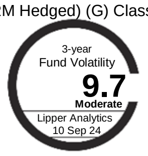
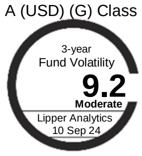
A (RM Hedged) (G) Class A (USD) (G) Class





Manulife Investment Management

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Manulife Global Multi-Asset Diversified Income Fund

Fund category

Feeder Fund

Fund objective

The Fund aims to provide income by investing in one collective investment scheme.

Investor profile

This Fund is suitable for investors who are seek regular income, wish to participate in a diversified portfolio of assets in the global markets and have a medium to long-term investment horizon.

Fund manager

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

Trustee

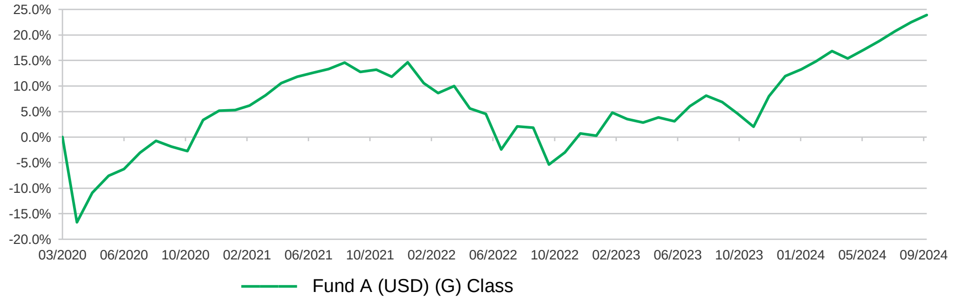
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 30 Sep 2024)

NAV/unit (A (USD) (G) Class)	USD 0.9256
NAV/unit (A (RM) (G) Class)	RM 0.9252
NAV/unit (A (RM Hedged) (G) Class)	RM 0.8304
Fund size	USD 24.93 mil
Units in circulation	103.35 mil
Fund launch date	03 Feb 2020
Fund inception date	03 Mar 2020
Financial year	30 Jun
Currency	USD
Management fee	Up to 1.80% of NAV p.a.
Trustee fee	0.04% of NAV p.a. including local custodian fees but excluding foreign custodian fees and charges
Sales charge	Up to 5.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Monthly, 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.
Target fund#	Manulife Global Fund - Global Multi-Asset Diversified Income 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 A (USD) (G) Class (%)	1.16	6.02	10.70	18.46	9.87	-	23.91
Fund A (RM Hedged) (G) Class (%)	0.83	4.23	8.24	15.01	4.82	-	13.59

Calendar year returns*

	2019	2020	2021	2022	2023
Fund A (USD) (G) Class (%)	-	5.19	8.99	-12.56	11.66
Fund A (RM Hedged) (G) Class (%)	-	0.12	10.32	-12.69	8.83

*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	FEDERAL AGRICULTURAL MORTGAGE CORP DISCOUNT NOTES 0% 01/10/2024	3.5
2	MICROSOFT CORPORATION	1.2
3	APPLE INC.	1.2
4	NVIDIA CORPORATION	1.1
5	ALPHABET INC.	0.9

Asset/sector allocation#

No.	Asset/sector name	% NAV
1	High Yield Bonds	29.2
2	Equity Related Securities	23.9
3	Developed Market Equities	22.4
4	Investment Grade Bonds	13.0
5	Emerging Markets	4.3
6	Preferred Securities	3.1
7	Cash & Cash Equivalents	4.1

Highest & lowest NAV

	2021	2022	2023
High	1.0549	1.0371	0.9029
Low	0.9999	0.8065	0.8176

Geographical allocation#

No.	Geographical name	% NAV
1	North America	78.2
2	Europe	9.5
3	Asia Pacific (ex-Japan)	3.3
4	Others	4.9
5	Cash & Cash Equivalents	4.1

Distribution by financial year

	2023	2024	2025**
Distribution (Sen)	6.91	6.47	1.54
Distribution Yield (%)	8.2	7.6	1.7

**Cumulative monthly distribution for the month of Jul'24 - Sep'24

A (RM) (G) Class inception date was on 17 January 2024. Therefore, the total and calendar year returns for A (RM) (G) Class are not listed as the A (RM) (G) Class is less than one year.

