

# USD Tiger 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 maximize total return by investing substantially all of its assets in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of public companies which are listed in Hong Kong and/or, although not listed in Hong Kong, are listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or China.

## Fund Information

<b>Inception Date</b> May 2021	<b>Fund Size</b> USD 401.48 thousand	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.921	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQUTG	

## Performance Return (July 31, 2021)

USD Tiger Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-11.01%	n.a.	n.a.	n.a.	n.a.	-7.90%
Annualized	n.a.	n.a.	n.a.	n.a.	n.a.	-7.90%

*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

Information will be provided once available

## Top Five Holdings

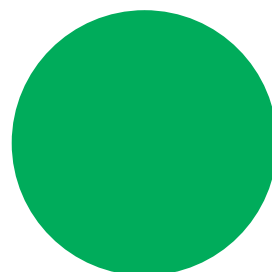
Tencent Holdings Ltd.	6.28%
Alibaba Group Holding Ltd.	5.35%
AIA Group Limited	4.78%
Hong Kong Exchanges & Clearing Ltd.	3.46%
Meituan	2.99%

## Monthly Performance

Information will be provided once available

## Portfolio Breakdown

Asset Allocation (at Market Value)



■ MANULIFE DRAGON GRW EQ FDR  
FD-NO FEE SHS 100.00%

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## Market Review

Chinese equities moved significantly lower on a raft of new regulations that switched the market to a risk-off scenario. In late July, the Chinese government issued regulations mandating the conversion of after school tutoring firms for minors to non-profit institutions. In addition, regulations were released to ensure food delivery workers' rights were being observed, including guaranteeing a minimum income and insurance, as well as further curbs on monopolistic practices in technology. Although the regulations affected different sectors, the shifting regulatory landscape raised broader uncertainty and heavy investor selling in related sectors.

On the policy front, the People's Bank of China unexpectedly lowered the reserve requirement ratio for all banks by 50 basis points, providing liquidity for economic growth. Finally, China posted 7.9% gross domestic product (GDP) for the second quarter, while monthly data for fixed asset investments, industrial production and retail sales beat market expectations. Hong Kong equities moved lower on the back of uncertainty brought by China's regulatory changes.

## Outlook

While remaining mindful of regulatory headwinds, we suggest that investors not overlook the policy tailwinds on certain favourable sectors that are supported by government policies. To name a few, renewable energy can bode well under the sustainability initiatives of China. Industrial automation, manufacturing upgrades and semiconductor supply chain self-sufficiency are also at the top of the Chinese government's agenda.

We are positive on the renewable energy sector, especially those in the supply chain of solar energy, where we see strong medium-term growth potential driven by the government's goal to reach carbon neutrality by 2060. In fact, solar power in China has achieved grid parity and could generate sustainable returns without government subsidies. We also like growth-oriented commodities, such as lithium, which are used for battery production. Battery and energy storage are used not only for China's EV adoption but also in our view are critical in the wider renewable energy application context.

For companies in innovation, we have been positive on biopharmaceuticals in oncology drug development. The investment team also sees attractive opportunities in contractual research organisations which enjoy solid demand from both local and global biotechnology companies. We are positive on specialised medical services providers, such as assisted fertility, which can benefit from China's third-child policy push. For technology-led innovation, the localisation trend for the semiconductor supply chain and the push for advanced manufacturing are taking place and we are keen to accumulate winners in the sector.

In the second half of 2021, we expect China and Hong Kong's equity performance to be more balanced across sectors and styles. We expect market volatility may remain in the near-term and are mindful of the policy risks. We continue to construct a balanced portfolio in terms of growth themes and sector exposure. We believe the Fund's actively managed China and Hong Kong exposures can further add value to investors looking for exposure to China's structural growth from a holistic perspective.

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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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