

USD ASEAN Growth Fund

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

Investment Objective

The Fund aims to generate long-term capital growth by investing substantially all of its assets in a collective investment scheme that invests primarily in equity and equity-related securities of companies listed or 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 also hold cash and fixed income instruments for liquidity management purposes.

Fund Information

Inception Date November 2012	Fund Size USD 38.04 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.477	Management Fee 2.25% per annum	Bloomberg Ticker MPUSAGF	

Performance Return (April 30, 2025)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.43%	-2.96%	0.34%	-6.16%	40.13%	47.70%
Annualized	n.a.	n.a.	0.34%	-2.10%	6.98%	3.19%

Past performance is not an indication of future results. Information about the portfolio's holdings, asset allocation, or country diversification is historical and is not an indication of future portfolio composition, which will vary.

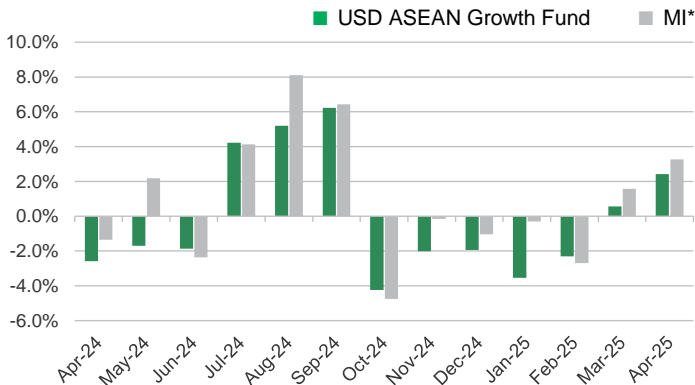
Monthly Net Asset Value per Unit



Top Five Holdings

DBS Group Holdings Ltd	9.13%
United Overseas Bank Limited	6.71%
Oversea-Chinese Banking Corporation Limited	5.79%
Public Bank Bhd	5.24%
PT Bank Central Asia Tbk	4.63%

Monthly Performance

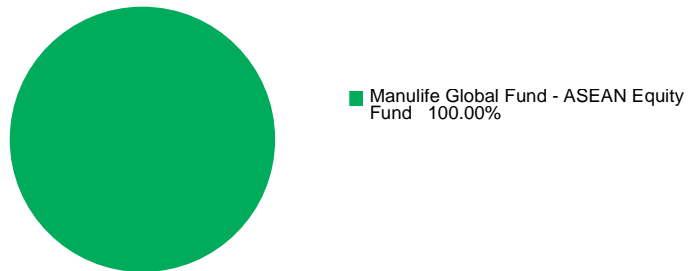


*Market Indicator = MSCI AC ASEAN NR USD Index

This is not a deposit product. Earnings are not assured and principal amount invested is exposed to risk of loss. This product cannot be sold to you unless its benefits and risks have been thoroughly explained. If you do not fully understand this product, do not purchase or invest in it.

Portfolio Breakdown

Asset Allocation (at Market Value)



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Market Review

ASEAN equities posted positive performance for the month. April was a tale of two halves for equities. America's initial announcement of "reciprocal tariffs" was generally higher and more comprehensive than market expectations, leading to a significant market sell-off. After a 90-day pause in the implementation of tariff was announced, ASEAN markets recovered the losses amid improving sentiment as they were the target of higher proposed tariff rates.

Indonesian equities posted positive performance. Despite being subjected to a higher proposed US tariff rate than other ASEAN markets, the signing of a non-disclosure agreement with the US Trade Representative in late April boosted optimism that a potential bilateral trade deal was possible.

Malaysian equities moved higher, led by communication services. On the economic front, Q1 2025 GDP (gross domestic product) (advance) grew by 4.4% year-on-year, a deceleration from previous quarters.

