

October 2024  
Factsheet

## Manulife Shariah - Dana Ekuiti

### Fund category

Equity (Islamic)

### Fund objective

The Fund aims to achieve capital growth over the medium- to long-term by investing primarily in Shariah-compliant equities and/or equity-related securities.

### Investor profile

The Fund is suitable for investors who have a medium- to long-term investment horizon and a high risk tolerance.

### Fund manager

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

### Trustee

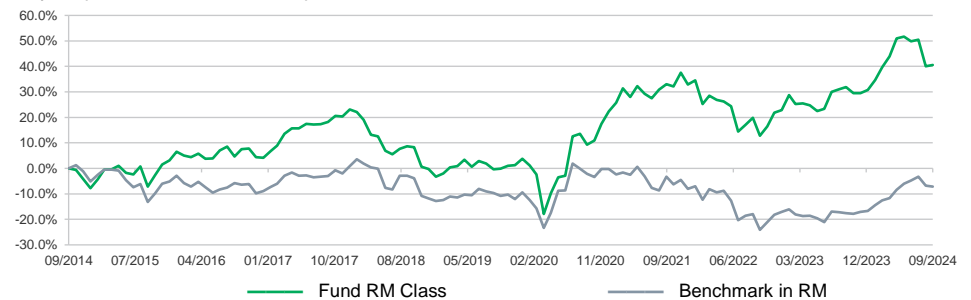
CIMB Islamic Trustee Berhad  
198801000556 (167913-M)

### Fund information (as at 30 Sep 2024)

NAV/unit	RM 0.5847
Fund size	RM 39.57 mil
Units in circulation	67.67 mil
Fund launch date	27 May 2013
Fund inception date	17 Jun 2013
Financial year	30 Apr
Currency	RM
Management fee	Up to 1.55% of NAV p.a.
Trustee fee	Up to 0.04% of NAV p.a.
Sales charge	Up to 5.50% of NAV per unit
Redemption charge	Nil
Distribution frequency	Incidental, if any
Benchmark	FTSE Bursa Malaysia EMAS Shariah Index

### Fund performance

10-year 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	10 year
Fund RM Class (%)	0.34	-2.38	7.48	6.50	6.35	40.71	40.53
Benchmark in RM (%)	-0.34	5.17	11.43	12.60	-0.92	4.05	-7.13

### Calendar year returns\*

	2019	2020	2021	2022	2023
Fund RM Class (%)	7.23	17.90	10.03	-8.73	6.44
Benchmark in RM (%)	3.85	10.14	-6.81	-10.80	0.46

\*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	Tenaga Nasional Bhd	5.8
2	Jaya Tiasa Holdings Bhd.	3.6
3	My E.G. Services Bhd.	3.5
4	Dialog Group Bhd.	3.4
5	IHH Healthcare Bhd.	3.1

### Asset/sector allocation

No.	Asset/sector name	% NAV
1	Plantation	13.6
2	Utilities	13.2
3	Energy	13.0
4	Technology	9.0
5	Ind prod & serv	8.3
6	Telecomm & media	7.6
7	Property	7.2
8	Financial Services	5.3
9	Others	18.3
10	Cash & Cash Equivalents	4.5

### Highest & lowest NAV

	2021	2022	2023
High	0.7135	0.6758	0.5834
Low	0.6265	0.4813	0.5307

### Distribution by financial year

	2022	2023	2024
Distribution (Sen)	8.00	-	3.40
Distribution Yield (%)	12.2	-	5.9

### Geographical allocation

No.	Geographical name	% NAV
1	Malaysia	91.3
2	China	4.2
3	South Korea	0.0
4	Cash & Cash Equivalents	4.5

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### Market review

In the month of September, global stock markets were mixed. US markets were positive, with the S&P 500 Index posting a gain of 2.0%, while the Nasdaq Composite Index advanced 2.7%. The performance of emerging markets diverged, with the Hang Seng Index gaining 17.5% and the KOSPI Index registering a decline of 3.0%.

In the US, equity markets were sold down early in the month driven by fears of recession and profit-taking on tech companies. Markets then rebounded after the US Federal Reserve kicked off its rate-cutting cycle with a 50-basis point reduction, lowering its benchmark rate from 5.25-5.50% to 4.75-5.00%. The US CPI in August came in lower at 2.5% YoY compared to 2.9% YoY in July, which was also below the expectation of a 2.6% increase. On the flipside, nonfarm payrolls expanded by 142,000 in August, below the consensus forecast of a 161,000 increase. With signs of inflation moderating, the US Federal Reserve is now turning its attention to addressing the slowdown in the labour market. Federal Reserve Chair Jerome Powell signalled that more interest rate cuts are in the pipeline but suggested they would occur at a measured pace intended to support a still-healthy economy. Looking forward, markets are now pricing in another 50 basis points cut by the end of the year, with more cuts expected in 2025.

In Europe, the Stoxx 600 Price Index was flat in September, returning -0.4%. In line with its US peers, European markets initially struggled due to macroeconomic concerns. However, lower inflation boosted market sentiment, bolstering expectations of further interest rate cuts by the European Central Bank (ECB). Eurozone inflation fell to a three-year low of 2.2% YoY in August, down from 2.6% YoY in July. In the middle of September, the European Central Bank delivered a 25-basis point rate cut, as widely expected. This also marked its second reduction to the deposit rate this year, following a quarter-point cut in June. Meanwhile, the ECB lowered its 2024 growth forecast to 0.8% from an earlier projection of 0.9%, which can be attributed to weaker domestic demand.

