

Peso Equity Fund

An investment fund option for 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 September 2007	Fund Size PHP 954.51 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.011	Management Fee 2.00% per annum	Bloomberg Ticker MPPHEQT	

Performance Return (August 31, 2023)

Peso Equity Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-6.42%	-4.06%	-3.36%	7.71%	-19.72%	101.10%
Annualized	n.a.	n.a.	-3.36%	2.51%	-4.30%	4.47%

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.

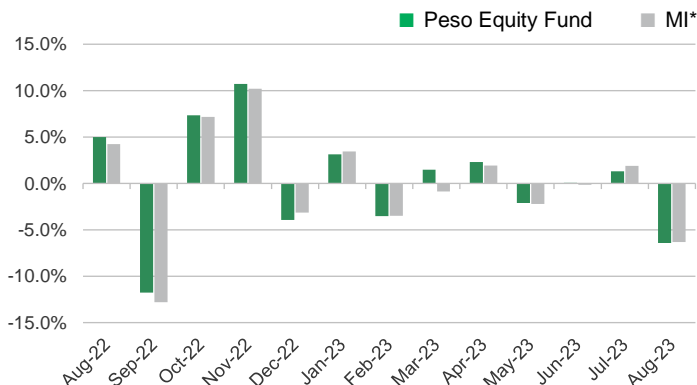
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	13.64%
SM PRIME HOLDINGS INC	9.28%
Manulife Equity Wealth Fund Class I	9.12%
BDO UNIBANK INC	8.81%
BANK OF THE PHILIPPINE ISLANDS	7.89%

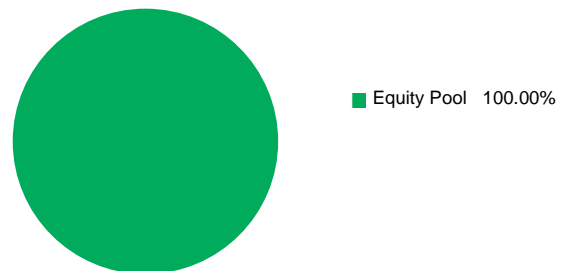
Monthly Performance



*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 Equity index (PSEi) was down 6.3% in August, ending at 6,175 level. The weakness was on account of a disappointing GDP growth for the second quarter of 2023 which stood at 4.3%, well below consensus forecast of 6%. Second quarter GDP was also down vis-à-vis the first quarter GDP growth of 6.4%.

More on local GDP results, consumption expenditure growth stood at 5.5% which is a deceleration from 6.4% in the first quarter of 2023. In addition, most of the disappointment in the GDP results came from both the contraction in government expenditure and private investments which came in at -7.1% and -0.4%, respectively. On the other hand, we saw an improvement in trade deficit with exports grew by 4.1% while import grew by just 0.4% for July. The services sector continues to be the sole contributor to GDP growth on account strong growth from motor vehicle sales, transportation, and discretionary food services.

August consumer price index ("CPI") rose by 5.3% year-on-year, although this is within the Bangko Sentral ng Pilipinas' expectations for the month, this is clearly above consensus forecast of 4.7% and an acceleration from the July CPI of also 4.7%. August CPI shows an increase of 1.1% month-on-month, its highest monthly change since January 2023. The main driver for faster inflation includes rising prices of food specifically rice and transportation.

On local corporate news, the Department of Environment and Natural Resources confirmed that all 22 reclamation projects in the Manila Bay were suspended pending a review of each reclamation project's environmental and area compliance certificates. The DENR suspension came after an announcement made by President Marcos Jr. that all but one reclamation project in Manila Bay would be put under review for any environmental and social impact of these reclamation projects.

Outlook

We have a positive view on Philippine Equities as the macroeconomic environment continues to improve and as PSEi continues to trade at a very attractive 11x PER valuations. In the near term, we could see share price volatility coming from the weak economic data as an opportunity to accumulate in the equities market. We continue to think that the supply side concerns that is affecting food prices such as rice is transitory in nature and the government are taking steps to cap the increase. This view is consistent with the Bangko Sentral ng Pilipinas' ("BSP") view on inflation which should fall between their target of 2-4% in the next two quarters. Moreover, we think that the BSP under the leadership of its new governor, Mr. Remolona is ready to tighten monetary policy if inflation continues to remain a concern for the remainder of 2023.

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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