

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 35.16 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.515	Management Fee 2.25% per annum	Bloomberg Ticker MPUSAGF	

Performance Return (July 31, 2025)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.80%	-0.46%	2.36%	1.47%	24.90%	51.50%
Annualized	n.a.	n.a.	2.36%	0.49%	4.55%	3.33%

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.

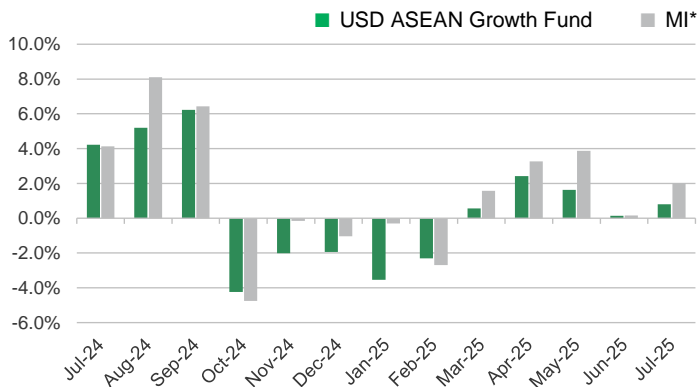
Monthly Net Asset Value per Unit



Top Five Holdings

DBS Group Holdings Ltd	9.90%
United Overseas Bank Limited	6.26%
Oversea-Chinese Banking Corporation Limited	5.69%
Public Bank Bhd	4.51%
PT Bank Central Asia Tbk	4.04%

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 moved higher overall on the back of greater clarity on trade tariffs. Ahead of the August 1 US trade deal deadline, most major ASEAN markets have secured tariff rates with an average rate of 19-20%, which is lower than initially announced on “Liberation Day”. Better-than-expected economic growth in select markets and continuous monetary easing paths among local central banks also supported sentiment. During the month, Thai equities performed well, while Philippine equities lagged.

Indonesian equities posted losses despite domestic monetary easing and trade deal with the US. Supported by a more benign inflation outlook and in effort to support economic growth, Bank Indonesia delivered the third rate cut for the year by 25 basis points (bps), bringing the policy rate to 5.25%. In addition, Indonesia secured a 19% tariff rate from the US, which would eliminate tariffs and lift barriers on US imports, as well as commit to reduce the trade surplus with the US by importing energy, agricultural goods, and jets.

Malaysian equities moved lower despite better-than-expected economic growth. Q2 2025 advance GDP (gross domestic product) growth beat estimates at 4.5% year-on-year (YoY), supported by frontloading exports, expanding investment activities, and resilient domestic and tourism demand. Although the central bank reduced the 2025 GDP forecast from 4.5%-5.5% to 4.0%-4.8% due to tariff pressures, it was a smaller-than-expected downgrade. The central bank also reduced its policy rate by 25 bps as expected.

The Philippines posted losses and lagged. The latest Philippine tariff rate from the US was set close to the average tariff rate among ASEAN peers at 19%, which reverted its slight advantage with an initial 17% tariff rate announced in early April. That said, it remains defensively positioned given its domestic-driven economy. Meanwhile, market sentiment was lifted by an announcement of a potential US investment in producing a joint ammunition hub with the Philippines, which is expected to generate national defense and economic benefits.

Singapore equities moved higher with supportive macroeconomic indicators. Q2 2025 advance GDP growth (4.3% YoY) and June non-oil domestic exports (13.0% YoY) both surpassed market expectations. The Monetary Authority of Singapore (MAS) has kept monetary policy on hold after two consecutive easing in previous quarters this year, noting that domestic economic growth has been relatively more resilient than expected.

Thai equities rebounded strongly on trade deal optimism. It has secured a trade deal with the US at a 19% tariff rate, which is lower from a punitive 36% rate initially announced in early April. Meanwhile, a new central bank governor has been confirmed, which has lifted market optimism over a more dovish monetary policy stance to support the economy.

Outlook

ASEAN equities have roared back to levels seen before “Liberation Day”. Risk sentiment has recovered fast as investors shrugged off the risk of unprecedented trade shock. The weakening US dollar and easing domestic inflationary pressure also helped fuel positive sentiment in the market.

