

# 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 34.90 million	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 1.529	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> MPUSAGF	

## Performance Return (September 30, 2025)

USD ASEAN Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.00%	0.46%	-7.56%	7.30%	25.43%	52.90%
Annualized	n.a.	n.a.	-7.56%	2.38%	4.64%	3.36%

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.

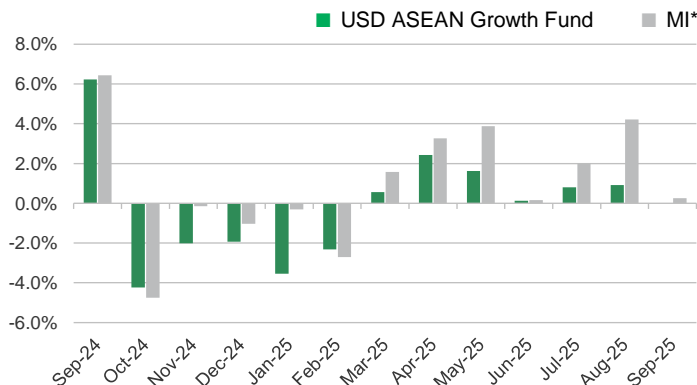
## Monthly Net Asset Value per Unit



## Top Five Holdings

DBS Group Holdings Ltd	10.11%
Oversea-Chinese Banking Corporation Limited	6.71%
United Overseas Bank Limited	5.33%
Grab Holdings Limited	3.66%
Public Bank Bhd	3.63%

## Monthly Performance

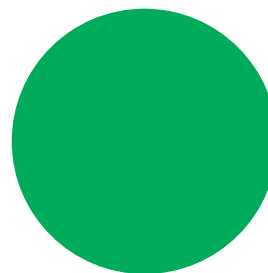


\*Market Indicator = MSCI AC ASEAN NR USD Index

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 slight gains. Although the US Federal Reserve's (Fed) 25-basis points (bps) rate cut and further rate cut forecasts have supported investor sentiment, regional markets delivered mixed performance with political concerns and social unrest weighing on select markets, including Indonesia and the Philippines. During the month, Malaysian equities performed well, while Philippine equities lagged.

Indonesian equities posted losses amid political uncertainty. Market sentiment was dented by a nation-wide protest amid higher proposed housing benefits for the members of parliament. Subsequently, the government's cabinet was reshuffled, including the replacement of the Finance Minister. Towards the second half of the month, the government announced a stimulus package of ~USD1 billion to support domestic demand, and raised the FY2026 budget deficit to fund higher government spending. Meanwhile, Bank Indonesia delivered an unexpected 25 bps rate cut to further support the economy.

Malaysian equities moved higher. Despite macro uncertainties, Q2 2025 earnings have been generally in line among sectors. On the policy front, the government has announced a transitioning from the blanket fuel subsidy model to a targeted fuel subsidy model, which is expected to generate fiscal savings while ensuring the subsidies reach the ones most needed.

Philippine equities moved lower on the back of corruption controversies associated with the government's public finance and infrastructure projects. In response to public concerns, the president established an independent commission for investigating corruption incidents over the past decade, along with reshuffling of the cabinet's members.

Singapore's equities posted slight losses on profit-taking pressure post recent outperformance. As part of the ongoing "value-up" efforts, the government released a range of initiatives in September to support Singapore's equity markets. These include facilitating communication between corporates and investors, supporting small-and-mid caps, attracting quality listing, and boosting market liquidity. The Singapore Stock Exchange has introduced a new equities index "iEdge Singapore Next 50 Index", to further promote diversification of Singapore's equity market beyond the large-cap segment.

Thai equities rebounded on easing political instability. Following the removal of former Prime Minister Paetongtarn Shinawatra due to ethical misconduct in August, a transitional government was formed and led by Anutin Charnvirakul, with expectations for new election in four months.

## Outlook

Despite a volatile geopolitical landscape, significant uncertainties in the global macroeconomic environment, and higher-than-expected trade tariffs whose full impact is yet to be felt, equity markets continue to rise. This rally has been largely driven by accommodative monetary policies from central banks and a softer US dollar. In the absence of strong earnings growth, the performance of Asian equity indices has primarily been supported by valuation re-ratings and foreign exchange gains. Another notable characteristic of Asian markets is the prevalence of crowded trades and high market concentration, particularly in Singapore's equities within ASEAN. For the rally to be sustainable, earnings growth must accelerate meaningfully. There is concern that even a slight deviation from lofty investor expectations could trigger sharp market corrections. At current levels, we believe both earnings and market risk are being underestimated.

Year-to-date, equities in most ASEAN markets have lagged. Investment sentiment has been weighed down by a weakening earnings growth outlook, political uncertainties in Indonesia, Thailand and the Philippines and lingering global trade policy risks. Additionally, rising competition from Chinese companies entering various ASEAN sectors has pressured the earnings of some local firms. Export-oriented corporates are holding back on capacity expansion amid uncertainty over the potential impact of Trump's tariff. Despite the challenging environment, 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 IDR200 trillion in deposits (2.2% of total system deposits) into key state-owned banks of Indonesia to ease funding pressure and support credit growth. This is complemented by Bank Indonesia's (BI) recent 25 bps rate cut in September, bringing the total easing to 150 bps in the past 12 months. While policy transmission will take time, we believe the 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, with a favorable long-term risk/reward profile.

Thai equities have faced a series of 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 the tourism sector. 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, further dampening consumer and investor confidence. However, the newly formed government under Prime Minister Anutin Charnvirakul has announced a series of stimulus measures to address 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: provision of support for individuals with debt under THB100,000 (~USD3,100) and liquidity assistance of up to THB1 million for small businesses.
- Cost reduction: Implementation of measures designed to reduce living costs, including the lowering of energy and transportation fares.

The newly appointed Central Bank governor has also signaled a more accommodative monetary stance to support growth. Like Indonesia, much of the negative news is already reflected in valuations. High-quality Thai companies with strong balance sheets and cash flows offer compelling long-term investment opportunities.

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While the Philippines is relatively insulated from the impact of potential US tariffs, the market continues to be constrained by limited depth and liquidity, which has weighed on stock performance. Despite this, it remains one of the least crowded markets in ASEAN, and boasts some of the highest earnings growth, based on FY26e estimates, in the region. As long-term investors, we believe the market's growth potential is underappreciated, offering attractive opportunities to accumulate fundamentally sound stocks at compelling valuations.

Singapore's 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's 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. In addition, the fund is invested in a leading IT products and system integrators, which is well-positioned to benefit from rising demand for technology hardware and infrastructure as Malaysia accelerates its adoption of global tech innovations. 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 year-to-date. 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.

In conclusion, amid heightened uncertainty and volatile policymaking, we believe the market will increasingly reward corporate resilience. We remain highly disciplined in our stock selection, focusing on businesses with robust financial positions and sustainable long-term growth prospects.

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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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