

# 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> November 2012	<b>Fund Size</b> USD 41.67 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.552	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> MPUSAGF	

## Performance Return (November 30, 2024)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.02%	-0.45%	4.37%	-2.39%	19.75%	55.20%
Annualized	n.a.	n.a.	4.37%	-0.80%	3.67%	3.73%

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.

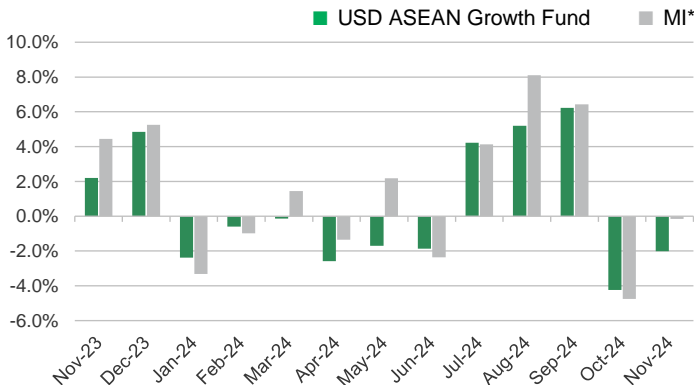
## Monthly Net Asset Value per Unit



## Top Five Holdings

DBS Group Holdings Ltd	8.06%
United Overseas Bank Limited	7.12%
PT Bank Central Asia Tbk	5.69%
Oversea-Chinese Banking Corporation Limited	5.54%
Public Bank Bhd	4.59%

## 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 pulled back for November. The conclusion of the US presidential election and a Republican sweep drove US Treasury yields higher and strengthened the US dollar. While the president elect's pro-domestic-growth policies buoyed US equities, tariff concerns and renewed trade tensions sent ASEAN markets broadly lower. Most ASEAN markets posted losses, with Singapore performing well while the Philippines lagging.

Indonesian equities posted losses amid concerns over punitive measures by the new US administration and lower-than-expected Q3 2024 GDP (gross domestic product) growth (4.95% year-on-year), which drove net selling among foreign investors (USD 1.1 billion).

Malaysian equities were slightly lower despite strong economic data. On the economic front, Q3 2024 GDP grew at 5.3% year-on-year (YoY), meeting expectations.

Philippine equities recorded losses amid domestic currency depreciation and recalibration of US rate cut expectation. On the other hand, Standard and Poor's (S&P) revised the Philippine credit outlook to "positive" from "neutral", citing fiscal reform and a policy environment enabling growth. On the economic front, Q3 2024 GDP growth slowed to 5.2% YoY, behind expectations.

Singapore equities surged primarily on the back of upbeat earnings. On the economic front, Q3 2024 GDP growth beat estimates at 5.4% YoY.

Thai equities moved lower on threats over US tariffs, despite better-than-expected Q3 2024 GDP growth (3% YoY) supported by reinvigorated tourism and personal consumption.

## Outlook

Although the MSCI AC ASEAN Index has performed well year-to-date (YTD), the performances of underlying constituent markets have been mixed. The US Federal Reserve Board (Fed)'s easing cycle has reduced pressure on interest rates in the region, particularly in Indonesia and the Philippines. The anticipation of interest cuts by the US Fed also led to the appreciation of local currencies against the USD within the region since July. It also drove key stock indices higher. However, this trend has reversed amid a change in interest rate expectations following the confirmation of a second Trump presidency. Surprisingly, stock prices have not reacted correspondingly with the weakness in local currencies.

From the markets' perspective, we tend to be more cautious about Indonesia as the geographical region passes through its leadership transition. While it is widely expected that there will be continuity in policies after the transition, we prefer to err on the side of caution as history has proven that new leadership and administration tend to create disruptions to economic and business activities. While lower inflation provides a relief to consumers, domestic consumption remains soft as income growth weakens on the back of displacement of the manufacturing sector by cheap imports from China, particularly in the textile and clothing industry. The new administration is expected to address this issue and stimulate domestic consumption going forward. In such circumstances, we prefer to invest in companies with the ability to sustain stable growth, have strong cash flows and have the capability to offer high dividend yield.

The GDP growth of Malaysia has surprised on the upside. The government is determined to implement reforms to strengthen the government's fiscal position and attract FDIs (foreign direct investments), particularly from data centers. We believe the effect of successful implementation will be felt eventually and this bodes well for the economy and future earnings growth of corporates in Malaysia.

We like stocks in the Philippines. The Banko Sentral ng Pilipinas (BSP) is expected to follow the US Fed's path of interest rate easing cycle. Combined with the easing rate of inflation, consumers are expected to feel less pressure going forward. The BSP also cut the reserve requirement ratio for banks, providing a conducive environment for credit growth. The prospect of growth in the Philippines is supported by valuations, which do not appear excessive at current levels.

In Thailand, a downward spiral in the Thai economy has caused severe pessimism and skepticism among local and foreign investors. However, we are hopeful that the outlook of Thai equities will begin to improve as the government implements the digital wallet scheme and the launch of the state-backed Vayupak fund to help stabilize domestic consumption and the stock market. For longer-term plans, the government is working towards resolving the structural issue of high household debt. It is also moving quickly on the plan to legalize casinos and build an Entertainment City as ways to boost tax receipts, tourism and domestic economic growth. The FDI trend remains healthy as industrial land estates are seeing inquiries from data center operators. Most stocks in Thailand appear oversold relative to their long-term fundamentals, and we believe the market presents attractive investment opportunities.

On a structural growth perspective, we believe ASEAN economies benefit not only from domestic reform initiatives, but also from closer economic ties with China. There are concerns around the implementation of US trade tariffs affecting investment appetite and the China+1 strategy in the region. While investment decisions may be deferred amid heightened uncertainties, the advantage of investing and building production capacities in Southeast Asia remains supported by the lower tariff relative to China (if imposed) and lower cost base. That said, we remain vigilant on risks related to geopolitical tensions and changes in trade policies. Our strategy is to construct a diversified portfolio capturing growth opportunities from domestic demand, FDIs and geographical market expansion through exports. We would be mindful about paying a reasonable price for growth in a world of growing uncertainties.

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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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