

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 12.59 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.512	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (May 31, 2020)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	2.41%	-24.52%	-26.29%	-26.44%	-25.97%	152.21%
Annualized	n.a.	n.a.	-26.29%	-9.73%	-5.84%	8.67%

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.

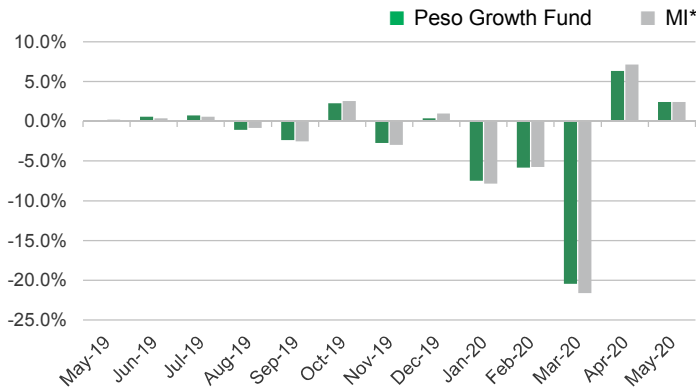
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	15.78%
Manulife Equity Wealth Fund Class I	11.75%
SM PRIME HOLDINGS INC	9.31%
AYALA LAND INC	7.43%
AYALA CORPORATION	6.02%

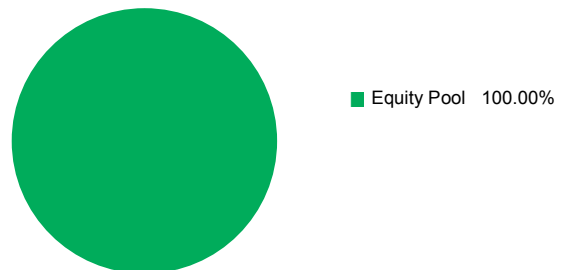
Monthly Performance



*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 at 5,839 in May, up 2.4% for the month. The market trended higher on renewed optimism for the economy with most of the country transitioning to GCQ (General Community Quarantine) by June 1 from MECQ (Modified Enhanced Community Quarantine), which was implemented beginning May 15. Under the GCQ, more sectors and industries will be allowed to reopen as the government looks to revive the economy amid the Covid-19 pandemic. The move to ease restrictions comes despite the resurgence of daily additional cases of COVID-19 since the loosening of the lockdown in mid-May. The country recorded more than 1,000 new cases on May 30, the highest spike in a day so far, despite months in lockdown.

The Philippines recorded its first economic contraction since 1998 with Covid-19 tagged as the main culprit. Philippine GDP shrunk by -0.2% in Q1 as the lockdown that started in March 17 limited economic activity. Meanwhile, the first quarter earnings season is nearing completion where the PSEI has so far posted a 24% decline in earnings. Companies have unanimously guided for a more cautious outlook for the remainder of the year, and are looking to cut capital expenditure plans in the near-term following the impact of COVID-19. Q2 growth figures for both the economy and corporate earnings are widely expected to be worse than Q1 with the bulk of the quarter under lockdown.

The House of Representatives recently approved a P1.3-trillion economic stimulus package that aims to help industries affected by the coronavirus crisis. Under the proposal, Php650 billion will go to the government's flagship infrastructure program for three years beginning 2021. These will involve building new facilities for health, food security and education. Bulk of the remaining budget will be allocated for wage subsidies and loans to support SMEs, as well as job creation support.

Outlook

Although we believe the initial sell-off that saw the market hitting 4,000 is behind us, we continue to be neutral on the market, as near term risks remain. While most corporates are set to see incremental pick-up in revenues under GCQ, we remain cautious of a possible second wave of infections happening similar to other countries that were able to contain the virus earlier. This could eventually lead to another round of lockdown somewhere in the near-future. Also, we remain wary of further downgrades on 2020 expectations after this quarter's earnings season.

The fund has been gradually positioning back into the market and will continue to prefer accumulating names that have relatively better earnings visibility given the uncertain business environment.

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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