

# 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 350.76 thousand	<b>Fund Currency</b> US dollar	<b>Dealing/Valuation</b> Daily
<b>Price (NAV/unit)</b> USD 0.404	<b>Management Fee</b> 2.25% per annum	<b>Bloomberg Ticker</b> PHEQUTG	

## Performance Return (January 31, 2024)

USD Tiger Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-11.60%	-11.60%	-35.05%	n.a.	n.a.	-59.60%
Annualized	n.a.	n.a.	-35.05%	n.a.	n.a.	-28.28%

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.

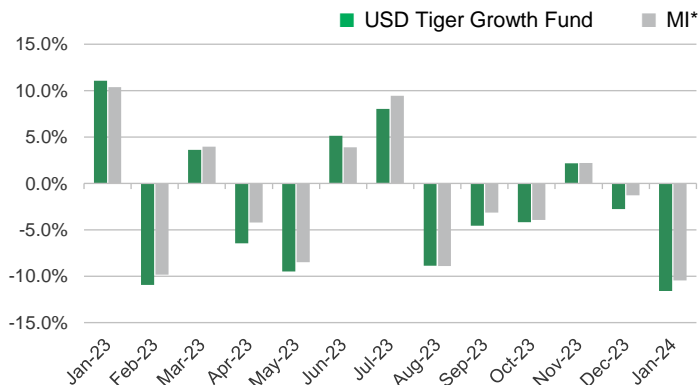
## Monthly Net Asset Value per Unit



## Top Five Holdings

Tencent Holdings Ltd.	9.60%
Alibaba Group Holding Limited	7.95%
AIA Group Limited	5.93%
Hong Kong Exchanges & Clearing Ltd.	2.87%
China Merchants Bank Co., Ltd.	2.83%

## Monthly Performance



\*Market Indicator = MSCI Zhong Hua 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 DRAGON GRW EQ FDR  
FD-NO FEE SHS 100.00%

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## Market Review

Chinese equities corrected for the month on the back of mixed macro recovery and concerns over America's further restrictions on Mainland China's biotech and tech sectors. However, part of the losses was reversed towards end of the month, thanks to news of a potential USD278 billion stock market support package and further easing measures, including restrictions on short-selling in A-shares index futures, RRR cut in February and easing on property loans. The China Securities Regulatory Commission (CSRC) vowed further efforts in restoring market confidence, while the Ministry of Commerce also pledged to boost consumption and foreign direct investments (FDIs). On the economic front, Q4 2023 GDP growth came in at 5.2% year-on-year (YoY), meeting the target for 2023. Caixin manufacturing PMI and service PMI improved month-on-month (MoM).

For China's A-shares, energy and utilities performed well with higher oil prices and dividend yield play preferred. Tech lagged by softness in software and semiconductor names. Healthcare was impacted by concerns over a not-yet approved US bill that potentially prohibits contracting with certain Chinese biotech providers.

For China's ADRs, the video game license approval process continued to normalize, with 111 domestic games approved in January.

Elsewhere, Hong Kong equities moved lower along with Chinese equities. On the other hand, telecom and utilities remained resilient. On the economic front, December retail sales (+15.9% YoY) and exports (+11% YoY) both came in better-than-expected.

## Outlook

Overall, stabilizing consumptions, better-than-expected inventory destocking and increased policy measures suggest potential bottoming of Mainland China's economy. The investment team believes Mainland China's four mega trends, the "4As", remain intact going into 2024: (1) Acceleration: Consumption may further improve with Mainland China's pro-growth policy stance; (2) Abroad: Leading mainland Chinese companies are going abroad (i.e., another growth engine); (3) Advancement: The artificial intelligence (A.I) supply chain in Mainland China should continue to see robust growth in 2024; and (4) Automation: Mainland China's aged population should present higher demand for automation.

For policy tailwinds, the concerted rollout of fiscal, monetary and property-related policies may improve Mainland China's economy further in 2024 despite slower-than-expected consumption growth. During the politburo meeting in December 2023, its leadership pledged to "effectively promote the economic recovery and achieve reasonable quality growth." Policymakers also emphasized "strengthening counter-cyclical and cross-cyclical adjustments." Throughout 2023, Mainland China's economy has improved, especially the service-oriented sectors, which have offset weaknesses in manufacturing PMI data and pressure from the property sector. With a positive, pro-growth stance, we think it is supportive of economic growth in 2024.

For innovations, Mainland China should benefit from the following key areas despite macro and geopolitical headwinds: (1) Traditional tech: The global smartphone market is expected to recover in 2024, which could trigger more AI applications; (2) Artificial Intelligence: We believe Mainland China is well-positioned to capture opportunities from the upstream to the downstream semiconductor supply chains (especially packaging and testing) amid central government support; (3) Advanced manufacturing: We are positive on the expected capital expenditure recovery in the industrial general equipment in early 2024, domestic substitution of industrial advanced manufacturing; (4) Electric vehicle (EV): The export growth of EV models is a bright spot, while building the EV supply chain overseas is also generating cost efficiencies for leading mainland Chinese EV players; and (5) Healthcare: We believe the sector should see brighter upside on the back of (1) Mainland China's pursuit of innovation ranging from high-tech to healthcare, (2) strong innovative pipelines of domestic biotech companies and (3) potential recovery in global biotech investments as interest rates decline.

For consumptions, we believe consumption may further improve with Mainland China's pro-growth policy stance. Household incomes rebounded in 2023 vs 2022 (i.e., people are growing wealthier). However, the recovery is slightly below trend due to weaker-than-expected income growth and weaknesses from a deflating property market. We expect more targeted measures to be rolled out to support growth. For instance, going into 2024, Mainland China has further eased visa rules for foreign travelers and agreed on visa-free travel with Thailand and Singapore.

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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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