

# 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

<b>Inception Date</b> November 2012	<b>Fund Size</b> USD 61.48 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.318	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> MPUSAGF	
<b>Investment Fund Manager (the "Manager")</b> Manulife Asset Management (Hong Kong) Limited			

## Performance Return (October 31, 2019)

ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.61%	13.13%	15.31%	20.59%	11.51%	31.80%
Annualized	n.a.	n.a.	15.31%	6.44%	2.20%	4.07%

## 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 perceived 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

	%
Ascott Residence Trust	3.97
IGB Real Estate Investment Trust	3.85
Bangkok Chain Hospital Public Co. Ltd. NVDR	3.56
TTW Public Company Limited	3.47
TISCO Financial Group Public Co. Ltd. NVDR	3.40
Keppel DC REIT	3.25
Mapletree North Asia Commercial Trust	3.13
Mapletree Logistics Trust	3.11
Mapletree Industrial Trust	3.04
Sheng Siong Group Ltd.	2.88

## Sector Allocation<sup>^</sup>

	%
Real Estate	36.46
Consumer Staples	15.16
Financials	9.57
Consumer Discretionary	8.98
Healthcare	5.96
Utilities	5.39
Industrials	4.26
Information Technology	3.96
Materials	2.81
Energy	2.46
Cash	5.00

## Geographical Allocation<sup>^</sup>

	%
Singapore	33.97
Indonesia	17.85
Thailand	17.65
Malaysia	17.01
Vietnam	4.29
Philippines	4.24
Cash	5.00

<sup>^</sup>Figures may not sum to 100 due to rounding.

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## Market Review

The MSCI ASEAN Small Cap Index was higher on the month as global risk-on sentiment improved. In mid-October, the US and China announced that a potential phase one trade deal could be signed in November at the APEC summit. The apparent easing of bilateral economic tensions, coupled with further global central bank accommodation, drove global risk-on sentiment in the second half of the month. As a result, most equity markets posted gains in the month, with the majority of Asian-Pacific currencies strengthening against the US dollar.

Singapore equities moved higher as the Monetary Authority loosened its exchange-rate based policy in response to economic softness, and it avoided a technical recession with positive third-quarter GDP growth, although the contraction in exports continued.

Indonesia's equity markets moved higher amid optimism over a newly formed cabinet, which is expected to be pro-growth and pro-reform. Bank Indonesia's move to cut interest rate reinforced the government's intention to revive domestic growth.

In Malaysia, the equity market moved higher on the back of the 2020 government budget announcement which offered optimism for greater fiscal policy room as well as the stronger ringgit driven by higher crude oil price.

The Philippines equity market moved higher as the central bank reduced the banks' reserve ratio by a further 100 bps to boost bank lending. On the other hand, Sluggish domestic demand and weak earnings sent Thailand's equity market lower over during the month.

## Outlook

In South East Asia, we believe easing financial conditions could provide a much needed support to domestic demand. Central banks in the region have cut benchmark interest rates and cuts in reserve requirement ratio for banks in Malaysia and the Philippines should provide room for banks to expand their balance sheets. The Indonesian government is also prepared to increase fiscal spending to stimulate growth. While earnings remain soft up to 3Q19, valuations of stocks remain reasonable. We believe prudent fiscal and monetary policies as well as political stability provide a fertile ground for resilience and compelling investment opportunities in the region.

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### Disclaimer

The ASEAN Growth Fund is an investment fund option for The Manufacturers Life Insurance Co. (Phils.), Inc.'s Affluence Gold, Affluence Max Gold, Manulife Affluence Builder, and Manulife Horizons, and is managed by Manulife Investment Management (Hong Kong) Limited.

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Manulife Investment Management™ is the institutional asset management arm of Manulife Financial. Manulife Investment Management™ and its affiliates provide comprehensive asset management solutions for institutional investors and investment funds in key markets around the world. This investment expertise extends across a full range of asset classes including equity, fixed income and alternative investments such as real estate, timber, farmland, as well as asset allocation strategies.

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