

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 15.49 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.334	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (September 30, 2019)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-2.37%	3.57%	6.45%	-0.15%	1.65%	234.74%
Annualized	n.a.	n.a.	6.45%	-0.05%	0.33%	12.24%

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.

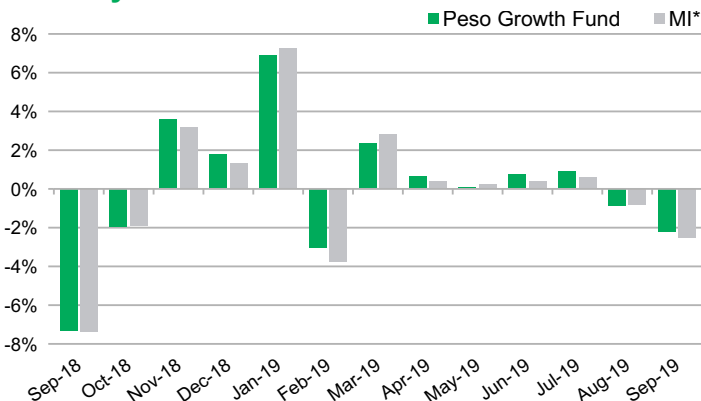
Monthly Net Asset Value per Unit



Top Five Holdings

Manulife Equity Wealth Fund Class I	12.4%
SM Investments	11.3%
Ayala Land	9.6%
SM Prime Holdings	8.3%
BDO Unibank	7.9%

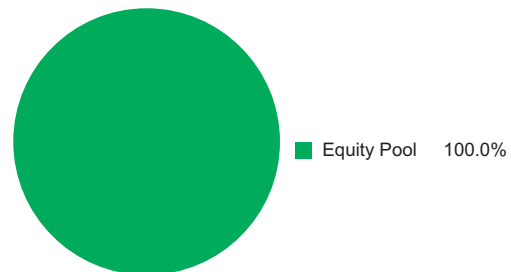
Monthly Performance



*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 (PSEI) closed at 7,779, down 2.5% for the month of September. The equities market weakness can be partially attributed to the FTSE rebalancing where most Philippine stocks were down-weighted. However, global news continued to dictate local market movement during the month amidst the lack of updates domestically. In an expected move, the Federal Reserve cut policy rates by 0.25% to bring the Fed benchmark to 1.75% in an effort to sustain US expansion given the circumstances of uncertainty in trade policy and slowing growth. The US's move supports the Philippine Central Bank's action to also cut rates by 0.25% as well, bringing down the policy rate to 4%. A benign inflation environment and a need to support economic recovery gave the BSP enough space to remain dovish. The BSP will be slashing banks' reserve requirement ratio (RRR) by another 1% effective first week of November, which will bring down the RRR of big banks from 16% to 15%. The RRR should release as much as P100bn into the country's financial system.

On the local macro front, initial concerns on the impact to Philippine inflation as a result of the attack on Saudi oil production facilities are starting to wane, with the Saudi government looking to restore lost production as soon as the end of September. Oil prices spiked to as much as 20% higher on the news but have since declined to only being 7% up pre-attack. Fuel and transportation make up 7% and 8% of the Philippine consumer basket, respectively. Due to renewed inflation concerns, Philippine 10yr bond yields rose to 4.8% from 4.3% in August.

Outlook

The PSEI continues to trade within the 7,700 to 8,000 range. We are likely to see volatility in the markets persist, mainly driven by the uncertainty brought about by the US-China trade war. Meanwhile, four upcoming IPOs with a combined USD2 billion may further result to market pressure as investors prepare to fund these new potentially positions. As such, the portfolio will look to focus positioning into names with company-specific drivers, opting for a more bottom-up approach in these times of volatility.

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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