ASEAN Growth Fund

An investment fund option for the variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**.

Investment Objective

The objective of this Fund is to generate long-term capital growth through investments in equity and equity-related securities of companies incorporated in countries which are members of ASEAN as well as companies incorporated outside ASEAN but with material exposure to ASEAN markets. The Fund may hold cash and fixed income instruments for liquidity management purposes.

Fund Information

Inception Date November 2012	**Fund Size** USD 47.10 million	**Fund Currency** US dollar	**Dealing/Valuation** Daily
Price (NAV/unit) USD 1.054	**Management Fee** 2.25% per annum	**Bloomberg Ticker** MPUSAGF	

Investment Fund Manager (the "Manager")
Manulife Investment Management (Hong Kong) Limited

Performance Return (April 30, 2020)

ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	14.19%	-20.99%	-20.39%	-4.53%	-6.39%	5.40%
Annualized	n.a.	n.a.	-20.39%	-1.53%	-1.31%	0.71%

Why ASEAN markets

- **We know the ASEAN markets well:** With presence in the key ASEAN-6# and Greater China markets, we have in-depth knowledge and understanding of the region.
- **An under-appreciated side of Asia:** ASEAN## markets' current growth and return opportunities are yet to be fully appreciated by the investment community.
- **Big market, young consumers:** With close to half the population of China, Southeast Asia's population of approximately 600 million constitutes a huge market with a percieved steadily increasing purchasing power. Observed rising income and high savings rates in the region highlight the potential to convert into investments and consumption.

#ASEAN-6 includes Singapore, Thailand, Indonesia, Vietnam, Malaysia and Philippines.
##Predominantly represented by Indonesia, the Philippines, Thailand, Malaysia, and Singapore

Top Ten Holdings

Top Ten Holdings	%
Mapletree Logistics Trust	4.99
Sheng Siong Group Ltd.	4.29
Mapletree North Asia Commercial Trust	3.86
Parkway Life Real Estate Investment Trust	3.68
Mapletree Industrial Trust	3.50
Raffles Medical Group Ltd	3.28
Ascott Residence Trust	3.13
IGB Real Estate Investment Trust	2.91
Venture Corporation Limited	2.87
PT Industri Jamu dan Farmasi Sido Muncul Tbk	2.86

Sector Allocation^

Sector Allocation^	%
Real Estate	34.58
Consumer Staples	21.34
Financials	9.26
Healthcare	8.88
Consumer Discretionary	6.42
Information Technology	5.72
Utilities	4.46
Industrials	3.80
Materials	2.08
Cash & Cash Equivalents	3.45

Geographical Allocation^

Geographical Allocation^	%
Singapore	39.19
Malaysia	17.71
Thailand	17.05
Indonesia	13.86
Philippines	4.68
Vietnam	4.06
Cash & Cash Equivalents	3.45

^Figures may not sum to 100 due to rounding.

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Market Review

ASEAN markets rebounded strongly as on the back of increased government support given the extension of restrictions.

Indonesian equity markets recovered on the back of increased government support. As COVID-19 cases increased, the government initiated large-scale social restrictions for an initial period of two weeks starting on 11 April. The government also officially released regulations in April to lift the fiscal deficit cap from 3% of GDP to 5.07% from 2020 to 2022, allowing greater budgetary support and Bank Indonesia to purchase government debt and become the "buyer of last resort" in bond auctions. In response to the fiscal moves, S&P cut its credit rating outlook on the country to "negative" from "stable", citing a deteriorating external position to deal with the economic aftermath of COVID-19.

In Malaysia, markets rose despite negative news for commodities. Markets rose higher despite crude oil prices falling further (some futures into negative territory), while palm oil prices also hit fresh lows. While the national lockdown order (MCO) continued through April, the government announced its third stimulus package (US $2.3 billion) aimed primarily at helping small and medium-sized enterprises weather the economic storm.

In the Philippines, equity markets recovered despite the government extending the administrative lock down. The Philippines government extended the lockdown of the Manila area to May 15 to prevent the spread of COVID-19. The government also tabled a roughly US $30 billion stimulus bill in Congress to offset the economic impact. Finally, the central bank announced a cut in interest rates by 50 basis points (without meeting) to 2.75% and promulgated new regulations to help boost lending to small-and-medium sized enterprises.

Thailand equities rose on government support measures. As the government announced a curfew in some areas, it also released a raft of new stimulus measures, including a US $4.6 billion stimulus package to pay farming handouts a cash handout. Total pledged stimulus packages thus far totals roughly 10% of GDP.

Singapore's equity markets recovered on the back of government support measures. In early April, the Singaporean government announced a third stimulus package worth US $4.6 billion- total stimulus provided thus far is roughly 12% of GDP. On the economic front, first-quarter GDP contracted by 2.2% year-on-year. Exports unexpectedly expanded by 17.6% year-on-the year on the back of a robust increase in pharmaceutical sales.

Outlook

In South East Asia, Vietnam, Thailand, Malaysia and the Philippines are moving towards easing the restriction on movements and gradually reopening their economies following signs of stabilization of COVID-19 infection curve. While there is a tendency to believe that things will resume normal within a short period of time, we prefer to monitor the situation closely before rushing back to stocks. We took the rebound as an opportunity to reduce position in stocks with deteriorating earnings outlook and add exposure to companies with resilient demand and earnings profile.

We remain sanguine on the long term outlook of Vietnam. While the spread of COVID-19 may dampen domestic consumption in the near term, we believe the long-term supply chain shift from China will continue. This should continue to drive income growth and domestic consumption in the longer term.