

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

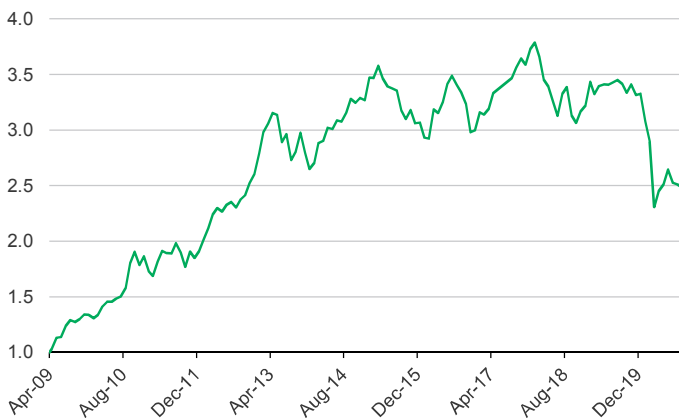
Inception Date April 2009	Fund Size PHP 13.18 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.485	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (September 30, 2020)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-1.04%	-25.33%	-25.46%	-30.26%	-19.81%	149.50%
Annualized	n.a.	n.a.	-25.46%	-11.32%	-4.32%	8.30%

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.

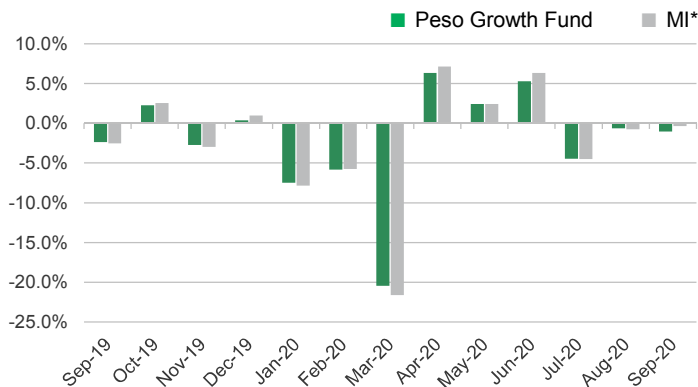
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	15.20%
Manulife Equity Wealth Fund Class I	11.04%
SM PRIME HOLDINGS INC	8.62%
AYALA LAND INC	6.94%
AYALA CORPORATION	6.01%

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 Exchange Index is down 0.3% in September. The lack of catalysts led to continued foreign outflows which have now surpassed \$2 Billion YTD. Investors continue to remain cautious on the back of potential delays in economic recovery despite COVID cases levelling off from an average of 4,000 cases per day to 2,000 cases on average this month.

The financial sector and its earnings outlook remained in focus for the month as President Duterte signed into law the Bayanihan Act 2. The law provides for a 30-day grace period for real estate and utility payments if or when another strict lockdown is imposed and a 60-day grace period loan payment extension regardless of lockdown situation. In addition, the BSP imposed also imposed a 24% interest rate cap on credit card transactions from the current 47% charged annually. The impact of the rate ceiling may vary across Philippine banks, but we do expect banks to mitigate any adverse effects by lowering deposit rates and reducing benefits given to credit card holders by increased fees.

The number of Chinese Philippine Offshore Gaming Operators (“POGO”) fell from 60 operators at the end of 2019 to currently 50 as licenses were suspended and canceled. Additionally, POGOs are also under pressure from increasing tax payments and increased restrictions due to the current travel bans locally. Currently according to PAGCOR, only 32 of the 60 POGOs could resume operations with 30% capacity.

Outlook

Our outlook for the stock market in the fourth quarter remains cautious despite the prospects of further reopening of the economy. The IATF, with the approval of President Duterte, announced that NCR will continue to remain under GCQ restrictions for the whole month of October. This is to ensure that healthcare capacity and the spread of COVID cases remain controlled. Given the fragile state of the country’s economic recovery, we continue to steer away from sectors that will most likely have negative tail risk such as financial services and instead reweight to sectors that will remain beneficiaries should the pandemic persist. Looking to next year, we are positive on sectors that are likely the first to recover when the macroeconomic shadow cast by the pandemic lifts. These would include names in the consumer discretionary space and conglomerates.

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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