Philippine equities recorded gains and remained resilient given the domestic-oriented nature of its economy. Meanwhile, it received a relatively lower tariff rate from the US among major ASEAN markets. On the monetary front, the central bank resumed its rate cutting cycle, lowering the policy rate by 25 basis points (bps) to 5.50%.

Singapore equities edged higher. The Monetary Authority of Singapore has loosened its monetary policy for the second time this year, by a slight reduction in the appreciation of the Singapore dollar policy band.

Thai equities posted gains. A 90-day reprieve from the proposed 36% tariffs on Thai exports to the US, coupled with the Bank of Thailand's policy rate cut by 25 bps to 1.75% catalyzed the market higher.

Outlook

On April 2, 2025, President Trump announced sweeping tariff increases across the world. The move signifies the most significant unilateral shift in American trade policy since the Smoot-Hawley Tariff Act of 1930. The administration has abandoned commitment to open markets. The move potentially marks the end of the rules-based trading system that has underpinned global commerce since World War II.

The fate of the open world trading system now rests with the responses from officials in these major economies, whether they choose the path of managed recalibration of global trade through negotiations with the US or retaliate and prepare to decouple from the US.

The resulting uncertainty – around retaliation, recalculation, and redirection of trade flows – complicates decision-making and planning by international business. Elevated levels of policy uncertainty will weigh on corporate confidence and consequently capex and trade.

In Asia, we expect economists to lower growth forecasts for many Asian economies in response to the sharp tariff increases. This will be followed by cuts in earnings growth estimates for FY25e and FY26e as trade and investment activities slow down. In the months ahead, management of companies will be occupied with recalibrating, recalculating, and repositioning their strategies to mitigate the impact and risk of significant disruption in global trades.

As the world resets and adjusts to a new trade order, we would position the portfolio towards the domestically driven companies and economies. The quality of management and balance sheet strength will feature prominently in our stock selection as we believe these factors are crucial to navigate around the challenges of deglobalization. With likely elevated market volatility near term, we think quality stocks with stronger balance sheets and stable growth could perform well in coming months.

Southeast Asia is hit disproportionately under the new tariff regime. Tariff increases on this scale effectively upends "China+1" strategies and make Asian exports less attractive than production in Canada and Mexico. The shift in relative competitiveness may deter further foreign direct investments (FDIs) in Southeast Asia. Recalibration and redirection of production can potentially pose threat to employment and domestic consumption. Negotiations to lower import tariffs or reduce trade deficits with the US may reduce the flexibility of governments to invest in growth projects domestically. In the near term, we expect a more challenged outlook in Southeast Asia. In the longer term, we expect trade in the region to shift towards a more friendly bloc with free trade agreements, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP).

Indonesia and Thailand are already reeling from weak domestic consumption and lack of well-coordinated domestic policies to support domestic growth and revive business confidence. The hit to export growth, particularly in Thailand, will add further challenges to economic recovery. Vietnam's 8% GDP growth target is at risk amid a punitive 46% tariff and any reprieve will depend on the outcome of the negotiation with the US. Malaysia and Singapore are at the lower end of the tariff spectrum and there are limited exemptions for semiconductors. However, Malaysia's export of finished electrical and electronic goods, furniture, recreational goods, rubber products and apparel will be affected by the tariffs. Singapore, with an open economy, is also vulnerable to an external slowdown. Growth will be dampened by slower trade, FDIs and economic growth in China and other Southeast Asian regions. As a domestically driven economy, the Philippines is least affected by the tariffs. Thanks to resilient repatriation of income from foreign offshore workers and recovery in the tourism sector, there are signs of improvement in the domestic consumption income growth. This is reinforced by the softening of inflation, which leaves room for the central bank to cut interest rates, which should bode well for supporting domestic demand. Overall, we expect domestically driven sectors in the consumer staple and healthcare sectors to perform well. We are turning more cautious on Southeast Asian banks whose earnings are closely tied to economic growth cycles, which is expected to weaken in the near to medium term.

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