

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 15.77 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.316	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (November 30, 2019)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.73%	3.01%	4.64%	11.20%	0.82%	232.93%
Annualized	n.a.	n.a.	4.64%	3.60%	0.16%	11.98%

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.

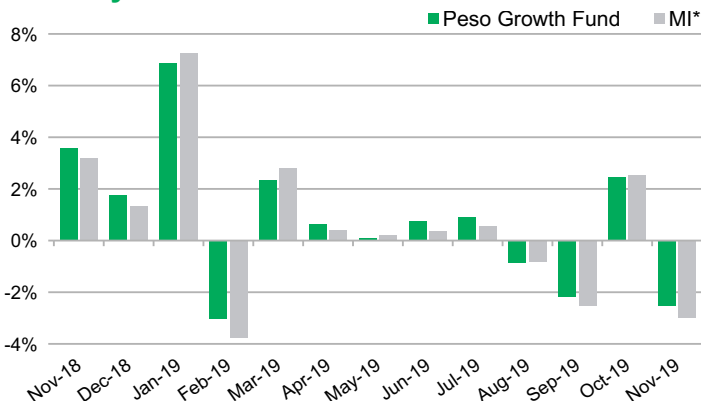
Monthly Net Asset Value per Unit



Top Five Holdings

SM Investments	12.6%
Manulife Equity Wealth Fund Class I	12.2%
SM Prime Holdings	8.9%
Ayala Land	8.8%
BDO Unibank	7.7%

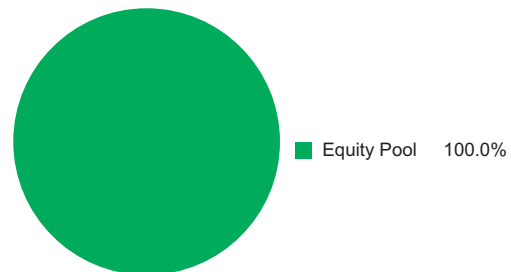
Monthly Performance



*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.

Peso Growth Fund

Market Review

The Philippine stock market index (PSEI) dropped 3% to 7,739 for the month of November. The index started the month strong, hitting the 8,200 level, posting a 3% gain during the first week of November. However, financial markets, including the Philippines, have once again proven to be reactive to developments in the US-China trade developments. After the supposed trade deal in October, trade talks have hit a stalemate, with the US threatening China with more tariffs if the two countries do not agree on something soon. US lawmakers' show of support towards Hong Kong protesters also did not help with trade negotiations. Following the increase in anticipated volatility, the market's earlier gains made it more enticing for investors to lock-in some profits. Year-to-date foreign flows have turned negative to US\$67.5 million following the last tranche of MSCI rebalancing for 2019 in November. The two events outweighed decent 3Q earnings growth of 22% reported by Philippine companies, which continues to remain on track to hit full-year expectations of 16% for 2019.

The property sector was particularly weak during the month amidst recent negative developments. Congress displayed progress on taxing POGOs with a 5% franchise tax, as well as 25% income tax for its employees. Taxes arising from POGOs are estimated to raise around Php45 billion for the government if approved. There are over 60 licensed POGOs and around 138,000 employees. Furthermore, Congress also passed the updating of real property taxes for further review. The bill proposes land values to be assessed closer to market prices. While land values on the business districts are already closer to market, some areas have not updated assessments over the last 20 years and will likely lead to a higher cost to own property. Lastly, multiple property companies have come out saying project launches for 2019-2020 are likely to be pushed back due to insufficient labor supply.

In an effort to further improve liquidity, the BSP's Monetary Board approved the revision of the definition of a deposit substitute to align this with the provisions under the BSP Charter, implying that borrowings from banks, quasi-banks, and other financial intermediaries will no longer be considered as deposit substitutes that are subject to reserve requirements. Interbank borrowings, repurchase agreements with financial counterparts, and bonds issued to financial intermediaries are example of borrowings that will be excluded from the definition of deposit substitutes. The exclusion of these types of borrowings from the reserve requirement is expected to result in more freed-up liquidity for lending and investment activities. The BSP is also hinting for possibly another policy rate cut in December.

Outlook

Despite one of the index's largest sectors facing some challenges with recent developments, we continue to remain optimistic of the market over the next couple of months with December and January historically showing good outings as investors redeploy positions for the start of the new year. This should be supported by optimistic prospects in 2020. Corporate earnings are expected to grow by 11%, with Philippine GDP expanding by more than 6%. The portfolio will look to trim some position in the property sector and reallocate further to the banks, whose outlook continues on improving following several easing monetary policies announced by the Central Bank.

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.

The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable but The Manufacturers Life Insurance Co. (Phils.), Inc. ("Manulife Philippines") does not make any representation as to their accuracy, correctness, usefulness or completeness and does not accept liability for any loss arising from the use hereof or the information and/or analysis contained herein. 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. Neither Manulife Philippines or its affiliates, nor any of their directors, officers or employees shall assume any liability or responsibility for any direct or indirect loss or damage or any other consequence of any person acting or not acting in reliance on the information contained herein.

The information in this material may contain projections or other forward-looking statements regarding future events, targets, management discipline or other expectations, and is only as current as of the date indicated. There is no assurance that such events will occur, and may be significantly different than that shown here. The information in this material including statements concerning financial market trends, are based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. This material was prepared solely for informational purposes and does not constitute a recommendation, professional advice, an offer, solicitation or an invitation by or on behalf of Manulife Philippines to any person to buy or sell any security. This material should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any investment products or to adopt any investment strategy. Nothing in this material constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. Past performance is not an indication of future results.

Manulife and the block design are registered service marks and trademarks of The Manufacturers Life Insurance Company and used by it and its affiliates including Manulife Financial Corporation.