

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 823.42 million	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 1.989	Management Fee 2.00% per annum	Bloomberg Ticker MPPHEQT	

Performance Return (January 31, 2025)

Peso Equity Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-9.47%	-9.47%	-8.04%	-12.61%	-12.99%	98.90%
Annualized	n.a.	n.a.	-8.04%	-4.39%	-2.75%	4.03%

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.

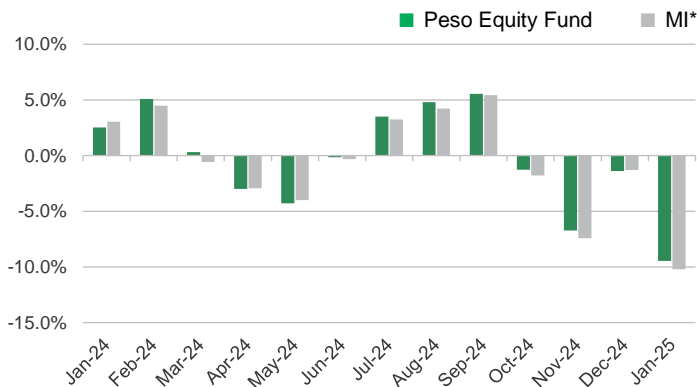
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	13.89%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	10.82%
Manulife Equity Wealth Fund Class I	9.57%
BANK OF THE PHILIPPINE ISLANDS	9.22%
BDO UNIBANK INC	8.95%

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

In January, the Philippine Stock Exchange Index (PSEi) fell by 10.18%, closing at 5,862.59. This month's decline was part of a downward trend that started in early October, leading to a bear market with a total drop of 22%. The persistent weakness in the Philippine markets is attributed to escalating trade war rhetoric from the U.S. and disappointing private consumption figures affecting fourth-quarter GDP results.

Market weakness in January was further aggravated by index rebalancing flows, as Ayala REIT and China Banking Corporation were added to the index, replacing Nickel Asia Corporation and Wilcon Depot, Inc.

The fourth-quarter Gross Domestic Product grew by 5.2% year-on-year, falling short of the expected 5.6%. The full-year GDP increased by 5.4% year-on-year. The shortfall in fourth-quarter GDP growth was driven by weaker consumer recovery, which grew by only 4.7% year-on-year as compared to 5.2% the prior quarter. However, government spending offset this weakness, growing by 9.7% in the fourth quarter.

In January, the Consumer Price Index rose by 2.9% year-on-year, according to the Philippine Statistics Authority. Price increases were notable in categories such as food, alcoholic beverages, and transportation. The rise in food prices was primarily due to increases in vegetables, meat, and fish, while rice prices declined by 2.3% in January after a 0.8% increase in December.

Outlook

We remain cautiously optimistic about Philippine equities for the first quarter of 2025 due to a lack of positive catalysts. However, the subdued macroeconomic numbers on GDP may enhance the likelihood of the Bangko Sentral ng Pilipinas considering rate cuts in its upcoming Monetary Board Meeting in February.

Currently, the PSEi is trading at a P/E ratio of around 9.5x. We remain on the cautiously selective on the stocks until more positive catalysts for Philippine equities emerge, possibly in the second half of 2025. Key developments to watch from a top-down perspective include a recovery in domestic demand, potential bank reserve requirement cuts, and stability in the peso exchange rate relative to the U.S. dollar.

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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