In Asia, the Hang Seng Index and Shanghai Composite Index gained strongly by 17.5% and 17.4%, respectively. Market sentiment was lifted after the Chinese government announced a slew of stimulus measures in late September, ranging from monetary easing to support for the struggling real estate sector. The Chinese central bank cut its benchmark policy rate by 20 basis points, reduced its reserve requirement ratio by 50 basis points, and reduced mortgage rates for existing home loans by an estimated 50 basis points. In the property sector, the minimum downpayment ratio on second home purchases will also be lowered to 15% from 25%, matching the requirement for first homes. The rally in Chinese markets was further fuelled by a short squeeze in the Hong Kong market, increased margin purchasing, and surging retail account openings.

In Malaysia, the FBM KLCI Index registered a loss of 1.8%, shaving the year-to-date gain to 13.4%. Investors were seen taking profit following the strong gains for the year. The healthcare sector was the top performer in September, gaining 6.9%, as the US announced it would raise tariffs on Chinese gloves, which would benefit Malaysian glove companies. This was followed by the construction sector (+5.2%) and property sector (+4.2%). The underperformers were the energy sector (-8.7%, as oil prices softened during the month), technology sector (-7.3%), and telecom sector (-3.1%). Foreign investors were net buyers of RM509 million in September. On a year-to-date basis, foreign net inflow was RM3.6 billion.

Overall, the FBM KLCI Index underperformed the broader market as the FBM100 Index and FBM EMAS Index were down by 1.4% and 1.3%, respectively. Relative to the region, the FBM KLCI Index underperformed the MSCI Asia ex-Japan Index, which was up 8.2%. The top performers were the Hang Seng Index (+17.5%), Shanghai Composite Index (+17.4%) and Thailand (+6.6%), while the underperformers were Korea (-3.0%), Indonesia (-1.9%) and Malaysia (-1.8%).

### Market outlook

During the month of September, US reported weaker-than-expected job data. Nonfarm payrolls for August were slightly below market expectations, whilst the nonfarm payrolls for the past two months were revised downwards as well. Slowing jobs growth confirms that the US economy is weakening despite the edging down of unemployment rate to 4.2% in August from 4.3% in the previous month. Meanwhile, US core inflation unexpectedly picked up in August on the back of higher housing and travel prices. Core consumer price index (CPI), excluding food and energy costs, increased by 0.3% from the previous month and 3.2% from a year ago. The key event of the month was Fed lowering its benchmark interest rate by 50 bps during the September FOMC meeting, an aggressive start to a policy shift aimed at bolstering the US labour market. This first rate cut in four years has brought the rate to a range of 4.75% to 5.00% from the previous 5.25% to 5.50%. According to Powell, this decision reflects their growing confidence that with an appropriate recalibration of the policy stance, labour market strength can be maintained on the back of moderate growth and inflation goal of 2%. The committee provided some guidance for further rate moves, with its updated dot plot projections suggesting an additional 50 bps cut before year end. The committee is anticipating a full percentage cut by the end of 2025 and another 50 bps cut in 2026.

According to PM Anwar, Malaysia has approved an investment inflow of RM160 billion during the first 6 months of 2024, representing an 18% growth compared to the same period last year. The PM mentioned that these investments involve nearly 3,000 new projects that will create over 79,000 job opportunities for Malaysians. This will continue to positively drive the local market sentiment. Meanwhile, during the September Monetary Policy Committee (MPC) meeting, Bank Negara Malaysia (BNM) maintained the overnight policy rate (OPR) at 3.0% as expected. According to BNM, the latest indicators are pointing towards sustained strength in economic activities, driven by resilient domestic expenditure and higher exports. Exports are expected to be further lifted by the global tech upcycle given Malaysia's position in the semiconductor supply chain, as well as the strong demand for non-electrical and non-electronics goods. The robust expansion in investment activities would be sustained by 1) the progress of multi-year projects in both private and public sectors; 2) the implementation of catalytic initiatives under the national master plans and 3) the higher realization of approved investments. Malaysia's positive economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide enduring support to the Ringgit.

During the month, the local market experienced a clear shift from small cap segment to large cap and defensive segments due to risk-off mode. As we believe that this could be a temporary phenomenon due to external factors and healthy profit takings, it clearly provides a good bottom fishing opportunity for some quality stocks at good bargain with longer term view. We acknowledge that this may take a while for some of the small cap stocks to revert to their intrinsic value, but it should benefit our portfolio over a longer term. Positive net foreign fund flows of closer to RM4 billion YTD is encouraging. Macroeconomic outlook continues to be positive with effective policies rolled out.

### Fund review and strategy

The Fund outperformed its benchmark in the month of September mainly attributed to positions in the property, consumer products and transportation sectors, as well as foreign exposure. Meanwhile, positions in the energy, healthcare and construction sectors offset some of the outperformance.

We believe that the Malaysian equity market will continue to stand out vis-à-vis regional peers with catalysts such as: 1) effective domestic policy reforms; 2) continuous momentum from infrastructure investment and data centre development; 3) decent valuation with recovery in place; 4) attractive dividend; 5) further Ringgit strengthening; and 6) domestic consumption recovery. We will continue to maintain our well-balanced portfolio and pick quality names to enhance our portfolio return.

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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.