

Peso Equity Fund

An investment fund option for **Affluence**, **Affluence Gold** and **Affluence Builder** variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

Investment Objective

The Fund seeks to achieve long-term capital appreciation by investing in stocks listed on the Philippine Stock Exchange, government securities and/or pooled fund/s that invest in these securities and other liquid instruments.

Fund Information

Inception Date September 2007	Fund Size PHP 1.07 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.966	Management Fee 2.00% per annum	Bloomberg Ticker MPPHEQT	

Performance Return (June 30, 2020)

Peso Equity Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	5.36%	-20.40%	-22.60%	-22.08%	-20.66%	96.60%
Annualized	n.a.	n.a.	-22.60%	-7.98%	-4.52%	5.41%

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.

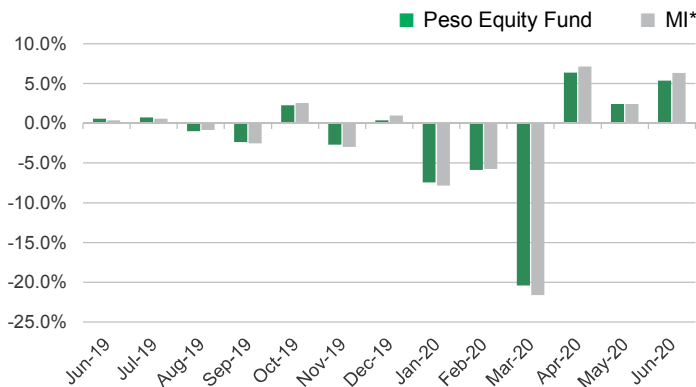
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	15.21%
Manulife Equity Wealth Fund Class I	11.57%
SM PRIME HOLDINGS INC	9.27%
AYALA LAND INC	7.56%
AYALA CORPORATION	6.09%

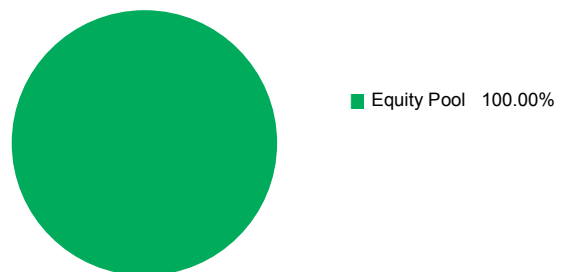
Monthly Performance



*Market Indicator = 100% Philippine Stock Exchange Index

Portfolio Breakdown

Asset Allocation (at Market Value)



As per the fund's Investment Policy Statement, initial subscriptions are invested in fixed 100% Equity Pool. The investments of the Equity Pool consist of stocks listed on the Philippine Stock Exchange and term deposits.

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Market Review

The Philippine stock market index (PSEi) closed June at 6,208, up 6.3% for the month. The market move was attributable to a series of positive news flow both local and abroad. Locally, Metro Manila loosened its quarantine restrictions from a Modified Enhance Community Quarantine (MECQ) to General Community Quarantine (GCQ), while Cebu City was reverted back to the strictest ECQ restrictions as public infections in Western Visayas continue to rise. Nevertheless, mobility and operational capacity for NCR remain limited as public transportation are allowed to operate but at limited capacities. Restaurant dine-in services are now allowed but with 30% capacity limits as well. In the United States, jobs and retail sales data came in stronger-than-expected. The US Fed also boosted monetary support via additional asset purchases, which now includes corporate bonds.

In an unexpected move, the BSP lowered policy rates by another 50bps to 2.25%. BSP Governor Diokno said the cuts are necessary to boost the economy and market confidence. For the year, the BSP has already cut 175bps in policy rates. Meanwhile, inflation eased to 2.1% YoY in May from 2.2% in April, bringing the year-to-date inflation figure to 2.5%.

In the corporate front, two local banks were implicated in a financial accounting scandal involving a German payments company which is centered on a missing sum of EUR1.9Bn. Both banks denied the allegations and said that the missing funds never entered the Philippines.

Outlook

As the economy continues to reopen and adjust towards a new normal, we expect cyclical linked sectors to take the front seat in terms of performance recovery for the remainder of the year. Our outlook for the market is still neutral as we expect heightened market volatility to remain as 2Q20 earnings downgrades continue to remain a possibility, having felt the blunt of the lockdown period. However, we are encouraged to see early signs of economic recovery through some leading economic indicators like electricity demand and auto sales which have been slowly picking up during the GCQ period. We are starting to look at opportunities in the more cyclical sectors like industrials and consumer discretionary that offer growth should the recovery pick up pace in the succeeding quarters.

The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Asset 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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