

# 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

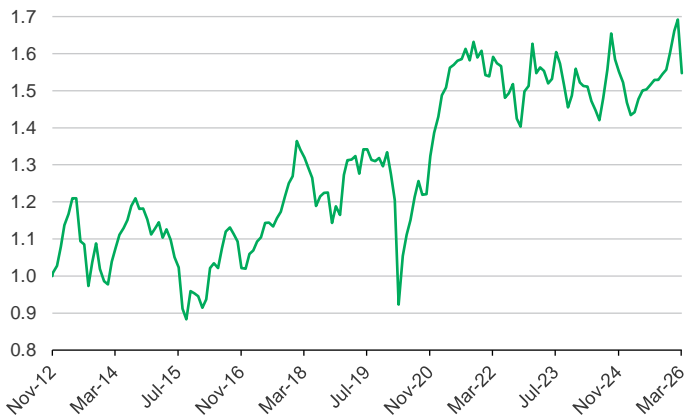
|                                        |                                          |                                    |                                   |
|----------------------------------------|------------------------------------------|------------------------------------|-----------------------------------|
| <b>Inception Date</b><br>November 2012 | <b>Fund Size</b><br>USD 31.55 million    | <b>Fund Currency</b><br>US dollar  | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>USD 1.547   | <b>Management Fee</b><br>2.25% per annum | <b>Bloomberg Ticker</b><br>MPUSAGF |                                   |

## Performance Return (March 31, 2026)

| USD ASEAN Growth Fund<br>(net of management fee) | 1 Month | YTD    | 1 Year | 3 Years | 5 Years | Since Inception |
|--------------------------------------------------|---------|--------|--------|---------|---------|-----------------|
| Absolute                                         | -8.57%  | -3.49% | 7.28%  | -1.02%  | 2.59%   | 54.70%          |
| Annualized                                       | n.a.    | n.a.   | 7.28%  | -0.34%  | 0.51%   | 3.32%           |

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.

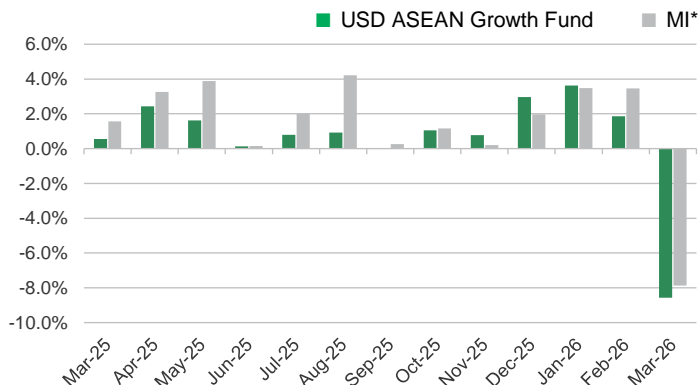
## Monthly Net Asset Value per Unit



## Top Five Holdings

|                                             |       |
|---------------------------------------------|-------|
| Oversea-Chinese Banking Corporation Limited | 9.88% |
| DBS Group Holdings Ltd                      | 9.80% |
| PTT Exploration & Production Plc            | 4.41% |
| Public Bank Bhd                             | 4.11% |
| United Overseas Bank Limited                | 3.50% |

## Monthly Performance

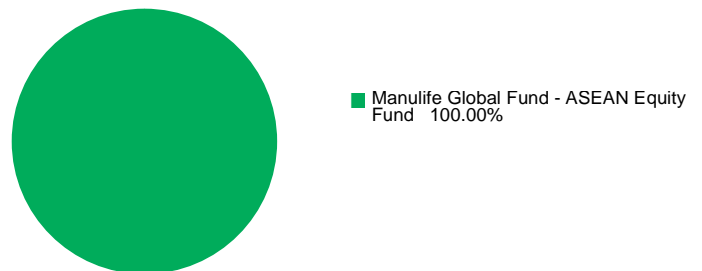


\*Market Indicator = MSCI AC ASEAN NR USD Index

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 sold off during the month on the back of the Middle East geopolitical tension, which drove a surge in energy prices, reignited inflation concerns, and delayed expectations over global central banks' monetary easing. By geography, Malaysian and Singapore equities performed well, while Indonesia, the Philippines, and Thailand lagged amid heavy foreign selling. By sectors, investors rotated toward defensive sectors (e.g. energy, utilities, and consumer staples) from cyclicals (e.g. consumer discretionary, industrials, and materials).

