

January 2025
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

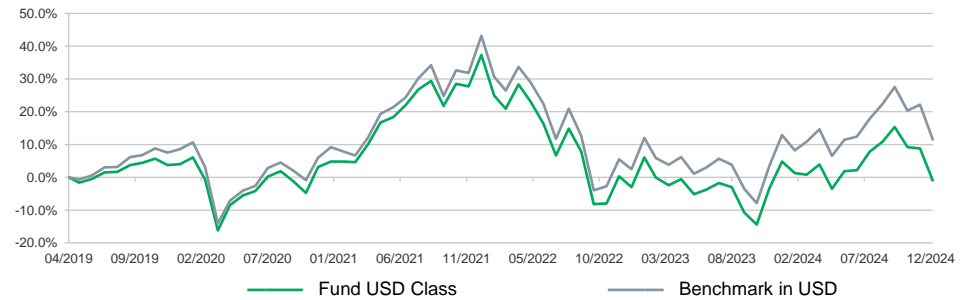
HSBC (Malaysia) Trustee Berhad
193701000084 (1281-T)

Fund information (as at 31 Dec 2024)

NAV/unit (USD Class)	USD 0.3868
NAV/unit (RM Class)	RM 0.4303
Fund size	USD 53.59 mil
Units in circulation	524.08 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 31 December 2024*



Total return over the following periods ended 31 December 2024*

	1 month	6 month	YTD	1 year	3 year	5 year	Since inception
Fund USD Class (%)	-8.99	-3.03	-5.50	-5.50	-27.87	-4.77	-0.96
Benchmark in USD (%)	-8.68	-0.75	-1.14	-1.14	-22.06	2.72	11.59
Fund RM Class (%)	-8.49	-8.09	-8.03	-8.03	-22.54	4.12	8.57
Benchmark in RM (%)	-8.14	-5.93	-3.80	-3.80	-16.35	12.28	22.78

Calendar year returns*

	2020	2021	2022	2023	2024
Fund USD Class (%)	0.82	30.97	-29.34	8.02	-5.50
Benchmark in USD (%)	0.49	31.14	-29.43	10.12	-1.14
Fund RM Class (%)	-0.91	35.65	-25.26	12.68	-8.03
Benchmark in RM (%)	-1.18	35.82	-25.38	14.87	-3.80

* 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	13.7
2	Prologis, Inc.	7.9
3	SEGRO plc	5.7
4	American Tower Corporation	5.2
5	Crown Castle Inc.	5.0

Asset/sector allocation

No.	Asset/sector name	% NAV
1	Industrial REITs	44.6
2	Telecom Tower REITs	13.4
3	Retail Reits	11.0
4	Multi-Family Residential Reits	9.6
5	Health Care REITs	6.6
6	Data Center REITs	5.7
7	Diversified Reits	5.4
8	Office Reits	2.8
9	Cash & Cash Equivalents	0.9

Highest & lowest NAV

	2022	2023	2024
High	0.6223	0.4754	0.4628
Low	0.3839	0.3563	0.3836

Distribution by financial year

	2022	2023	2024
Distribution (Sen)	2.50	2.16	2.19
Distribution Yield (%)	4.9	5.3	5.3

Geographical allocation

No.	Geographical name	% NAV
1	United States	51.5
2	Australia	23.1
3	United Kingdom	9.7
4	Others	14.8
5	Cash & Cash Equivalents	0.9

January 2025
Factsheet

Manulife Shariah Global REIT Fund

Market review

Global equity markets closed out a positive year with negative returns in December (when measured in U.S. dollar terms). This was driven by concerns of slowing economic growth outside of the United States and the possibility the U.S. Federal Reserve (Fed) will maintain a somewhat restrictive policy in 2025. On the other hand, continued rate cuts by the Fed and European Central Bank, as well as the central banks in Canada and Switzerland, helped mitigate losses. The U.S. finished the year as the top-performing developed market but fell in December along with other economies. Canada, Japan and the major continental European nations also declined for the month. Meanwhile, emerging markets outpaced their developed peers, led by China, Taiwan, and oil-producing nations in Africa and the Middle East.

In this environment, Shariah Global REITs posted negative returns and underperformed overall global equity markets. The Shariah REIT markets in India, Japan, Mexico, Saudi Arabia, Singapore, Thailand, and Turkey outperformed while Australia, and the U.K. Shariah REIT markets underperformed. The best performing sub-sectors were Diversified, Office, Residential, and Retail REITs, while Industrial, Self-storage, and Telecom Tower REITs underperformed.

Market outlook

Although the Shariah Global REIT sector finished 2024 on a negative note, our long-term outlook remains positive. The shift in the interest rate cycle has broadened, with the U.S. and other major central banks continuing to lower interest rates. We expect further rate cuts by major central banks in 2024, alongside stable global economic conditions, to support real estate fundamentals. While the pace of rate reductions may vary by region, we believe the sector's near-term performance will be driven by the macroeconomic environment, especially as economic data is released which will ultimately dictate future interest rate movements. Recent global economic data indicates a stable but moderating global economy, with inflation stabilizing or easing in most markets. However, in certain regions, inflation levels remain above central bank targets, which could limit future rate cuts until there is greater assurance that inflation targets will be met. This view was reinforced by the Fed's commentary, emphasizing that the timing and pace of potential rate cuts will be dependent upon incoming data. Consensus expectations suggest interest rate cuts will continue in 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. The current easing cycle should alleviate financing costs, which have been a headwind for dividend growth. With relatively high distribution yields and increased 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 favor the U.S., Hong Kong, 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, Retail, and technology-related REITs. We have minimized our exposure to the Australia REIT market after being overweight for quite some time due to the elevated valuations of Industrial REITs within the region. Additionally, we remain underweight to the U.K. REIT market as well as 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 favorable 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 December, the Fund posted a negative return and slightly underperformed its benchmark. The Fund benefitted from an underweight to the U.K., and an overweight to Singapore and Hong Kong. The Fund also benefitted from an underweight to the Self-storage sub-sector and positive security selection within the Retail sub-sector. This was offset an underweight to Saudi Arabia and Thailand and an overweight to Telecom Tower REITs. Security selection within the Industrial sub-sector also detracted from performance.

Based on the Fund's portfolio returns as at 30 Nov 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 16.275, "High" includes Funds with VF that are above 12.035 but not more than 16.275, "Moderate" includes Funds with VF that are above 9.145 but not more than 12.035, "Low" includes Funds with VF that are above 5.095 but not more than 9.145 and "Very Low" includes Funds with VF that are above 0.000 but not more than 5.095 (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.