

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 1.09 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.132	Management Fee 2.00% per annum	Bloomberg Ticker MPPHEQT	

Performance Return (May 31, 2022)

Peso Equity Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	0.76%	-3.35%	3.55%	-15.60%	-15.33%	113.20%
Annualized	n.a.	n.a.	3.55%	-5.50%	-3.27%	5.27%

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.

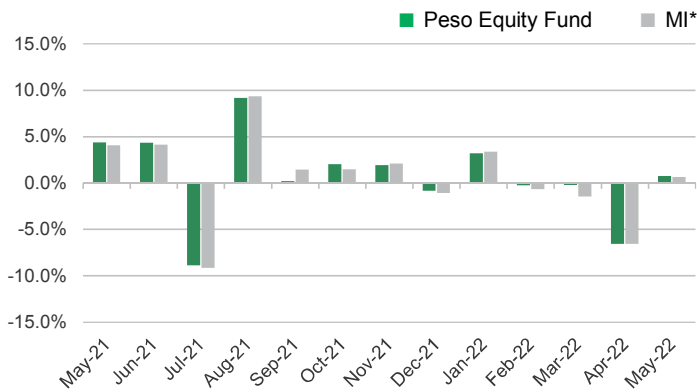
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	10.92%
SM PRIME HOLDINGS INC	10.62%
Manulife Equity Wealth Fund Class I	9.77%
BDO UNIBANK INC	7.55%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	7.45%

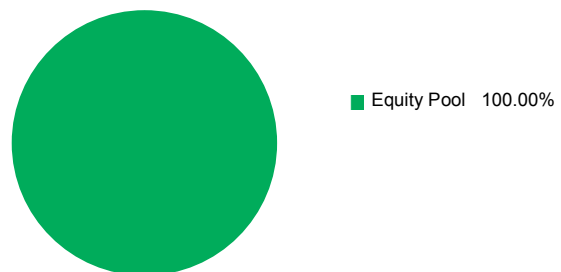
Monthly Performance



*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 Exchange Index was up by 1% to close at 6,774.68 points in May. The market started weak in the early part of May as concerns over global economic slowdown and uncertainties over the economic direction from the new administration dragged the market lower. However the market started to rally as the incoming administration's economic team started to take shape.

Economic recovery remains underway as evidenced by the strong corporate earnings in the first quarter. Earnings sequentially rose 14%, indicating a sustained return to pre pandemic profitability. Consumer discretionary and mall operators reported strong topline growth as they are the main beneficiaries on the reopening of the economy. Loan growth for April accelerated to 10.1% y/y as the banking sector gained from the upswing in economic activity as well.

On the other hand, the Philippine economy continues to face headwinds as rising commodity costs persist. Crude oil was up 12% for the month of May, reaching \$122 a barrel. In addition, there is a growing concern over global food shortage as declining supply of wheat, potatoes and flour is forcing food manufacturers and restaurants to cut production. Note that Philippines' May inflation reached 5.4%, the highest level recorded since 2019.

Outlook

We remain generally cautious on the Philippine equity market as the rising concerns over inflation and food shortage could bring volatility to the market. This could potentially also have a negative impact over consumer spending for the rest of the year. Meanwhile, the PSEI is trading already at attractive valuations, trading at only 13x price to forward earnings, a steep discount from our 5-Year average of 15.3x. Current market valuations are also at the lowest level in the past five years if we exclude the drop during the start of the pandemic in March 2020. We have a favorable view on financial and shopping mall segments, sectors that are quite resilient during this environment.

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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