Indonesian equities lagged, pressured by broad risk-off conditions and heavy foreign selling. On the policy front, Bank Indonesia kept the policy rate unchanged at 4.75% to strengthen IDR stability amid the Middle East conflict. The central bank kept its 2026 GDP (gross domestic product) growth forecast range at 4.9–5.7%, citing support from ongoing government spending programs, and signaled the medium-term easing bias remains, but the overall tone turned less dovish.

Malaysian equities posted slight losses but performed well. Malaysia's fiscal condition should be relatively shielded from energy prices volatility given its position as a net oil and gas exporter. The government has confirmed its ability to shield consumers from the inflation impact of elevated oil prices, by maintaining the subsidized RON95 petrol price at RM1.99 per liter for up to one to two months.

Philippine equities moved lower. On the policy front, the central bank held an off-cycle meeting. While keeping policy rates unchanged, it flagged inflationary pressure amid the energy price spike and raised its 2026 inflation forecast to 5.1%. Meanwhile, the Philippine government declared a national energy emergency. The declaration enables the government to secure energy supplies, enforce conservation measures, and deploy emergency interventions to mitigate shortages and price volatility.

Singapore equities retreated while remained relatively resilient than most ASEAN peers, consistent with a defensive tilt in a risk-off environment. Staples led performance, while discretionary lagged, reflecting investor caution toward consumer/travel-sensitive exposures.

Thai equities declined, due to concerns over higher input costs and weaker demand from softer tourism and consumer sentiment. The government has announced measures, such as restricting petroleum exports, adjusting the diesel price cap and subsidizing via the oil fund, ordering work-from-home for civil servants, and securing alternative energy supply, to contain near-term economic impacts.

## Outlook

Recent developments in the Middle East have generated the largest spike in geopolitical risk since September 2001. The economic fallout from geopolitical conflict is spreading outside the region, with Persian Gulf ports turning into military targets and the Strait of Hormuz effectively closed. Recent actions by the Asian/ASEAN regions highlight regional energy security concerns, as Thailand, Chinese Mainland, Vietnam, and India curtail energy exports. The United Arab Emirates and Kuwait started reducing oil production due to the near closure of the Strait of Hormuz. The energy supply shock sent oil and gas prices and product spread higher. In our view, developments in the Middle East remain in an escalation phase and warrant ongoing caution. The longer this conflict continues, the greater the concern about what it means for the world.

Asia/ASEAN remains critically dependent on the Middle East's supply of crude oil, refined products, and liquefied natural gas (LNG). An increase in oil prices driven by a supply-side shock typically weighs on economic growth through the channels of higher inflation, potentially tighter financial conditions, and weaker fiscal impulse and external balances. The strain in global supply chains also poses risks to sales and earnings of companies exposed to the region in the form of disruption to crucial materials, higher production costs, impact on household demand, and disruption of exports to the Middle East.

A protracted conflict and extended supply shock would ultimately magnify the impact of higher energy prices. We believe ASEAN economies are more vulnerable to oil and gas supply shock, given their lower strategic oil stockpiles.

Apart from the geopolitical development in the Middle East, investment sentiment in ASEAN 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 the earnings of local firms. 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. Going into 2026, the MSCI has released conclusion regarding the free float assessment of Indonesian securities, and warned of potential reduction of Indonesia's weighting within the MSCI Emerging Markets Index/reclassification from Emerging Market to Frontier Market status if insufficient progress is made toward improving free-float transparency by May 2026. We view this as a constructive development and expect MSCI's statement to prompt the Indonesia Stock Exchange and the Financial Services Authority (OJK) to take meaningful steps to improve transparency in shareholding structures and curb coordinated trading behavior that distorts proper price formation. It was evidenced from the swift responses from Indonesian authorities with clear action plans announced in early February 2026. We believe these moves, if executed properly, will be enough to offset the downgrade risk to Frontier Market status. Our strategy continues to focus on companies whose growth prospects align with the government's economic development priorities, including state-owned enterprise reform, rural development, and human capital initiatives such as the national free meal program for schoolchildren.

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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. Following the conclusion of general elections in February 2026, we expect the Thai government, led by Prime Minister Anutin Charnvirakul, to restore the economic confidence and growth. We expect the government to roll out 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; and
- 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.

The Singapore equity market continues to perform well and trading near all-time highs. Investor enthusiasm has been partly fueled by 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 initial public offerings (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 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” (EM) 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:

1. “Sell-the-news” pressure as some investors take profits and frontier funds begin to divest ahead of the official EM inclusion;
2. Currency depreciation;
3. Elevated margin lending; and
4. 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.

# USD ASEAN Growth Fund

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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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