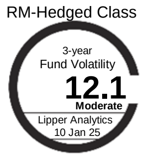
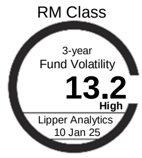




Manulife Investment Management

February 2025
Factsheet

Manulife India Equity Fund

Fund category

Feeder Fund (Equity)

Fund objective

The Fund invests in the Manulife Global Fund - India Equity Fund ("Target Fund") and aims to achieve long-term capital growth through equities and equity-related investments of companies covering different sectors of the India economy and which are listed on stock exchange in India or on any stock exchange. The remaining assets of the Target Fund may include bonds, deposits and other investments.

Investor profile

The Fund is suitable for investors who seek an investment in the India market and are willing to accept higher risk in their investments in order to achieve long term capital growth.

Fund manager

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

Trustee

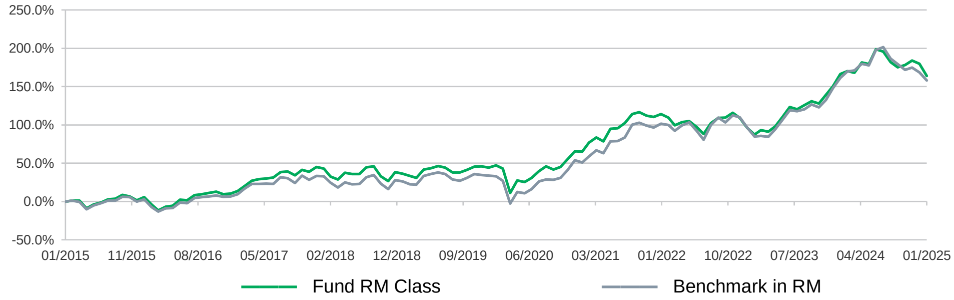
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Jan 2025)

NAV/unit (RM Class)	RM 1.5130
NAV/unit (RM-Hedged Class)	RM 0.6644
Fund size	RM 721.77 mil
Units in circulation	530.44 mil
Fund launch date	07 Jan 2010
Fund inception date	27 Jan 2010
Financial year	31 Oct
Currency	RM
Management fee	Up to 1.80% of NAV p.a.
Trustee fee	0.08% of NAV p.a. Subject to a minimum fee of RM18,000 p.a. excluding foreign custodian fees and charges.
Sales charge	Up to 6.00% of NAV per unit
Redemption charge	Nil
Distribution frequency	Annually, if any
Benchmark	MSCI India 10/40 Index
Target fund#	Manulife Global Fund - India Equity Fund

Fund performance

10-year performance as at 31 January 2025*



Total return over the following periods ended 31 January 2025*

	1 month	6 month	YTD	1 year	3 year	5 year	10 year
Fund RM Class (%)	-5.66	-10.74	-5.66	-0.99	25.94	79.55	163.78
Benchmark in RM (%)	-3.86	-14.38	-3.86	-1.30	29.20	93.96	158.06
Fund RM-Hedged Class (%)	-5.33	-9.26	-5.33	2.24	11.11	55.75	-
Benchmark in USD (%)	-3.56	-11.75	-3.56	4.74	21.32	78.32	-

Calendar year returns*

	2020	2021	2022	2023	2024
Fund RM Class (%)	14.75	29.47	-8.39	27.68	11.68
Benchmark in RM (%)	15.02	31.16	-2.45	26.14	8.23
Fund RM-Hedged Class (%)	15.94	26.21	-13.87	19.20	11.47
Benchmark in USD (%)	16.96	26.64	-7.74	20.92	11.22

*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	HDFC Bank Limited	8.5
2	ICICI Bank Limited	6.6
3	Infosys Limited	5.8
4	Reliance Industries Limited	5.4
5	Bharti Airtel Limited	4.9

Highest & lowest NAV

	2022	2023	2024
High	1.3672	1.5610	1.8577
Low	1.1340	1.1450	1.5328

Distribution by financial year

	2022	2023	2024
Distribution (Sen)	-	-	11.60
Distribution Yield (%)	-	-	6.9

Asset/sector allocation#

No.	Asset/sector name	% NAV
1	Financials	30.4
2	Information Technology	11.3
3	Consumer Discretionary	11.0
4	Industrials	8.7
5	Healthcare	8.1
6	Materials	6.8
7	Communication Services	6.2
8	Consumer Staples	5.6
9	Others	10.0
10	Cash & Cash Equivalents	1.9

Geographical allocation#

No.	Geographical name	% NAV
1	India	98.1
2	Cash & Cash Equivalents	1.9

February 2025
Factsheet

Manulife India Equity Fund

Market review

Indian equities posted losses for January, weighed by mixed corporate earnings and foreign outflows. During the month, the National Statistical Office announced a first advance estimate of GDP (gross domestic product) growth in fiscal year (FY) 2025 at 6.4% year-on-year (YoY), implying an accelerated H2 FY2025 GDP growth at 6.7% YoY compared with 6% in H1 FY2025, which is expected to be supported by improving growth in agriculture, manufacturing, and services in H2 of the fiscal year. Meanwhile, December headline consumer price index (CPI) inflation softened to 5.2% YoY, driven by declining food prices. On the monetary policy front, the Reserve Bank of India (RBI) announced the injection of USD18 billion into the financial system through bond purchases and foreign exchange swaps/repo to ease liquidity pressure. Looking into Q3 FY2025 earnings season, results have been relatively mixed. Financials and information technology (IT) performed well, while the consumer sector was weighed by softness in urban consumption, despite rural consumption remaining resilient.

