

Peso Growth Fund

An investment fund option for **Affluence Max, Affluence Max Gold, Affluence Builder Series, Horizons** and **FlexiSure** 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 16.37 billion	Fund Currency Philippine peso	Dealing/Valuation Daily
Price (NAV/unit) PHP 2.969	Management Fee 2.25% per annum	Bloomberg Ticker MPPHGRW	

Performance Return (December 31, 2020)

Peso Growth Fund (net of management fee)	1 Month	YTD	1 Year	3 Years	5 Years	Since Inception
Absolute	4.76%	-10.79%	-10.79%	-20.42%	-3.23%	198.09%
Annualized	n.a.	n.a.	-10.79%	-7.33%	-0.65%	9.77%

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.

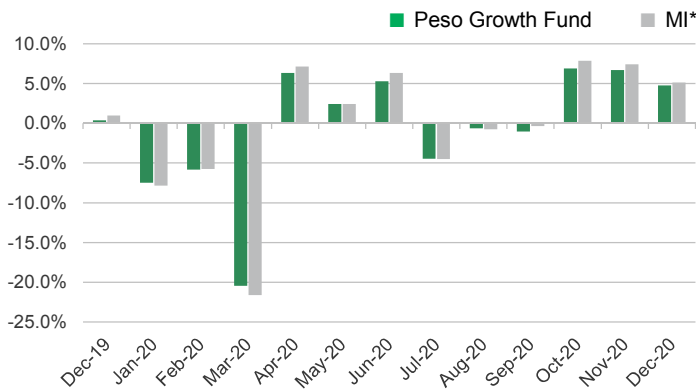
Monthly Net Asset Value per Unit



Top Five Holdings

SM INVESTMENTS CORPORATION	14.77%
Manulife Equity Wealth Fund Class I	10.71%
SM PRIME HOLDINGS INC	9.41%
AYALA LAND INC	8.68%
AYALA CORPORATION	6.48%

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 Exchange Index was up 5.21% for December as encouraging developments on the COVID vaccine continued to lift market sentiment. Major market proxies in cyclical sectors like industrials, real estate and banks led the rally as domestic investors continue to deploy excess liquidity positions despite continued net foreign selling activity which have breached \$2.5 billion in 2020.

The Ayala Corporation announced a further shuffling of its senior leadership team by splitting the Chairman and CEO roles. Jaime Augusto Zobel de Ayala will take on solely the role of Chairman of the Board while Fernando Zobel de Ayala will be appointed CEO. Additionally, Globe Telecom's current Chief Commercial Officer, Alberto Larrazabal will succeed TG Limcaoco as Ayala Corp's CFO. On the other hand, TG Limcaoco will be replacing Cezar Consing as President and CEO of BPI upon his retirement in April 2021.

Metro Pacific Investments Corporation (MPI) sold its remaining 56% stake in Global Business Power to component company Meralco at a valuation of P22 Billion. The transaction will consolidate the group's power assets under Meralco. This transaction is expected to be completed by the first quarter of 2021.

Outlook

2021 will be a rebound year for equities to be led by cyclical sectors like real estate, banks and industrials. We expect the local growth story to finally turn more positive in 2021 as GDP growth recovers at the fastest pace versus its neighbors on the back of additional economic reform measures, increased government spending on infrastructure, and a recovery in consumer sentiment.

We expect the market's earnings to rebound in 2021 following a collapse in 2020 which could further sustain the re-rating of local equities. Admittedly, COVID-19 will remain an overhang in 2021 but with daily infections and healthcare capacity at manageable levels vis-à-vis expectations of a vaccine deployment towards mid-year, we expect mobility restrictions to further ease up, leading to a more sustained recovery in economic activity.

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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