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Market review

September was a solid month for most major asset classes as markets rebounded when major central banks continued with easier monetary policies, with the US Federal Reserve Board (Fed) delivering the first rate cut since 2020, despite a difficult start to the month. Equities moved higher towards the end of the month, driven by China as the Chinese government unveiled a series of monetary and fiscal support measures. Fixed income markets were buoyed by lower rates as bond yields declined. There was also widespread strength in commodities, with gold reaching a new high, while crude oil continued to weaken.

The US labor market data were mixed with the unemployment rate, edging lower to 4.2%, but the job gains were below expected. The US economic data across industrial production and retail sales remained upbeat. Regarding inflation data in August, inflation continued to moderate with the headline and core inflation rate, edging lower to +2.5% year-on-year (YoY) and +3.2% YoY, respectively. The US Fed reduced the policy rates by 50 bps, which was more than expected, and signaled that further easing is on the way. US Fed officials emphasized a shift in focus towards the labor market, reaffirming the US Fed's commitment to supporting strong employment as inflation risks have moderated.

European equities were muted in September, despite the European Central Bank (ECB) cutting their policy rates by 25 bps to 3.5%. Economic data in the eurozone was subdued with the composite Purchasing Managers' Index (PMI) contracting more than expected to the lowest 48.9 since the start of the year. The eurozone headline and core inflation rate fell to 1.8% YoY and 2.7% YoY, respectively. The UK's activity momentum continued and remained robust with both manufacturing and service PMI remaining above expansionary levels for several consecutive months, while inflation data was stronger with headline inflation remaining unchanged at 2.2% YoY and core inflation rising to 3.6% YoY.

Within Asia, the Chinese market surged sharply by almost 25% as the Chinese government announced more substantial measures to support the economy. The stimuli include lowering borrowing costs, easing mortgage down payment requirements and strengthening funding support by the central bank. In Japan, despite a less hawkish tone from the Bank of Japan (BoJ), which helped mitigate some of the losses, Japanese equities still finished the month with a decline.

Equities gained in September with the MSCI ACWI up +2.36% and MSCI World up +1.87%. Asia Pacific ex Japan stood out at the forefront of the rankings, gaining +7.90% led by China, which gained +21.7% over the month. Emerging markets also performed well, delivering +6.72% returns, while the US (S&P 500) added +2.14%. Japan was the laggard, falling -0.44%.

Within MSCI World, utilities drove the gains adding +5.46%, followed by consumer discretionary with +5.27%. Healthcare and energy lagged, detracting -2.95% and -3.21%, respectively.

Fixed income markets broadly gained over the month as bond yields fell on the US Fed rate cut. The US 10-year Treasury yield ended at 3.79% at the end of the month. The FTSE World Government Bond Index performed well, gaining +1.64%. Global investment-grade credits and global high yields were positive, adding +1.83% and +1.95%, respectively.

In foreign exchange, major currencies strengthened against the US dollar, including the JPY (+2.75%), GBP (+1.98%) and EUR (+0.82%).

Market outlook

Looking ahead, our medium- to long-term outlook suggests that ultimately lower interest rates would be accommodative for economic growth with inflation coming down and continuing resilience in corporate earnings growth. However, volatility persists amid a complex macroeconomic landscape where geopolitical risks and the potential for a global economic slowdown are potential headwinds going into Q4 2024. Recent developments in respect to the US elections are likely to result in further uncertainty, given policy impact to varying market sectors.

