

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

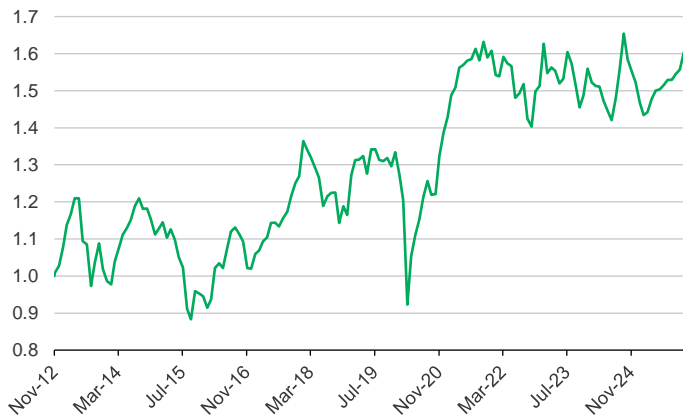
Inception Date November 2012	Fund Size USD 35.36 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.603	Management Fee 2.25% per annum	Bloomberg Ticker MPUSAGF	

Performance Return (December 31, 2025)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.95%	5.32%	5.32%	5.95%	15.57%	60.30%
Annualized	n.a.	n.a.	5.32%	1.94%	2.94%	3.67%

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.

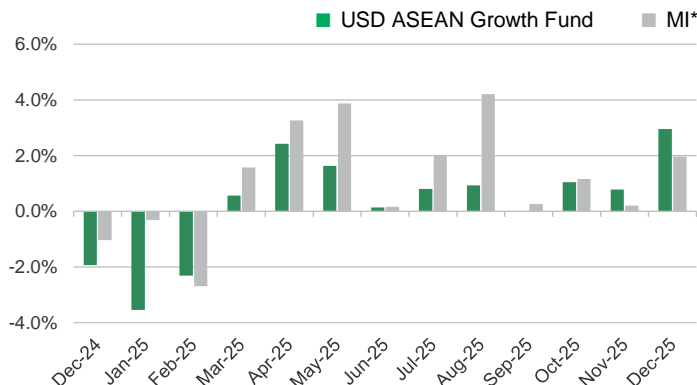
Monthly Net Asset Value per Unit



Top Five Holdings

DBS Group Holdings Ltd	9.85%
Oversea-Chinese Banking Corporation Limited	8.02%
United Overseas Bank Limited	3.84%
Public Bank Bhd	3.84%
PT Telkom Indonesia (Persero) Tbk	3.56%

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)



Manulife Global Fund - ASEAN Equity Fund 100.00%

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Market Review

ASEAN equities posted positive performance. Broad sentiment was positive with the US Federal Reserve (Fed) cutting rates by a widely expected 25 basis points (bps) in the December meeting. Ongoing monetary easing path by the US has allowed local central banks in the Philippines and Thailand to cut policy rates as well. During the month, Malaysian equities performed well, while Indonesia equities lagged.

Indonesia equities posted marginal losses for the month. Local stock market hit a record high early in the month but receded along with limited end-of-the-year trading. On the monetary policy front, the central bank kept policy rate on hold at 4.75% during the December meeting to stabilize the IDR.

Malaysian equities posted strong gains for the month. A large US chip manufacturing firm pledged roughly USD200 million to invest in Malaysia's burgeoning chip sector. On the policy front, the recent cabinet reshuffling (including appointments of Economy Minister, Minister for Investment, Trade and Industry) signaled policy continuity and stability.

Philippine equities moved higher as the central bank slashed policy rate by 25 bps to 4.50%. On the policy front, President Marcos signed into a law the 2026 budget of USD115 billion, with added safeguards to prevent potential graft after fallout from the flooding project investigation.

Singapore equities ticked higher. On the economic front, non-oil domestic exports rose by 11.6% year-on-year (YoY) in November, led by pharmaceutical, thanks to strong shipments to US and Europe. In addition, inflation held steady at 1.2% YoY in November.

Thai equities posted gains. The central bank cut policy rate by 25 bps to 1.25%, citing concerns over weaker economic growth and delayed fiscal support due to possible budget delays from upcoming elections. While the 2025 GDP (gross domestic product) growth forecast was maintained at 2.2%, that for 2026 was trimmed to 1.5%, with a modest recovery expected in 2027.

Outlook

Most ASEAN markets lagged in 2025. Investment sentiment was weighed down by a weakening earnings outlook, soft domestic consumption, political uncertainties in Indonesia, Thailand, and the Philippines, and lingering global trade policy risks. Rising competition from Chinese companies entering various ASEAN sectors further pressured local firms' earnings. Export-oriented corporates have delayed capacity expansion amid uncertainty over the potential impact of US tariffs. Despite these challenges, we believe coordinated efforts by governments, central banks, and corporates are underway to navigate these headwinds.

In Indonesia, the appointment of Finance Minister Purbaya Yudhi Sadewa signals a pro-growth policy stance. The government has injected additional liquidity into key state-owned banks and more recently deployed funds directly to provinces to stimulate aggregate demand and growth. This is complemented by Bank Indonesia's (BI) recent 25 bps rate cut in September, bringing cumulative easing to 150 bps over the past 12 months. While policy transmission will take time, we believe concerns over cabinet reshuffling and softer-than-expected economic growth are largely priced in. More importantly, Indonesia's macro fundamentals remain solid. In our view, current weakness presents an opportunity to accumulate high-quality, dividend-paying stocks at attractive valuations, offering a favorable long-term risk-reward profile.

