

# PHP Tiger Growth Fund

An investment fund option for variable life insurance products of **The Manufacturers Life Insurance Co., (Phils), Inc.**

## Investment Objective

The Fund aims to maximize total return by investing substantially all of its assets in one or more equity collective investment schemes which aims to achieve capital growth through an underlying strategy that invests primarily in a portfolio of equity and equity related securities of public companies which are listed in Hong Kong and/or, although not listed in Hong Kong, are listed on a stock exchange in any other jurisdiction and have substantial business interests in Hong Kong and/or China.

## Fund Information

|                                      |  |   |                                   |
|--------------------------------------|--|---|-----------------------------------|
| <b>Inception Date</b><br>May 2021    | <b>Fund Size</b><br>PHP 47.03 million    | <b>Fund Currency</b><br>Philippine peso | <b>Dealing/Valuation</b><br>Daily |
| <b>Price (NAV/unit)</b><br>PHP 1.061 | <b>Management Fee</b><br>2.25% per annum | <b>Bloomberg Ticker</b><br>PHEQPTG      |                                   |

## Performance Return (June 30, 2021)

| PHP Tiger Growth Fund<br>(net of management fee) | 1 Month | YTD  | 1 Year | 3 Years | 5 Years | Since Inception |
|--|---------|------|--------|---------|---------|-----------------|
| Absolute   | 2.12%   | n.a. | n.a.   | n.a.    | n.a.    | 6.10%           |
| Annualized                                       | n.a.    | n.a. | n.a.   | n.a.    | n.a.    | 6.10%           |

*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

Information will be provided once available

## Top Five Holdings

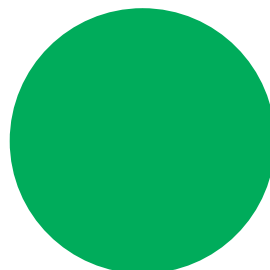
|                                     |       |
|-------------------------------------|-------|
| Tencent Holdings Ltd.               | 6.76% |
| Alibaba Group Holding Ltd.          | 5.79% |
| AIA Group Limited                   | 4.60% |
| Meituan                             | 3.95% |
| Hong Kong Exchanges & Clearing Ltd. | 3.00% |

## Monthly Performance

Information will be provided once available

## Portfolio Breakdown

Asset Allocation (at Market Value)



■ MANULIFE DRAGON GROWTH EQ  
DG5 PHPUNHGNF 100.00%

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## Market Review

Chinese equities were largely flat for the month. Offshore Chinese equities moved marginally higher while onshore China A-shares retreated. In terms of style, growth-related China A-shares represented by the ChiNext and STAR 50 indices regained momentum and outperformed the broader A-shares market in the month. Capital flow wise, the Northbound Stock Connect Programme continued to register net inflows for the month albeit at a slower pace. Foreign ownership in A-shares has risen to an all-time high of 4.5%, up from 3.6% at the end of 2019, and tripled the 1.5% in 2014 when Stock Connect was inaugurated.

On the economic front, China's manufacturing Purchasing Manufacturers' Index edged down to 50.9 from 51.0 in May. China Producer Price Index (PPI) reached 9.0% in May. Yet spillover effects to the Consumer Price Index remained modest with May CPI standing at 1.3%. While the weak PPI-to-CPI pass-through relieved concerns on inflationary pressure, margin pressure in the mid-stream manufacturing segment continued to build-up. Regulatory scrutiny on internet and e-commerce remains as an overhang of the mega-cap names in the related sectors. Hong Kong equities moved lower for the month despite economic activities continuing to pick-up.

## Outlook

In the second half of 2021, we expect China's equity performance to be more balanced across sectors and styles. We expect market volatility may remain in the near-term and are mindful of the policy risks. We continue to construct a balanced portfolio in terms of growth themes and sector exposure. We believe the Fund's flexible allocation between China and Hong Kong equities, and across onshore and offshore exposures can further add value to investors looking for exposure to China's structural growth from a holistic perspective.

In the near-term, we are focusing on companies that have product differentiation and pricing power to pass on cost inflation. For consumption upgrades, we remain positive on services and lifestyle-related opportunities which enjoy inelastic demand. Property management and tertiary education and vocational training are some examples. For innovation, we expect the current manufacturing capital expenditure upcycle to continue for the next few quarters and are positive on industrial automation. Strategic priority segments such as modern machinery, robotics, and high-technology semiconductor equipment are expected to enjoy policy tailwinds and research and development support. We also see opportunities in growth-oriented commodities used in battery storage and renewable energy that can bode well under the substantiality initiatives of China. Moreover, we anticipate more home-grown innovations in biotechnology to start bearing fruit. The Fund is well-positioned to capture quality biotechnology companies with strong pipelines and the research and development value chain which can extract growth from the segment.

Longer-term, China has set its target on carbon peak emissions by 2030 and carbon neutralisation by 2060. Electric vehicle (EV) development is expected to remain a key sustainability initiative and enjoy policy tailwinds. China already has the largest sales volume globally in EVs and accounts for more than half of the world's EV battery manufacturing. We see a rich opportunity set for the entire EV and smart car value chain, thanks to robust domestic demand and the local industry's increasing presence in the global EV supply chain.

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The investment fund option for The Manufacturers Life Insurance Company's variable life insurance product is managed by Manulife Investment 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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