Market outlook

As we enter 2025, global macroeconomic conditions remain uncertain. In this global context, India is likely to be on a stronger footing. Its debt-to-GDP ratio is stable at 170%, and the government's fiscal deficit is on a declining trend, and likely to be at 4.5% in the fiscal year concluding in March 2025. We expect India's macroeconomic stability to persist due to reforms over the past decade, which have fostered a more formal economy, improved tax compliance, and enhanced physical and digital infrastructure. Additionally, targeted incentives for industries like renewable energy and electronics have been implemented with the aim to reduce import dependence. India's exports to the US account for about 1% of its GDP, significantly lower than those of its North Asian peers. As a result, India's macroeconomic stability is expected to remain resilient, with a lower impact from potential trade wars compared to other major emerging markets.

Despite India's favorable position compared to other emerging markets, it faces near-term cyclical challenges. In Q2 FY2025, real GDP growth slowed to 5.4% due to reduced government capital expenditure and the RBI's tight monetary policy, which hindered credit growth. However, India's strong macroeconomic stance allows room for fiscal and monetary policy support. The actions of the government on the fiscal front are awaited in the upcoming budget to be tabled in February, while we have started seeing some reprioritization in spending in the current year, as indicated by higher social sector expenditures. On the other hand, we have already seen the RBI acting on multiple fronts; it has already increased durable liquidity by cutting the cash reserve ratio by 50 basis points (bps) in December, following up with USD18-billion worth of liquidity measures in January to deal with transient liquidity imbalances. We expect the government to revive spending, while the RBI focuses on easing liquidity. Rate cuts might occur in early 2025 but could be delayed, pending global developments affecting US rates. Overall, we anticipate growth to improve through 2025, with earnings growth at a solid 11%-12%. Domestic and potential foreign portfolio investment flows may provide additional support.

In this construct, we stick to our knitting and look for opportunities using our GCMV framework on a bottom-up basis, while being mindful about the top-down scenario. We expect good growth with cash flows and re-investment opportunities into growth in the sectors identified through our 5D framework. We continue to see opportunities in the digital and demography space where changing consumer preference and convenience offered by digital platforms are altering the landscape. We see food delivery and quick commerce companies continue to gain market share at the expense of restaurant chains and grocery retail stores. We continue to see opportunities in online travel and online insurance broking where penetration remains low. We also like telecom, as their infrastructure enables the growing digital economy. Telecom companies are also nearing the end of their capex cycles. They, therefore, could potentially see an inflection in cash flows. We remain bullish on deficit reduction theme, which is leading to the financialization of the economy. Also, cyclically we expect liquidity situation to improve and rates to be eventually lower. Large banks that suffered from lower deposit growth, as well as secured non-bank lenders with exposure to rural economy will be the key beneficiaries. There is structural opportunity in areas like wealth and asset management, as domestic savings get allocated to financial markets. Since the end of H1 calendar year 2024, we had turned selective on decarbonization and deglobalization as the valuations of the direct beneficiary companies have risen to a significant premium to market. In decarbonization, now we like downstream plays in wires and cables as well as construction of transmission lines over power generators and equipment suppliers. The former had a longer runway of growth than the later and is trading at much more reasonable valuation. In deglobalization, we like companies with domain expertise in the manufacturing of electronics and complex chemical drugs. These companies should see top line growth due to increased outsourcing from top US companies. Their margins, cash flows and return ratio can expand as they have capacities available for sweating. Valuations have seen some run up, but we expect strong earning inflection ahead.

Feeder fund review

In January, the Feeder Fund posted a) -5.66% versus the benchmark return of -3.86% for its RM class; and b) -5.33% versus the benchmark return of -3.56% for its RM-Hedged class. The fund underperformed its benchmark, and it was mostly driven by unfavourable stock picks within Financials, Consumer Staples and Materials sectors. 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 Dec 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 16.465, "High" includes Funds with VF that are above 12.185 but not more than 16.465, "Moderate" includes Funds with VF that are above 9.180 but not more than 12.185, "Low" includes Funds with VF that are above 5.060 but not more than 9.180 and "Very Low" includes Funds with VF that are above 0.000 but not more than 5.060 (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.