Thai equities have faced multiple headwinds, including border tensions with Cambodia, the Prime Minister's resignation and subsequent regime change, a recent earthquake, tariff-related uncertainties, and a weaker-than-expected recovery in tourism. The manufacturing sector—once a key growth driver—is under pressure from competitively priced Chinese imports, particularly in the electric vehicle (EV) segment where Chinese players are gaining market share. Elevated household debt continues to weigh on domestic consumption, dampening consumer, and investor confidence. General elections are scheduled for February 2026, with expectations for a stable administration to restore the economic confidence and growth. The current government under Prime Minister Anutin Charnvirakul has announced a series of stimulus measures to address current economic challenges:

- Co-payment scheme: Continuation of the “Kon La Krueng” program, subsidizing 50% of certain food and consumer goods for eligible citizens.
- Debt relief: Support for individuals with debt under THB100,000 (~USD3,100) and liquidity assistance of up to THB1 million for small businesses.
- Cost reduction: Measures to lower living costs, including reduced energy and transportation fares.

The newly appointed central bank governor has also signaled a more accommodative monetary stance to support growth. Like Indonesia, expectations are low and valuations remain undemanding. In our view, high-quality Thai companies with strong balance sheets and cash flows offer compelling long-term investment opportunities.

While the Philippines is relatively insulated from the impact of potential US tariffs, the market remains constrained by limited depth and liquidity, which has weighed on stock performance. Additionally, the flood control project scandal is expected to dampen growth, as public expenditure undergoes stricter scrutiny amid ongoing corruption investigations tied to infrastructure projects. That said, President Marcos' commitment to supporting economic growth is evident in the appointment of former Secretary of Finance, Ralph Recto, as Executive Secretary. He is expected to ensure that public spending gets back on track as quickly as possible. In the meantime, monetary policy will likely bear the primary responsibility for driving growth. We believe the Bangko Sentral ng Pilipinas (BSP) will maintain an accommodative stance in the near term. Despite these challenges, the Philippines remains one of the least crowded markets in ASEAN. We believe current growth headwinds are largely priced in, and the market offers attractive opportunities to accumulate fundamentally sound stocks at compelling valuations.

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The Singapore equity market continues to perform well, trading near all-time highs. Investor enthusiasm has been partly fueled initiatives from the Monetary Authority of Singapore's (MAS) initiatives aimed at revitalizing the local equity market. These policies are designed to enhance Singapore Exchange's competitiveness as a listing and trading venue by attracting more IPOs and boosting investor participation. The small and mid-caps have enjoyed a stock rally on the back of it. However, recent gains have largely been driven by multiple re-rating while underlying earnings growth remains subdued. Despite this, Singapore remains as one of the most crowded markets in the region. In our view, a meaningful acceleration in earnings growth will be essential for the rally to be sustained. The risk-reward profile of Singapore equities appears less compelling relative to other opportunities in the region. Against such backdrop, we are focused on selectively identifying companies with the potential to deliver strong earnings growth in FY26e, but whose prospects remain underappreciated by the market due to a lack of near-term catalysts.

Malaysian equities have remained relatively resilient compared to other ASEAN markets. Investor interest continues to center on growth opportunities stemming from the Malaysia's expanding data center infrastructure. We expect this momentum to spill over into broader development initiatives, including the Johor-Singapore special economic zones and Malaysia Vision Valley 2.0 – a state-led private sector-driven development project designed to complement the growth of Greater Kuala Lumpur. We believe the long-term development of such economic zones will support earnings growth for landowners with strategic landbank in these areas. On the macro front, the government has introduced measures to support domestic consumption, helping to cushion the impact of fiscal consolidation through subsidy rationalization.

Vietnam won an upgrade to "emerging market" status from FTSE Russell after years of capital-market reforms. While this is a positive long-term development, we believe the market may face several near-term headwinds, including:

- "Sell-the-news" pressure as some investors take profits and frontier funds begin to divest ahead of the official emerging market inclusion;
- Currency depreciation;
- Elevated margin lending; and
- A surge in capital raising activity, which may temporarily crowd out fresh inflows.

We also remain cautious about the export growth trend following two rounds of export frontloading in 2025. There are already signs of deceleration of export growth in key export categories such as machinery, equipment, tools and instruments, textiles and garments and telephones and components. That said, we continue to actively seek stock ideas and are prepared to take positions when the risk adjusted return profile becomes compelling.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment Management and Trust Corporation.

The Fund mentioned in this document is specific to variable life insurance contracts and is not considered a mutual fund. Yields depend on interest and foreign exchange rate levels, both of which may fluctuate. Other factors that affect yield include changes in the credit standing of the issuers and changes in the value of the stocks and dividends received. Further, investments of the Fund may provide that their values be determined based on prices or yields of other securities, instruments or foreign currencies, and such provisions may result in negative fluctuations in the value of these investments and, in turn, the Fund's yields. Thus, the performance of the separate account(s) is not guaranteed and the value of the policy could be less than the capital invested. THE VARIABLE LIFE POLICYHOLDER SHALL BEAR ALL INVESTMENT RISKS. Past performance of the Fund is not necessarily indicative of future performance. Yields are not guaranteed.

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