

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 19.01 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 3.050	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (January 31, 2022)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	3.15%	3.15%	11.19%	-11.18%	-3.51%	206.22%
Annualized	n.a.	n.a.	11.19%	-3.88%	-0.71%	9.14%

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.

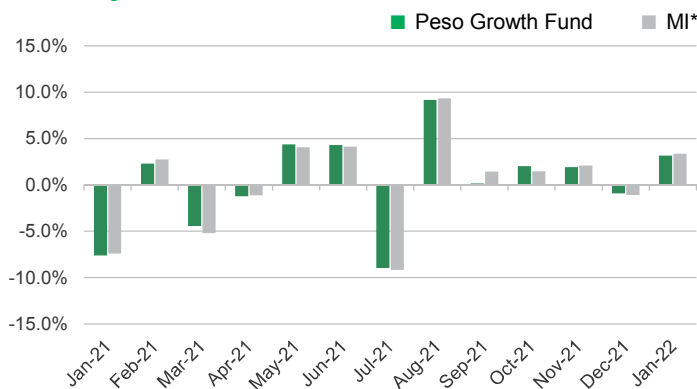
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	11.21%
Manulife Equity Wealth Fund Class I	9.98%
SM PRIME HOLDINGS INC	8.81%
BANK OF THE PHILIPPINE ISLANDS	6.71%
INTERNATIONAL CONTAINER TERMINAL SERVICES INC	6.69%

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 market was up 3.3% for the month with the PSEi closing at 7,362. Market weakness was observed in the beginning of the month mostly due to the surge in COVID-19 cases from the Omicron variant and Metro Manila was placed under a higher restriction level. Nevertheless, we did observe that hospitalization utilization rate did not reach critical levels despite logging in the highest daily record of cases of 45,000 per day. In the last week of the month, the equities market rallied by 2% on the back of declining daily cases as Omicron variant turned out to be less severe than prior variants. As such, Metro Manila restrictions were shortly downgraded to lower restriction levels by the start of February.

The recovery of the economy appears to be underway with the sustained improvement in macro indicators such as GDP growth, loan growth and unemployment rate while inflation is expected to remain within government's target of 2-4%. 4Q21 GDP growth reached 7.7%, significantly higher than consensus expectations of 6.3%. The main drivers for growth was household consumption which improved to 7.5% during amidst high mobility during the period. December loan growth accelerated to 4.6% YoY, the highest level since Aug 2020. On the other hand, the growth factors are offset by increasing input costs such as crude oil coupled by weaker Philippine currency. Although latest inflation print in January was only 3%, outlook could turn with oil prices reaching new highs since 2014.

During the month, there were a few notable movements in property from Ayala Land and Megaworld. Ayala Corporation and Ayala Land had a share swap agreement with the former giving Makati properties among others in exchange for ALI shares. As for Megaworld, it announced that it will be acquiring a 2.2has property from Manila Jockey Club in Sta. Cruz Manila. In addition, Robinsons Retail Holdings will buyout the stake of its Ministop partner. Note that Ministop Japan is exiting the region to focus its efforts in improving profitability in its local operations in Japan. Lastly, the Philippine government is lifting the ban on foreign travelers to boost tourism.

Outlook

We remain constructive that the economy will further reopen in 2022. We continue to see a decline in COVID-19 cases while the wide availability of vaccines should be able to help reduce the impact of COVID-19 to mobility and the economy. As of end January, the country has over 59m fully vaccinated individuals and around 7m have already received booster shots. The country will also start vaccination on ages 5-11 by February. Meanwhile, we continue to see a decline in daily COVID-19 cases into early February. Additionally, the upcoming elections and subsequent campaign spending could potentially provide a boost in corporate earnings. Other investment themes, we are in the look out for in 2022 include digitalization, renewable energy, and infrastructure.

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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