We believe the global easing cycle has begun with signs of disinflation across most regions, albeit there are concerns around a weakening job market. All major central banks have indicated that the next moves are cuts, provided inflation continues to moderate, except for the BoJ, which finally moved out of its negative interest rate policy. The global easing cycle will un-pause. Uncertainty around the US Fed's path had created a stalemate among other global central bank monetary policy decisions. With the US Fed now looking more certain, other central banks that had slowed or paused their own easing cycles should now be set to resume. We could expect a more synchronous easing cycle across most central banks, given a clearer US Fed policy path and a potentially weaker US dollar. The question now turns to how far and how fast the Federal Open Market Committee (FOMC) will cut rates. The labor market remains the primary focus, with key data releases becoming market moving events as investors navigate the pace of easing, which we expect will be more aggressive than the 150 bps that the US Fed currently projects in through the end of 2025, especially given the US Fed's benign unemployment rate and GDP (gross domestic product) forecasts. We currently expect the US Fed funds rate to be 4.25% at the end of 2024 and 3% by the end of 2025. The size and shape of this easing cycle depends on whether we see downside surprises to the labor market and consumer data.

We continue to expect that the US economy cools, albeit slowly. With the exception of household consumption, most sectors of the US economy have slowed (housing, business investment, and international trade). We also see limited upside potential for consumption. With labor demand slowing, we believe a moderate hit to income and consumer confidence, which would ultimately weigh on households' ability to spend. We expect volatility around disappointing macro data as markets adjust the odds of a weak growth environment. While the discussion around whether or not the US can stick the landing is alive and well, we would note that other parts of the world have in fact experienced weaker growth. Several parts of Europe, the UK, Japan, Canada, and China have all experienced underwhelming growth at various points over the last six quarters. The US slowdown dynamic would imply a slowdown in the global trade and manufacturing cycles. A pronounced deceleration would become a clear headwind for risk assets globally, especially for markets that are reliant on exports of commodities and manufactured goods. Any regional-level assessment should include careful consideration of its exposure to the global trade impulse.

In Asia, negative sentiment has been dominated by a faltering structural trend in aggregate growth in China, with particularly persistent tail risks to the property sector. While the coordinated announcements by the politburo and People's Bank of China (PBoC) signal a clear shift in the stance of policymakers and willingness to explore new channels to revive economic activity, significant uncertainty remains as we still lack important details on the fiscal policies that would actually matter to foster a sustainable turnaround in the economy. Having said that, equity valuations in Asian markets tip toward the favorable side of the equation.

Elsewhere in Japan, the BoJ hiking cycle is an outlier against global easing cycle. Policy normalization has begun in Japan. Stabilization in economic activity and the expectation that inflation expectations reach 2% suggest the BoJ is normalizing its policy rate over the next two years. We now see a potential terminal rate for 2024 at 1.0% and expect at least two more hikes in 2025, which could cause significant volatility in the Japanese yen and the subsequent impact of the carry trade on global risk assets. The yen should strengthen due to favorable interest rate differentials with the rest of the world, and the yield curve should slowly flatten as the BoJ raises rates towards neutral.

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Manulife Global Multi-Asset Diversified Income Fund

The potential end of the global rate-hike cycle is supportive of our view of equities, but an uncertain macroeconomic landscape is a potential headwind for equities. Corporate earnings have generally remained strong, and consumers have remained resilient for the most part, albeit more recently that could be coming into question. Given the uncertainty surrounding several factors—among them monetary policy, geopolitical tensions, and recessionary risks, we are focusing on quality across equity assets. At the same time, we appreciate the excitement surrounding artificial intelligence (AI) and the magnitude of its potential impacts on revenue monetization, productivity, and cost-cutting, and seek pockets of related growth opportunities. The second half of 2024 should see a more favorable environment for equities with corporate earnings strength broadening beyond large-cap technology names, while market support into the November US election should also help keep markets broadly buoyant.

Overall, we expect the market to experience some volatility to the end of 2024, particularly as investors reprice interest rate and potentially inflation expectations. We maintain that there are downside risks to the economy, given tighter credit conditions, but are hopeful these will be alleviated into the year-end. Tactical positioning will be more prevalent again as we continue into the rest of 2024, to nimbly add and de-risk portfolios, as well as add to yield opportunities as they arise.

Feeder fund review

In September, the Feeder Fund posted a) 1.16% for its A (USD) (G) Class; and b) 0.83% for its A (RM Hedged) (G) Class. 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%.