

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 1.18 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.270	Management Fee 2.00% per annum	Bloomberg Ticker MPPHEQT	

Performance Return (February 28, 2022)

Peso Equity Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-0.26%	2.90%	8.66%	-7.80%	-1.94%	127.00%
Annualized	n.a.	n.a.	8.66%	-2.67%	-0.39%	5.82%

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.

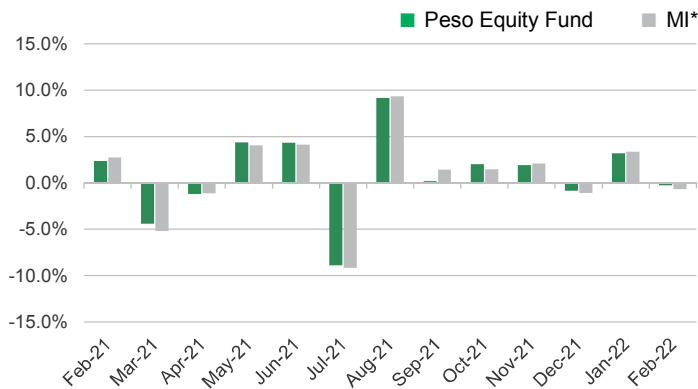
Monthly Net Asset Value per Unit



Top Five Holdings

SM PRIME HOLDINGS INC	10.62%
SM INVESTMENTS CORPORATION	10.33%
Manulife Equity Wealth Fund Class I	9.93%
AYALA LAND INC	7.78%
BANK OF THE PHILIPPINE ISLANDS	7.04%

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

For the month of February, the Philippine market was down by 0.7% to close at 7,311. The equities market turned weaker at the latter part of the month due to rising geopolitical risks in Europe. The rise in commodity prices, especially crude oil, is putting upward risk on inflation and pressure on equity markets in general. This has offset the gains in the earlier part of the month that was driven by the reopening of the economy.

There was a sustained progress in reopening of the economy in February as Metro Manila was placed under Alert Level 2, one notch lower from the prior month. In addition to this, the government further reduced restriction for March. Daily COVID-19 cases continued to decline into the month of February, with the country's positivity rate declining to around 5%. It also helped that vaccination rate has already reached 60% of population as of end of the month. In addition, the country is opening the tourism sector as the government removed quarantine requirements for inbound arrivals.

Meanwhile, the macroeconomic backdrop in the Philippines remains supportive of the economic recovery of the country. Industry commercial loans as of January grew by 8.5% YoY, an acceleration compared to just 4.8% YoY growth observed in December. At the same time 4Q21 earnings results from property and consumer discretionary firms are encouraging, posting significant improvement when the economy opened in November and December 2021. For example, Jollibee reported 4Q21 system wide sales up 25% YoY in 4Q21. To add, SM Prime the county's largest shopping mall operator, grew mall revenues by 52% QoQ in the same period.

Outlook

We continue to be positive on Philippines Equities as reopening of the economy remains underway. Metro Manila is placed under the lowest restriction level which is Alert Level 1 at the start of March, paving the way to bring capacity back to 100%. At the same time, vaccination rate has reached over 60% of the population and there is ample supply of vaccine for booster shots with over 96m doses available for use. In addition, the upcoming election would provide a boost to corporate earnings from the campaign spending. However, there are also headwinds on the rising tension in Europe that is pushing commodity prices higher. The sharp rise in crude oil together with other energy linked and soft commodity prices could push up inflation and dampen growth prospects from the reopening in the near term.

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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