

**MEDIA ALERT****For immediate release****September 18, 2020****Equity markets in the U.S. and China show signs of recovery**

In a webinar titled: “The Road to Recovery: US and China Equity Markets,” subject-matter experts from Manulife Investment Management shared that the recovery of the two largest economies in the world, the US and China, is gradually gaining momentum. This provided a positive backdrop to the US and China equity markets, which both performed well in the second quarter of the year, indicating that these markets are on their way to recovery.

**Chinese equities outperformed other markets in 1H 2020**

Kai Kong Chay, Managing Director and Senior Portfolio Manager for Greater China Equities at Manulife Investment Management (Hong Kong), shared that Chinese equities outperformed other equities markets in the first half of 2020 despite the market volatility induced by the pandemic. In fact, Manulife Global Fund Dragon Growth Fund rallied by 26.76% over Q2 and increased by 10.25% on year-to-date till end of June, outperforming its benchmark.

While the China economy declined by 6.8% in the first quarter, it has been slowly bouncing back, recording a 3.2% GDP growth in the second quarter. Leading indicators including Li Keqiang Index, PMI and e-Commerce already showed strong signs of recovery in the second quarter. Looking ahead to 2021, the estimated GDP growth in China (+7.7%) is expected to outperform those of developed markets.

**Optimism about US economic recovery led to record gains**

Michael Brock, Managing Director and Client Portfolio Manager at Manulife Investment Management (US), shared that while Q1 2020 was one of the most volatile quarters ever recorded, including the fastest bear market onset in history, Q2 2020 registered as the best quarter since 1998 as the US equities rebounded quickly from March extremes.

Most of the gains came in April and May due to massive federal stimulus, plans by many states to reopen their economies, improved COVID-19 infection rates, and signs of progress in developing vaccines and new treatments.

In addition, while Consumer Staples, Healthcare and Utilities sectors underperformed more cyclical sectors, they still posted sizable gains. Optimism about economic recovery also led to the

record gains in Consumer Discretionary and Information Technology sectors. Energy recovered after plummeting to record lows in March due to negative oil prices.

### **Outlook for the rest of 2020**

While global economic recovery is seen this year, a more normalized growth is expected in 2021. Manulife Investment Management sees the backdrop heading into the current economic crisis being better than that of the global financial crisis in 2008. This time around, the US banking system is overcapitalized and is better poised to help catalyze recovery. While consumers have been adversely impacted, they came into the crisis with lower debt burdens, and household formation is accelerating, which will aid an eventual recovery. Unprecedented government stimulus measures are also seen to help both individuals and small businesses.

Near term, however, the US Presidential election, tensions between the US and China, possible resurgence in COVID-19 infections, and uncertainty about the pace of economic recovery could dampen investor sentiment and spur bouts of market volatility.

Manulife Investment Management will continue to focus on businesses with sustainable competitive advantages that can compound cash flows across cycles, and that trade at discounts to intrinsic value.

Aira Gaspar, President and CEO of Manulife Asset Management and Trust Corporation, added: “Many economies are now reopening as governments ease lockdown protocols. Manulife is seeing signs of recovery, led by the U.S. and China, the two largest economies in the world. This signals investment opportunities for investors who are looking for ways to diversify their portfolio and grow their wealth.”

The webinar is available for viewing on the Manulife [Facebook page](#) and [website](#). Follow Manulife Philippines on Facebook to know upcoming seminars on health, investment, and business needs.

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Manulife Asset Management and Trust Corporation is a wholly owned subsidiary of The Manufacturers Life Insurance Co. (Phils.) Inc. (Manulife Philippines). It provides investment solutions to both retail and institutional clients. The Company started its operations in September 2017. It is part of Manulife Investment Management, the global asset management arm of Manulife.

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The Manufacturers Life Insurance Company opened its doors for business in the Philippines in 1907. Since then, Manulife's Philippine Branch and later The Manufacturers Life Insurance Co. (Phils.), Inc. (Manulife Philippines) has grown to become one of the leading life insurance companies in the country. Manulife Philippines is a wholly-owned domestic subsidiary of Manulife Financial Corporation, among the world's largest life insurance companies by market capitalization. Learn more about Manulife Philippines by visiting their website [www.manulife.com.ph](http://www.manulife.com.ph) and following them on Facebook ([www.facebook.com/ManulifePH](http://www.facebook.com/ManulifePH)), Twitter ([@ManulifePH](https://twitter.com/ManulifePH)), and Instagram ([@manulifeph](https://www.instagram.com/manulifeph)).

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Manulife Investment Management is the global wealth and asset management segment of Manulife Financial Corporation. We draw on more than a century of financial stewardship and the full resources of our parent company to serve individuals, institutions, and retirement plan members worldwide. Headquartered in Toronto, our leading capabilities in public and private markets are strengthened by an investment footprint that spans 17 countries and territories. We complement these capabilities by providing access to a network of unaffiliated asset managers from around the world. We're committed to investing responsibly across our businesses. We develop innovative global frameworks for sustainable investing, collaboratively engage with companies in our securities portfolios, and maintain a high standard of stewardship where we own and operate assets, and we believe in supporting financial well-being through our workplace retirement plans. Today, plan sponsors around the world rely on our retirement plan administration and investment expertise to help their employees plan for, save for, and live a better retirement.

As of June 30, 2020, Manulife Investment Management had CAD\$900 billion (US\$660 billion) in assets under management and administration. Not all offerings are available in all jurisdictions. For additional information, please visit [manulifeim.com](http://manulifeim.com).

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Manulife Financial Corporation is a leading international financial services group that helps people make their decisions easier and lives better. With our global headquarters in Toronto, Canada, we operate as Manulife across our offices in Canada, Asia, and Europe, and primarily as John Hancock in the United States. We provide financial advice, insurance, and wealth and asset management solutions for individuals, groups and institutions. At the end of 2019, we had more than 35,000 employees, over 98,000 agents, and thousands of distribution partners, serving almost 30 million customers. As of June 30, 2020, we had \$1.2 trillion (US\$0.9 trillion) in assets under management and administration, and in the previous 12 months we made \$30.6 billion in payments to our customers. Our principal operations are in Asia, Canada and the United States where we have served customers for more than 155 years. We trade as 'MFC' on the Toronto, New York, and the Philippine stock exchanges and under '945' in Hong Kong.

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