

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 19.11 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.803	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (December 31, 2022)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	-3.94%	-5.21%	-5.21%	-15.78%	-24.87%	181.43%
Annualized	n.a.	n.a.	-5.21%	-5.56%	-5.56%	7.84%

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.

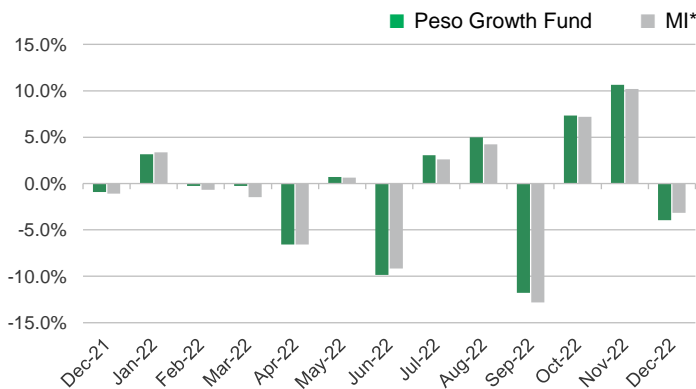
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	12.58%
SM PRIME HOLDINGS INC	10.13%
Manulife Equity Wealth Fund Class I	9.26%
BANK OF THE PHILIPPINE ISLANDS	7.18%
BDO UNIBANK INC	6.93%

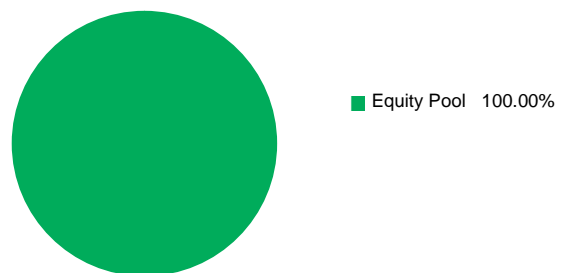
Monthly Performance



*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 Philippine Stock Equity index (PSEi) declined by 3% from the prior month to end the year at 6,733. The decline in December was driven mostly by profit taking following a 15% in the prior two months. For 2022, PSEi lost 5.9%. The Philippine peso for 2022 was weaker by 9%, mostly due to the strong US Dollar coupled with our widening trade deficit.

December inflation was persistently high at 8.1% year on year, from November's 8% print. According to the Bangko Sentral ng Pilipinas (BSP), there is a likelihood that we'll see inflation peak already in December. In addition, BSP raised policy rates by another 50bps in December, following the move of the US Federal Reserve. The BSP raised rates by a cumulative 350 bps for 2022. With easing pressure on inflation, the BSP indicated that we could see a slowdown in rate hikes in 2023. This reduced the pressure on currency, bringing it to the P55 level to the US\$. Recall it was trading closer to P59 to the dollar back in October.

Outlook

We have a positive view on Philippine Equities as attractive valuations and strong corporate earnings would provide tailwinds to market. Currently, the Philippine Equity Index is trading at around 13.5x forward price to earnings, a slight discount to historical average of around 15x. The Philippines is a consumption driven economy and would be more defensive amidst slowing global trends. It helps that the macroeconomic picture is improving with inflation likely to peak in the near term in the Philippines, reducing the pressure on further rate hikes.

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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