

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 17.68 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.637	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (October 31, 2022)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	7.33%	-10.82%	-9.94%	-22.65%	-27.63%	164.76%
Annualized	n.a.	n.a.	-9.94%	-8.20%	-6.26%	7.45%

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	11.54%
SM PRIME HOLDINGS INC	9.60%
Manulife Equity Wealth Fund Class I	9.45%
BDO UNIBANK INC	7.50%
BANK OF THE PHILIPPINE ISLANDS	7.29%

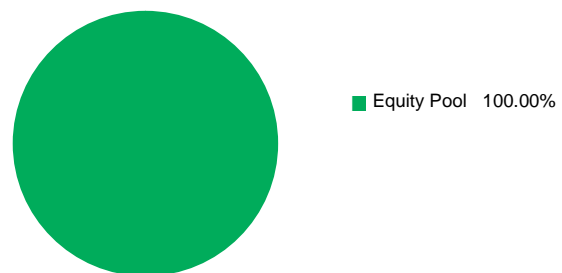
Monthly Performance



*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 Equity index (PSEi) was up 7% in October, reaching 6,153 as the market rallied with investors bargain hunting from the lows in September. The contraction in global economic growth has renewed optimism that the rising rate cycle is nearing its peak. Meanwhile, the Philippine Peso strengthened during the month after comments from the government that they will defend the local currency.

September inflation accelerated to 6.9% from 6.3% the prior month, at par in terms of street expectations. Higher inflation was driven mostly by higher oil and food prices compared to last year. Meanwhile the Bangko Sentral ng Pilipinas has signaled that they will raise interest rates by 75bps during their November meeting, mirroring the recent 75bps interest rate hike by the US Federal Reserve. The move lends support to the Philippine Peso which hovered closely to the Php 59/\$1 level for the most part of October before strengthening closer to the Php58/\$1 level.

OFW remittances continue to be stable in August, growing by 3% compared to the same period last year. Coupled with the depreciation of the Philippine Peso, this provides a significant boon to domestic consumer spending amidst the high inflation environment.

There are increasing concerns over the power supply output in the Philippines. The Department of Energy mentioned that supply could be inadequate in the first half of 2023, implying potential blackouts. Meanwhile, energy spot prices (WESM) steadily increased for the past couple of months due to demand outpacing supply.

Outlook

We have a neutral view on Philippine Equities as attractive valuations are mitigated by concerns over global economic slowdown, rising interest rate environment, and weak local currency. Currently, the Philippine Equity Index is trading at only around 13x forward price to earnings, a discount to historical average of around 15x. We also continue to be optimistic that the positive earnings results from 2Q22 will be sustained in 3Q22 as evidenced by strong BPI and WLCON figures. However, what tempers our outlook is the continued weakness of the Philippine Peso, high inflation, and the upward pressure on interest rates.

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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