

Peso Growth Fund

An investment fund option for **Affluence Max**, **Affluence Max Gold**, **Affluence Builder Series**, **Horizons** and **FlexiSure** 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 April 2009	Fund Size PHP 15.69 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.452	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (July 31, 2019)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.73%	7.24%	3.73%	-1.03%	12.19%	246.59%
Annualized	n.a.	n.a.	3.73%	-0.35%	2.33%	12.83%

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.

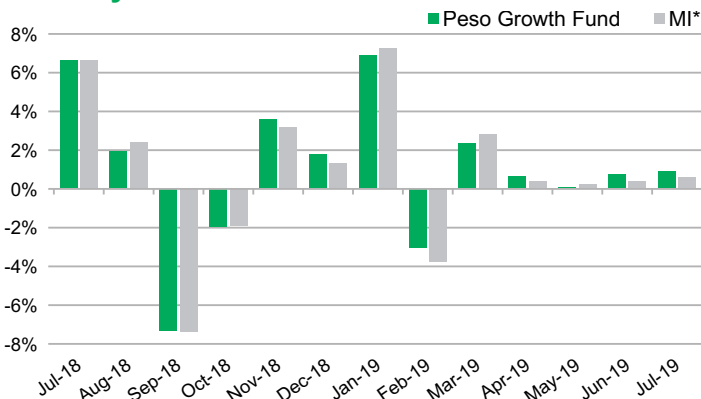
Monthly Net Asset Value per Unit



Top Five Holdings

Manulife Equity Wealth Fund Class I	12.6%
SM Investments	11.6%
Ayala Land	9.4%
BDO Unibank	8.5%
Ayala Corporation	7.8%

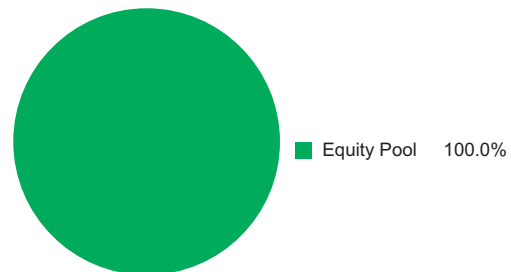
Monthly Performance



*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 local stock market index closed at 8,046, up 0.6% for the month of July. The market was able to break out of its 6-month consolidation range, closing above the 8,200 resistance level for the first time in 2019, but eventually succumbed to profit-taking during the latter part of the month. Nonetheless, a rosier outlook for the second half has helped boost investor sentiment with inflation tracking lower and the peso remaining stable. Helping boost equities further are global central banks issuing dovish statements and hinting at keeping accommodative monetary policies for longer. Inflation rate slowed in June to 2.7% YoY versus May's 3.2%. The BSP further hinted that third quarter inflation could settle below the BSP's target range of 2-4% because of high-base effect from last year's multi-high rates. This should be supported by the significant drop in oil prices as well as the cost of rice which continue to decline with the ongoing harvest season and the continued arrival of imports. In its June 20 monetary policy meeting, the BSP revised its inflation forecast for FY19 to 2.7% from 2.9% on expectations of lower global oil prices and the peso's appreciation. Philippine 10-year bond yields continue to decline and are beginning to breach below 5%, further supporting a potential equities market re-rating, following a much more benign inflation outlook.

Outlook

We have turned more bullish on the Philippine stock market amidst the country's improving macro fundamentals. The lower inflation outlook should give the BSP sufficient room to further adopt a more loose monetary policy stance going forward. Moreover, there seems to be minimal signs for major potential disappointments in the upcoming second quarter earnings season.

With our more bullish outlook on the market, the fund looks to increase exposure in liquid names that are more likely going to be acting as market proxies, particularly for foreign investors, while also remaining well-positioned in select names that should deliver during the upcoming earnings season. We have also lessened our cash position to increase the funds' ability to participate in market rallies.

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

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