

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 15.53 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.626	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (July 31, 2021)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-8.95%	-11.55%	3.92%	-21.09%	-24.71%	163.65%
Annualized	n.a.	n.a.	3.92%	-7.59%	-5.52%	8.21%

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.

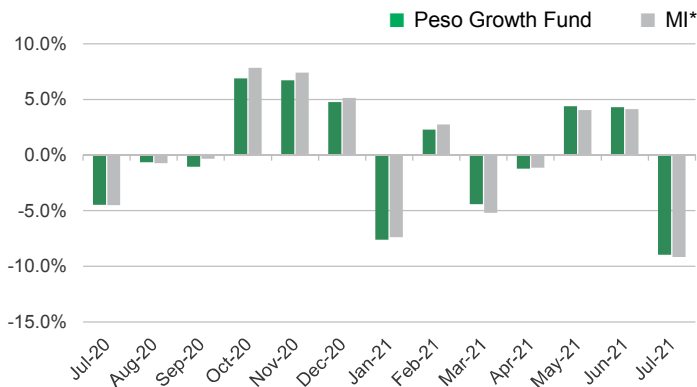
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	13.40%
Manulife Equity Wealth Fund Class I	10.23%
AYALA LAND INC	9.06%
SM PRIME HOLDINGS INC	8.80%
AYALA CORPORATION	8.62%

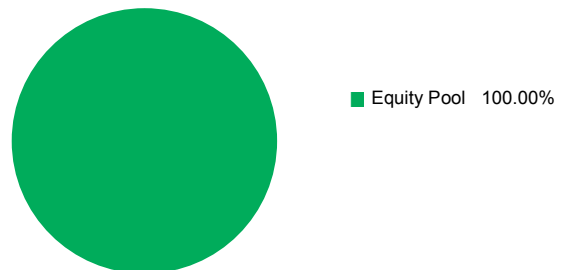
Monthly Performance



*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 PSEi lost 631 points and ended July at 6,270.23 points, down 9.2%. After briefly touching the 7,000-point level in early July, the market reversed course following government's pronouncements that Metro Manila will be back to stricter mobility measures beginning August 6 to contain the spread of the Delta variant. The two-week Enhanced Community Quarantine (ECQ) will restrict dine-in and public transport as well as limit travel, impacting mobility. Contributing further to the market's drop was the peso's continued weakness versus the US dollar. For the month, the peso declined a further 2.4%, and settled above the Php50/US\$ level at P50.006/US\$. Foreign outflows continued in July at \$182 Mil, bringing the YTD total to US\$1.73 Bil.

The country's credit rating outlook was revised to negative from stable by Fitch citing the impact of the pandemic on the economy. It affirmed the country's long-term foreign currency issuer default rating (IDR) at "BBB", a notch above investment grade. The credit rating agency lowered its GDP forecasts to 5% from 6.3% for 2021 while expecting growth to pick up to 6.6% in 2022 and 7.3% in 2023.

Price pressures eased as inflation slowed down to 4.0% in July, sustaining the downtrend seen in the last three months, as various government measures to address food supply shortages started to have an impact. On the fiscal front, the Philippines' budget deficit reached P716 Bil for the first six months and is tracking below the government's target due to underspending.

Outlook

Although the arrival of the Delta variant can potentially delay the country's exit from the pandemic, we remain optimistic long term as we believe the reopening will get back on track post the new mobility restrictions vis a vis increasing vaccination rates. Our sector preferences remain to be on cyclicals such as Financials and Real Estate. However, we remain cognizant of the global headwinds such as rising oil prices, a weaker currency and the prospect of higher interest rates.

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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