

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 43.05 million	Fund Currency US dollar	Dealing/Valuation Daily
Price (NAV/unit) USD 1.584	Management Fee 2.25% per annum	Bloomberg Ticker MPUSAGF	

Performance Return (October 31, 2024)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-4.23%	1.60%	8.87%	-2.94%	20.18%	58.40%
Annualized	n.a.	n.a.	8.87%	-0.99%	3.75%	3.93%

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.

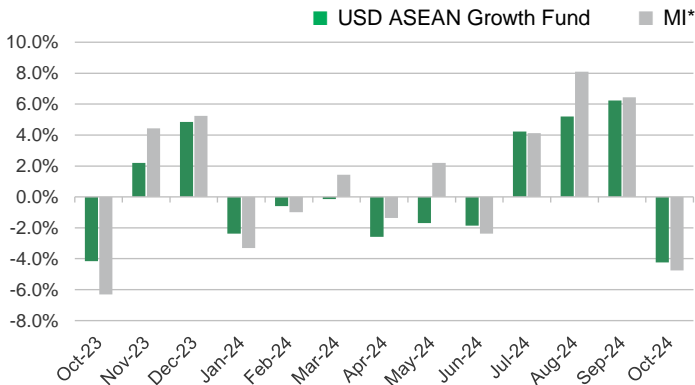
Monthly Net Asset Value per Unit



Top Five Holdings

DBS Group Holdings Ltd	7.39%
United Overseas Bank Limited	6.17%
PT Bank Central Asia Tbk	5.88%
Oversea-Chinese Banking Corporation Limited	5.06%
Public Bank Bhd	4.75%

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 retreated for October. Resilient US economic data for the labor market and personal consumption triggered an increase in US Treasury yields and strengthening in the USD. The return of the “higher-for-longer” expectation led to market correction across the ASEAN region. All ASEAN markets posted losses, with Singapore performing well while Malaysia lagging.

Indonesian equities posted losses but received a brief fillip from the inauguration of new president Prabowo Subianto. The reappointment of Sri Indrawati as Finance Minister was particularly well received by the market as a symbol of policy continuity and a potential bulwark against excessive deficit spending.

Malaysian equities retreated, along with domestic currency depreciation and foreign net selling pressure. On the policy front, the government released its annual budget that proposed to raise spending by 3.3% in 2025 and narrow the deficit to 3.8% of GDP (gross domestic product). It also promulgated a raft of new taxes, particularly on upper-income earners, cutting subsidies on widely used fuel, and raising the minimum wage from 2025.

Philippine equities posted losses, despite continuous moderation in inflation in September (1.9% year-on-year), the lowest reading since 2020.

Singapore equities corrected. That said, Q3 2024 GDP grew by 4.1% year-on-year, the fastest rate in approximately two years.

Thai equities retreated, despite the central bank lowering the policy rate by 25 bps to 2.25%, while agreeing to keep the current inflation target between 1% and 3% for 2025.

Outlook

Southeast Asia performed well year-to-date. 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 an interest cut 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. We are beginning to spot a disconnect between stock valuations and fundamentals. This is evidenced by earnings disappointment from companies in the tech sector, property developers and the industrial sector with subdued forward-looking guidance from the management. Storytelling and wishful thinking are overshadowing reality. We are thus more cautious when selecting stocks in the region, preferring companies who benefit directly from growth in the region as well as overseas markets and trading on reasonable valuations.

From markets perspective, we tend to be more cautious about Indonesia as the geographic location 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. That said, a more benign macroeconomic environment – lower interest rate and easing inflation should provide some relief to domestic consumption. In such circumstances, companies with solid business models and strong management are expected to perform well in the market.

Malaysian GDP growth has surprised on the upside. The government is determined to implement reforms to strengthen the government's fiscal position and attract FDIs (particularly investment 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. FDI trends remain 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 and global multinationals' China+1 strategy, making the region a preferred destination of FDIs.

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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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