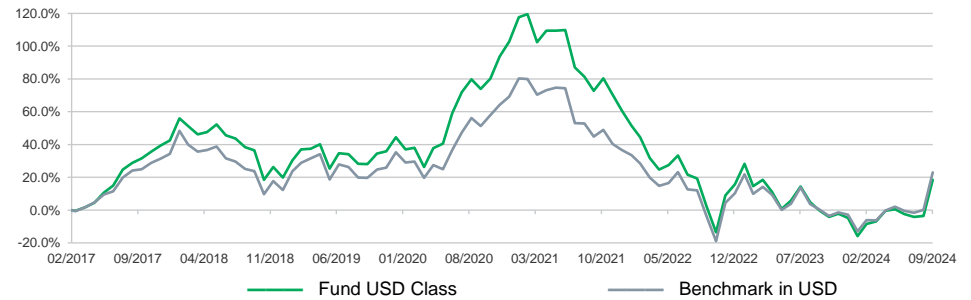
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 30 Sep 2024)

NAV/unit (USD Class)	USD 0.9932
NAV/unit (RM-Hedged Class)	RM 0.9606
Fund size	USD 80.19 mil
Units in circulation	321.45 mil
Fund launch date	03 Nov 2016
Fund inception date	16 Feb 2017
Financial year	31 Dec
Currency	USD
Management fee	Up to 1.80% of NAV p.a.
Trustee fee	0.04% of NAV p.a. excluding foreign custodian fees and charges
Sales charge	Up to 5.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	MSCI AC Zhong Hua NR USD Index
Target fund [#]	Manulife Global Fund - Dragon Growth Fund

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 (%)	22.88	27.40	24.51	18.89	-31.35	-7.46	18.58
Benchmark in USD (%)	22.94	31.32	26.49	22.59	-15.07	2.85	23.04
Fund RM-Hedged Class (%)	22.31	24.98	21.32	14.78	-35.63	-12.74	14.96
Benchmark in USD (%)	22.94	31.32	26.49	22.59	-15.07	2.85	31.73

Calendar year returns*

	2019	2020	2021	2022	2023
Fund USD Class (%)	20.59	40.41	-20.80	-27.97	-17.69
Benchmark in USD (%)	20.56	24.99	-19.23	-19.27	-11.82
Fund RM-Hedged Class (%)	20.66	40.34	-20.01	-28.57	-20.34
Benchmark in USD (%)	20.56	24.99	-19.23	-19.27	-11.82

* 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	Alibaba Group Holding Limited	10.0
2	Tencent Holdings Ltd.	9.5
3	Meituan	4.8
4	AIA Group Limited	4.2
5	China Construction Bank Corporation	4.2

Asset/sector allocation[#]

No.	Asset/sector name	% NAV
1	Consumer Discretionary	27.9
2	Financials	16.3
3	Communication Services	15.3
4	Industrials	11.9
5	Information Technology	8.3
6	Healthcare	5.0
7	Real Estate	4.9
8	Materials	3.5
9	Others	6.3
10	Cash & Cash Equivalents	0.6

Highest & lowest NAV

	2021	2022	2023
High	2.4630	1.3616	1.1193
Low	1.3080	0.7245	0.7643

Distribution by financial year

	2021	2022	2023
Distribution (Sen)	36.50	-	-
Distribution Yield (%)	16.4	-	-

Geographical allocation[#]

No.	Geographical name	% NAV
1	China	84.5
2	Hong Kong	14.9
3	Cash & Cash Equivalents	0.6

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Market review

Chinese equities posted strong gains on the back of a comprehensive policy stimulus package on monetary policy, property sector and capital market support. On the monetary policy front, the People's Bank of China (PBoC) announced a series of rate cuts, including a 50-bps cut in banks' required reserve ratio (RRR), a 20-bps cut in 7-day repo rate, and a 30-bps cut to medium-term lending facility (MLF). On the property sector front, the average interest rate for existing mortgages was reduced by 50 bps, while the minimum down payment ratio on second home purchase was reduced from 25% to 15%. Major tier-1 cities followed by removing restrictions on home purchases. Guangzhou removed all home purchase restrictions while Shanghai and Shenzhen announced partial easing of requirements. On the capital market front, the PBoC will set up a swap facility allowing securities firms, funds and insurance companies to tap liquidity from the central bank to buy stocks. On the economic front, export growth in August was stronger than expected (+8.7% year-on-year). Many manufacturing sectors continued to see strong investment growth including rail, ship, aircraft, and computer production.

For China A-shares, real estate performed well on the back of improving liquidity and policy support. Most other sectors demonstrated broad-based rally, except energy and utilities lagging due to profit-taking and sector rotation.

Elsewhere, Hong Kong equities moved higher along with Chinese equities. Consumer discretionary and staples led the market higher. Property sector rose on the back of a US Federal Reserve Board (Fed) rate cut.

Market outlook

As Mainland China announced more substantial measures to support the economy, we see Mainland China's concerted, multi-pronged approach powerful to steer the economy. As the US Fed has kickstarted the rate cut cycle, it provides more room for Mainland China to maneuver monetary policies, as a result improving liquidity.

For policy tailwinds, the US Fed's rate cut in September drives lower interest costs, which in turn boost liquidity. It is positive for interest-rate sensitive sectors such as Hong Kong properties and Hong Kong utilities. We have added Hong Kong/Mainland China utilities names as they are beneficiary of the rate cut cycles.

For innovation, the government is reported to plan an issuance of RMB1-trillion worth of special sovereign debt to support the equipment renewal and consumer good trade-in program. Twenty-six central state-owned enterprises (SOEs) jointly signed a memo on specialized integration of resources to support strategic emerging fields, including new energy vehicle (NEV), telecom, AI, new materials. Mainland China also started a pilot program to allow asset investment companies (AICs) to expand into venture capital investments in tech innovation fields. We continue to favor investment in advanced manufacturing, innovation in tech and healthcare opportunities.

For consumption, the 50-bps cut on mortgage rate should help lower mortgage costs significantly. A big cut on mortgage rates and down payment ratios helped improve affordability and encourage potential buyers to enter the market. Together with the 20 key steps on boosting service consumption in August, we believe we should see more recovery for the consumer sector over the next few months.

Feeder fund review

In September, the Feeder Fund posted a) 22.88% versus the benchmark return of 22.94% for its USD class; and b) 22.31% versus the benchmark return of 22.94% for its RM-Hedged class. The Fund posted solid gains as China's stimulus measures triggered a sharp market rally of 22.94% in September. Favourable stock selection in communication services, consumer staples and industrials contributed to the Fund's performance relative to its benchmark. However, unfavourable stock selection in consumer discretionary stocks detracted from its relative result. The Feeder Fund will continue to be fully invested into the Target Fund. We rebalance the Feeder Fund when the invested level is affected by market volatilities, inflows and outflows of the Feeder Fund. We aim to maintain a target allocation of around 95%-98%.

Based on the Fund's portfolio returns as at 31 Aug 2024 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 16.265, "High" includes Funds with VF that are above 12.030 but not more than 16.265, "Moderate" includes Funds with VF that are above 8.975 but not more than 12.030, "Low" includes Funds with VF that are above 4.910 but not more than 8.975 and "Very Low" includes Funds with VF that are above 0.000 but not more than 4.910 (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 15 May 2023 and its First Supplemental Master Prospectus dated 20 October 2023 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.