In our view, it is still too early to accurately gauge the impact from the transmission of trade tariffs and the recalibration of supply chain. The on-off US trade policies have put investment decisions of companies on pause. Earnings visibility is less clear. Such risks are not well discounted, in our view. Amid such great uncertainties and volatile policymaking, we believe it will be a race of corporate stamina in the equity market. Navigating through an environment with new sets of rules, and structure would require strong balance sheets and capital structure, as well as good management. We would thus be very disciplined in our stock selection, investing in companies with a relatively robust growth outlook and strong financial positions.

Sitting in the hotspot of Trump’s trade tariffs, Southeast Asian markets lagged in 2Q25. The macroeconomic outlook in the region is mixed. Inflation across Southeast Asia is expected to remain within the target ranges and thresholds of central banks. This leaves room for monetary policy easing cycles across the region. While there is some degree of heterogeneity, the broad bias for central banks remains tilted towards easing. The region saw a bump-up in exports to the US in 1H 2025, as US merchants race to front-load their orders before higher import tariffs took effect. Strong export growth is unlikely to persist, and we expect a slowdown in manufacturing activity in 2H 2025 as front-loaded inventory works its way through the system.

The performance of markets across Southeast Asia is expected to show divergence going forward. Each market has its own headwinds and opportunities.

In our view, the Philippines offers an attractive investment case. The Philippine economy is least affected by US tariffs and the existing rate of reciprocal tariff put it in a competitive position to attract foreign direct investments (FDIs) relative to its ASEAN peers. Easing inflation and accommodative monetary policy are expected to support domestic consumption and economic growth. There are signs of consumers trading up again in the Philippines. More importantly, earnings growth potential of companies in the Philippines are underappreciated as valuations of stocks remain undemanding.

We expect some near-term headwinds in earnings growth of corporates in Malaysia. Cost of doing business is expected to rise on the back of expansion of sales and services tax, EPF (Employee Provident Fund) contribution for foreign workers, and higher utility costs. This is expected to hit earnings of exporters to the US harder as revenue contracts on reversal of export front-loading in 2H 2025.

Economic growth in Indonesia slowed down in 1H 2025 in the absence of meaningful fiscal spending by the government and tight liquidity in the banking system. Private businesses have become more cautious amid local administration transition and uncertain global macroeconomic development. This has contributed to ongoing soft domestic demand that weigh on earnings growth outlook. There is hope for improved government spending and loosening of monetary policy in 2H 2025. We will monitor the development closely and jump on any opportunities arising from a pick-up in earnings growth momentum. At this point in time, our preference lies with consumer goods and services companies with leading market positions and branding. Interestingly, these companies have largely been overlooked and are currently trading on attractive valuations and pay decent dividends to shareholders.

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Singapore is a notably performing market in ASEAN. However, we believe most positive catalysts – value-unlocking opportunities arising from capital and asset restructuring, capital market reform programs – extended from 2024 are largely in the price. Focus has recently shifted to the allocation of SGD5 billion by MAS to local fund managers by 3Q 2025. The allocation is expected to favor funds with higher exposure to small and mid-cap stocks. This has led to renewed interest in small and mid-cap stocks. The portfolios are well positioned in this segment. We believe stocks with good track records of earnings growth and quality balance sheets should attract additional flows. In addition, opportunities could emerge from stocks trading at a discount on book or net asset value and have plans to monetize assets.

A weak macro environment, weak tourism numbers, and political uncertainties remain the biggest challenges for Thai equities. The Thai market is lagging globally. Domestic consumption weakness, initially affecting indebted low-income earners, is now impacting the middle class due to negative headlines on tariffs and a tourism slowdown, which have eroded consumer confidence. Even in the typically defensive healthcare sector, patients are exercising more caution in their admission to mid-tier hospitals. We believe a lot of the negative catalysts pressuring earnings of Thai companies are discounted by the market, albeit with some risk of negative earnings revisions in the near term. The risk/reward of Thai equities are increasingly attractive. We are seeing some encouraging signs of improvement in household debt situation. Further, management of companies is increasingly focused on driving cost efficiencies amid a challenging external environment. Lower raw material and energy costs also helped ease pressure on profit margins. There are also opportunities in the development and build-out of data centers in Thailand. Despite political and trade uncertainties, the Board of Investment of Thailand has been promoting larger tax incentives for energy-efficient data centers. The board also drives the adoption of green initiatives like Green Utility Tariffs (GUT) and the Direct PPAs (Power Purchase Agreements) scheme as additional policy steps toward the build-out of sustainable data centers.

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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