

Peso Growth 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 April 2009	Fund Size PHP 16.07 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.765	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (May 31, 2021)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	4.38%	-6.87%	10.07%	-15.08%	-15.03%	177.61%
Annualized	n.a.	n.a.	10.07%	-5.30%	-3.20%	8.78%

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.

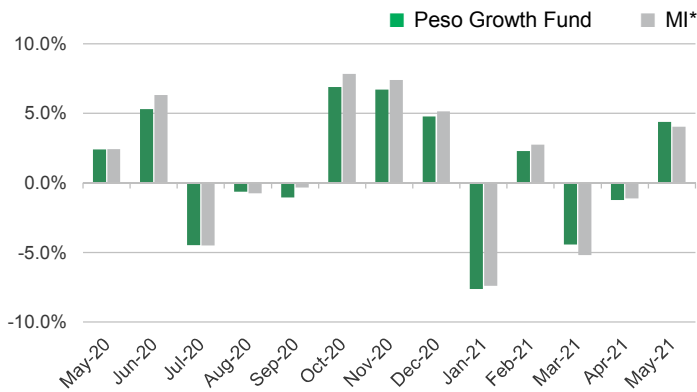
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	14.34%
Manulife Equity Wealth Fund Class I	10.34%
AYALA LAND INC	9.99%
SM PRIME HOLDINGS INC	9.87%
AYALA CORPORATION	8.60%

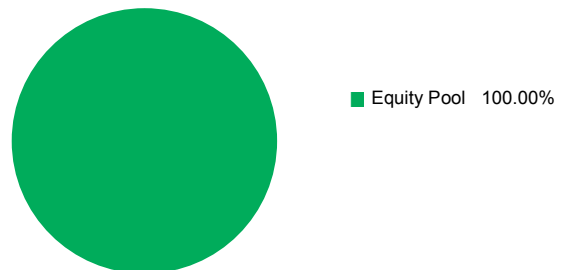
Monthly Performance



*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.

Peso Growth Fund

Market Review

The PSEi rose 4.31% in May to close at 6,628.49 points, trimming its YTD losses to 3.53%. The market cheered optimism on the COVID-19 front, as average daily new infections dropped to below 7,000, lower than the peak of more than 11,000 during the March and April surge. Metro Manila and nearby areas will remain at “General Community Quarantine”, the second loosest form of mobility restrictions, until June 15.

First quarter earnings season wrapped up in May, with results largely in line with expectations. As expected, consumer discretionary names continued to be impacted by the pandemic, while property companies’ results were dragged lower by weak residential sales and low foot traffic for mall operators. Resilience remained to be the theme for consumer staples such as groceries and supermarkets despite the high base last year. Telco earnings remained strong as well, driven by sustained adoption of broadband services as workers and students continued to be displaced by the pandemic. Some green shoots emerged in the banking sector, as non-performing loans and lower provisions offset weak loan formation for the period. In addition, lower income taxes brought by CREATE bill helped offset the weakness in revenues for most industries. 2021 continues to remain a recovery year, with earnings expected to bounce back 30% to 50% versus 2020.

The country’s output remained weak, with first quarter GDP printing at -4.2% y/y, worse than consensus expectations of -3.2%. Domestic demand remained weak, contracting 5.2% and offsetting government spending which grew 16.1% for the period. The government said it now expects GDP to grow 6%-7% this year, from an earlier estimate of 6.5%-7.5%. The Bangko Sentral ng Pilipinas, meanwhile, kept its key rate unchanged at 2%, in line with expectations.

Outlook

We remain constructive overall on the Philippine market as data continues to support a case for a reopening of the economy. Our preference remains to be cyclical sectors such as banks and property while we are selective on defensive sectors. We remain watchful on developments regarding the COVID-19 pandemic as it remains to be the biggest risk to any recovery that is being penciled into market expectations and will serve to cap any upside rally should developments turn south, similar to what we have seen in March and April.

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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